

MAGNOLIA ISLAND

**COMMUNITY DEVELOPMENT
DISTRICT**

September 4, 2025

BOARD OF SUPERVISORS

**CONTINUED REGULAR
MEETING AGENDA**

MAGNOLIA ISLAND

COMMUNITY DEVELOPMENT DISTRICT

AGENDA

LETTER

Magnolia Island Community Development District
OFFICE OF THE DISTRICT MANAGER
2300 Glades Road, Suite 410W•Boca Raton, Florida 33431
Phone: (561) 571-0010•Toll-free: (877) 276-0889•Fax: (561) 571-0013

August 28, 2025

Board of Supervisors
Magnolia Island Community Development District

Dear Board Members:

The Board of Supervisors of the Magnolia Island Community Development District will hold Continued Regular Meeting on September 4, 2025 at 1:00 p.m., at the Hilton Garden Inn Tampa Wesley Chapel, 26640 Silver Maple Pkwy., Wesley Chapel, Florida 33544. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments
3. Presentation of Supplemental Engineer's Report
4. Presentation of Second Supplemental Special Assessment Methodology Report
5. Consideration of Resolution 2025-06, Delegating to the Chairman of the Board of Supervisors of Magnolia Island Community Development District (the "District") the Authority to Approve the Sale, Issuance and Terms of Sale of Magnolia Island Community Development District Capital Improvement Revenue Bonds, Series 2025a (Assessment Area Two) (the "Series 2025a Bonds"), as a Single Series of Bonds Under the Master Trust Indenture in Order to Finance the Assessment Area Two Project; Establishing the Parameters for the Principal Amounts, Interest Rates, Maturity Dates, Redemption Provisions and Other Details Thereof; Approving the Form of and Authorizing the Chairman to Accept the Bond Purchase Contract for the Series 2025A Bonds; Approving a Negotiated Sale of the Series 2025A Bonds to the Underwriter; Ratifying the Master Trust Indenture and Approving the Form of Second Supplemental Trust Indenture and Authorizing the Execution and Delivery Thereof by Certain Officers of the District; Appointing a Trustee, Paying Agent and Bond Registrar for the Series 2025A Bonds; Approving the Form of the Series 2025A Bonds; Approving the Form of and Authorizing the Use of the Preliminary Limited Offering Memorandum and Limited Offering Memorandum Relating to the Series 2025A Bonds; Approving the Form of the Continuing Disclosure Agreement Relating to the Series 2025A Bonds; Authorizing Certain Officers of the District to Take All Actions Required and to Execute and Deliver All Documents, Instruments And Certificates Necessary in Connection With the Issuance,

ATTENDEES:

Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.

Sale and Delivery of the Series 2025A Bonds; Authorizing the Vice Chairman and Assistant Secretaries to Act in the Stead of the Chairman or the Secretary, as the Case May Be; Specifying the Application of the Proceeds of the Series 2025A Bonds; Authorizing Certain Officers of the District to Take All Actions and Enter into All Agreements Required in Connection with the Acquisition and Construction of the Assessment Area Two Project; and Providing an Effective Date

6. Consideration of FMSbonds, Inc. Rule G-17 Disclosure Letter
7. Consideration of Resolution 2025-09, Designating the Location of the Local District Records Office and Providing an Effective Date
8. Staff Reports
 - A. District Counsel: *Straley Robin Vericker*
 - B. District Engineer: *Clearview Land Design, P.L.*
 - C. District Manager: *Wrathell, Hunt and Associates, LLC*

- NEXT MEETING DATE: TBD

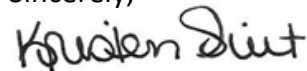
○ QUORUM CHECK

SEAT 1	GRANT STRIEPLING	☐ IN PERSON	☐ PHONE	☐ NO
SEAT 2	ALLISON MARTIN	☐ IN PERSON	☐ PHONE	☐ NO
SEAT 3	BENJAMIN VIOLA	☐ IN PERSON	☐ PHONE	☐ NO
SEAT 4	CARMEN PERRY	☐ IN PERSON	☐ PHONE	☐ NO
SEAT 5	PAULA ROBERTS	☐ IN PERSON	☐ PHONE	☐ NO

9. Board Members' Comments/Requests
10. Public Comments
11. Adjournment

Should you have any questions or concerns, please do not hesitate to contact me directly at (410) 207-1802 or Jordan Lansford at (813) 728-6062.

Sincerely,



Kristen Suit
District Manager

FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE

CALL-IN NUMBER: 1-888-354-0094

PARTICIPANT PASSCODE: 943 865 3730

MAGNOLIA ISLAND

COMMUNITY DEVELOPMENT DISTRICT

3

**2025 SUPPLEMENTAL ENGINEER'S REPORT FOR THE
MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT
ASSESSMENT AREA TWO (PHASES 2A & 2B)**

Prepared for:

**Board of Supervisors
Magnolia Island Community Development District**

Prepared by:

**Clearview Land Design, PL
3010 W. Azeele Street, Suite 150
Tampa, Florida 33609
(813) 223-3919**

August 15, 2025

2025 SUPPLEMENTAL ENGINEER'S REPORT FOR THE MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT

1. PURPOSE

This “**2025 Supplemental Report**” supplements the *Magnolia Island Community Development Master Engineer's Report*, dated July 8, 2024 (“**Master Report**”), which may be supplemented from time to time. The purpose of this 2025 Supplemental Report is to address the portion of the District's Capital Improvement Plan to be known as the “**Assessment Area Two Project**.” All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Master Report.

2. Assessment Area Two Project

The District's Assessment Area Two Project includes the portion of the CIP that is necessary for the development of what is known as “Phase 2A” and “Phase 2B” (“**Assessment Area Two**”) of the District. A legal description and sketch for Assessment Area Two are shown in **Exhibit A**.

Assessment Area Two Project Product Types:

The table below shows the product types that will be part of the Assessment Area Two Project:

Product Type	Phase 2A	Phase 2B	Total 2025 Project
TH 18	76	0	76
TH 36	44	0	44
SF 40	19	80	99
TOTAL	139	80	219

Assessment Area Two Project Improvements:

The various improvements that are part of the overall CIP – including those that are part of the Assessment Area Two Project – are described in detail in the Master Report, and those descriptions are incorporated herein. The Assessment Area Two Project includes, generally stated, the following items relating to Assessment Area Two. The Assessment Area Two Project improvements are within the scope of the Master Report.

The Assessment Area Two Project includes the following improvements:

- Phase 2A & 2B Residential Roadways (±5,300 LF) – Roadways & Utilities

Assessment Area Two Project Schedule:

The Assessment Area Two Project is underway with active development as of the date of this report and anticipated to be complete in 1st quarter of 2026.

Assessment Area Two Project Estimated Costs:

The table below presents the Opinion of Probable Cost for the Assessment Area Two Project:

Facility Description	O&M Entity	Assessment Area Two Project Estimated Cost
Stormwater Management System	CDD	\$3,730,525
Local Residential Roadways	CDD	\$970,000
Local Residential Utilities (Water & Wastewater)	Pasco	\$1,350,000
Undergrounding of Electric Utility Lines	WREC	\$300,000
Professional Services	-	\$550,000
Subtotal:		\$6,900,525
10% Contingency:		\$690,052.50
Total:		\$7,590,577.50

Notes:

1. Pasco County will not own and/or maintain trails, sidewalks, landscaping, and/or irrigation within Pasco County ROW. The CDD will be responsible to own and maintain these elements under a license & maintenance agreement with Pasco County unless otherwise approved by Pasco County on a case by case basis.
2. The CDD will construct, fund and/or acquire these improvements. The Developer may construct these improvements and convey to the CDD.
3. District will only finance if available for use by the general public.
4. The probable costs estimated herein do not include anticipated carrying cost, interest reserves or other anticipated CDD expenditures that may be incurred.

Assessment Area Two Project Permit Table:

The status of the applicable permits for the Assessment Area Two Project is shown in the following table:

PERMIT	STATUS
Residential Phases 2A & 2B	
Pasco PDP/CP	Anticipating Approval August 2025
Pasco Utility Letter of Commitment	Approved
SWFWMD ERP	Approved
FDEP Utility Permits (Water/Wastewater/Reclaimed)	Anticipating Approval August 2025

5. CONCLUSION

The Assessment Area Two Project will be designed in accordance with current governmental regulations and requirements. The Assessment Area Two Project will serve its intended function so long as the construction is in substantial compliance with the design.

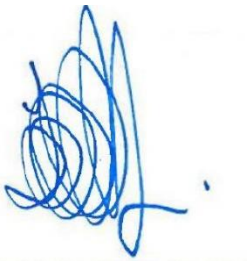
It is further our opinion that:

- The estimated cost of the Assessment Area Two Project as set forth herein is reasonable based on prices currently being experienced in Pasco County, Florida, and is not greater than the lesser of the actual cost of construction or the fair market value of such infrastructure;
- All of the improvements comprising the Assessment Area Two Project are required by applicable development approvals;
- The Assessment Area Two Project is feasible to construct, there are no technical reasons existing at this time that would prevent the implementation of the Assessment Area Two Project, and it is reasonable to assume that all necessary regulatory approvals will be obtained in due course;
- The assessable property within the District will receive a special benefit from the Assessment Area Two Project that is at least equal to such costs.

As described above, this report identifies the benefits from the Assessment Area Two Project to the lands within the District. The general public, property owners, and property outside the District will benefit from the provisions of the District's CIP; however, these are incidental to the District's Assessment Area Two Project, which is designed solely to provide special benefits peculiar to property within the District. Special and peculiar benefits accrue to property within the District and enable properties within its boundaries to be developed.

The Assessment Area Two Project will be owned by the District or other governmental units and such Assessment Area Two Project is intended to be available and will reasonably be available for use by the general public (either by being part of a system of improvements that is available to the general public or is otherwise available to the general public) including nonresidents of the District. All of the Assessment Area Two Project is or will be located on lands owned or to be owned by the District or another governmental entity or on perpetual easements in favor of the District or other governmental entity. The Assessment Area Two Project, and any cost estimates set forth herein, do not include any earthwork, grading or other improvements on private lots or property. The District will pay the lesser of the cost of the components of the Assessment Area Two Project or the fair market value.

Please note that the Assessment Area Two Project as presented herein is based on current plans and market conditions which are subject to change. Accordingly, the Assessment Area Two Project, as used herein, refers to sufficient public infrastructure of the kinds described herein (i.e., stormwater/floodplain management, sanitary sewer, potable water, etc.) to support the development and sale of the planned residential units in the District, which (subject to true-up determinations) number and type of units may be changed with the development of the site. Stated differently, during development and implementation of the public infrastructure improvements as described for the District, it may be necessary to make modifications and/or deviations for the plans, and the District expressly reserves the right to do so.



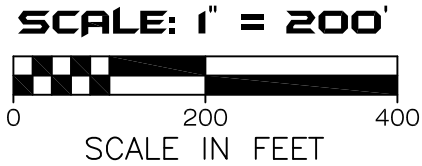
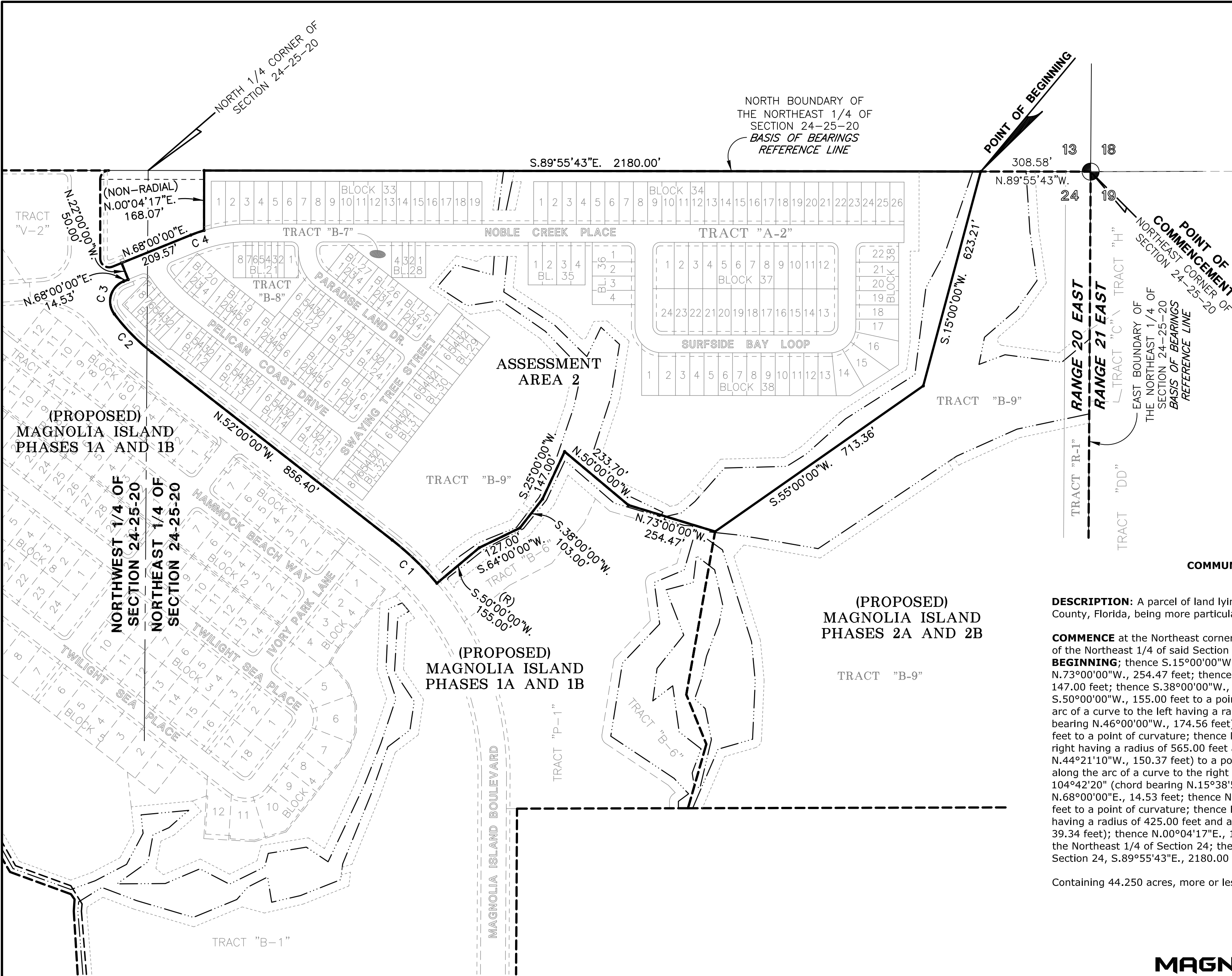
Clearview Land Design, P.L.
Toxey A. Hall, P.E.
FL License No. 37278

Exhibit A
Magnolia Island CDD – Assessment Area Two Project

DESCRIPTION: A parcel of land lying in Section 24, Township 25 South, Range 20 East, Pasco County, Florida, being more particularly described as follows:

COMMENCE at the Northeast corner of said Section 24, run thence along the North boundary of the Northeast 1/4 of said Section 24, N.89°55'43"W., 308.58 feet to the **POINT OF BEGINNING**; thence S.15°00'00"W., 623.21 feet; thence S.55°00'00"W., 713.36 feet; thence N.73°00'00"W., 254.47 feet; thence N.50°00'00"W., 233.70 feet; thence S.25°00'00"W., 147.00 feet; thence S.38°00'00"W., 103.00 feet; thence S.64°00'00"W., 127.00 feet; thence S.50°00'00"W., 155.00 feet to a point on a curve; thence Northwesterly, 174.88 feet along the arc of a curve to the left having a radius of 835.00 feet and a central angle of 12°00'00" (chord bearing N.46°00'00"W., 174.56 feet) to a point of tangency; thence N.52°00'00"W., 856.40 feet to a point of curvature; thence Northwesterly, 150.82 feet along the arc of a curve to the right having a radius of 565.00 feet and a central angle of 15°17'40" (chord bearing N.44°21'10"W., 150.37 feet) to a point of compound curvature; thence Northerly, 109.65 feet along the arc of a curve to the right having a radius of 60.00 feet and a central angle of 104°42'20" (chord bearing N.15°38'50"E., 95.01 feet) to a point of tangency; thence N.68°00'00"E., 14.53 feet; thence N.22°00'00"W., 50.00 feet; thence N.68°00'00"E., 209.57 feet to a point of curvature; thence Easterly, 39.35 feet along the arc of a curve to the right having a radius of 425.00 feet and a central angle of 05°18'20" (chord bearing N.70°39'10"E., 39.34 feet); thence N.00°04'17"E., 168.07 feet to a point on the aforesaid North boundary of the Northeast 1/4 of Section 24; thence along said North boundary of the Northeast 1/4 of Section 24, S.89°55'43"E., 2180.00 feet to the **POINT OF BEGINNING**.

Containing 44.250 acres, more or less.



BASIS OF BEARINGS

The North boundary of the Northeast 1/4 of Section 24, Township 25 South, Range 20 East, Pasco County, Florida, has a Grid bearing of N.89°55'43"W. The Grid Bearings as shown hereon refer to the State Plane Coordinate System, North American Horizontal Datum of 1983 (NAD 83 - 2011 ADJUSTMENT) for the West Zone of Florida.

**MAGNOLIA ISLAND
COMMUNITY DEVELOPMENT DISTRICT
ASSESSMENT AREA 2**

DESCRIPTION: A parcel of land lying in Section 24, Township 25 South, Range 20 East, Pasco County, Florida, being more particularly described as follows:

COMMENCE at the Northeast corner of said Section 24, run thence along the North boundary of the Northeast 1/4 of said Section 24, N.89°55'43"W., 308.58 feet to the **POINT OF BEGINNING**; thence S.15°00'00"W., 623.21 feet; thence S.55°00'00"W., 713.36 feet; thence N.73°00'00"W., 254.47 feet; thence N.50°00'00"W., 233.70 feet; thence S.25°00'00"W., 147.00 feet; thence S.38°00'00"W., 127.00 feet; thence S.64°00'00"W., 127.00 feet; thence S.50°00'00"W., 155.00 feet to a point on a curve; thence Northwestery, 174.88 feet along the arc of a curve to the left having a radius of 835.00 feet and a central angle of 12°00'00" (chord bearing N.46°00'00"W., 174.56 feet) to a point of tangency; thence N.52°00'00"W., 856.40 feet to a point of curvature; thence Northwestery, 150.82 feet along the arc of a curve to the right having a radius of 565.00 feet and a central angle of 15°17'40" (chord bearing N.44°21'10"W., 150.37 feet) to a point of compound curvature; thence Northerly, 109.65 feet along the arc of a curve to the right having a radius of 60.00 feet and a central angle of 104°42'20" (chord bearing N.15°38'50"E., 95.01 feet) to a point of tangency; thence N.68°00'00"E., 14.53 feet; thence N.22°00'00"W., 50.00 feet; thence N.68°00'00"E., 209.57 feet to a point of curvature; thence Easterly, 39.35 feet along the arc of a curve to the right having a radius of 425.00 feet and a central angle of 05°18'20" (chord bearing N.70°39'10"E., 39.34 feet); thence N.00°04'17"E., 168.07 feet to a point on the aforesaid North boundary of the Northeast 1/4 of Section 24; thence along said North boundary of the Northeast 1/4 of Section 24, S.89°55'43"E., 2180.00 feet to the **POINT OF BEGINNING**.

Containing 44.250 acres, more or less.

**MAGNOLIA ISLAND
COMMUNITY DEVELOPMENT DISTRICT
ASSESSMENT AREA 2**

CURVE DATA TABLE

NO.	RADIUS	DELTA	ARC	CHORD	BEARING
1	835.00	12°00'00"	174.88	174.56	N.46°00'00"W.
2	565.00	15°17'40"	150.82	150.37	N.44°21'10"W.
3	60.00	104°42'20"	109.65	95.01	N.15°38'50"E.
4	425.00	05°18'20"	39.35	39.34	N.70°39'10"E.

LEGEND:
1. BL. - Block Number

1	07/01/25	Add Lots to Sketch	VBR
No.	Date	Description	Dwn.
REVISIONS			
SHEET NO. 1 OF 1 SHEETS			

Prepared For: HBWB Development Services, LLC		DESCRIPTION SKETCH (Not a Survey)		AMERRITT, INC. LAND SURVEYING AND MAPPING LICENSED BUSINESS NUMBER LB7778 3010 W. Azeele Street, Suite 150 Tampa, FL 33609 PHONE (813) 221-5200
Arthur W. Merritt FLORIDA PROFESSIONAL SURVEYOR & MAPPER NO. 4498		Drawn: WFS Checked: JLS Order No.: AMI-CLD-MI-001		Date: 6/10/25 Dwg: Mag-Island CDD-Assess-2-DS.dwg
NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OR AN AUTHENTICATED DIGITAL SIGNATURE AND SEAL OF THE FLORIDA LICENSED SURVEYOR AND MAPPER		File Path: P:\Magnolia Island\Master Plan\Description\CDD\Assessment Area 2		SECTION 24, TOWNSHIP 25 SOUTH, RANGE 20 EAST

MAGNOLIA ISLAND

COMMUNITY DEVELOPMENT DISTRICT

4

MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT

Preliminary Second Supplemental Special Assessment Methodology Report

September 4, 2025



Provided by:

Wrathell, Hunt and Associates, LLC

2300 Glades Road, Suite 410W

Boca Raton, FL 33431

Phone: 561-571-0010

Fax: 561-571-0013

Website: www.whhassociates.com

Table of Contents

1.0	Introduction	
1.1	Purpose	1
1.2	Scope of the Preliminary Second Supplemental Report.....	1
1.3	Special Benefits and General Benefits	1
1.4	Organization of the Preliminary Second Supplemental Report.....	2
2.0	Development Program	
2.1	Overview	2
2.2	The Development Program	3
3.0	The CIP	
3.1	Overview	3
3.2	The 2025 Project	3
4.0	Financing Program	
4.1	Overview	4
4.2	Types of Bonds Proposed	4
5.0	Assessment Methodology	
5.1	Overview	5
5.2	Benefit Allocation	5
5.3	Assigning Bond Assessments	7
5.4	Lienability Test: Special and Peculiar Benefit to the Property	8
5.5	Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay	9
5.6	True-Up Mechanism	9
5.7	Assessment Roll	11
6.0	Additional Stipulations	
6.1	Overview	11
7.0	Appendix	
	Table 1	13
	Table 2	13
	Table 3	14
	Table 4	14
	Table 5	14
	Table 6	15

1.0 Introduction

1.1 Purpose

This Preliminary Second Supplemental Special Assessment Methodology Report (the "Preliminary Second Supplemental Report") was developed to supplement the Master Special Assessment Methodology Report (the "Master Report") dated July 8, 2024 as well as the Final First Supplemental Special Assessment Methodology Report (the "Final First Supplemental Report") dated January 23, 2025 and to provide a supplemental financing plan and a supplemental special assessment methodology for Phase 2A and Phase 2B (herein, "Assessment Area Two") of the Magnolia Island Community Development District (the "District") located entirely within Pasco County, Florida. This Preliminary Second Supplemental Report was developed in relation to funding by the District of a portion of the costs of public infrastructure improvements (the "Capital Improvement Plan" or "CIP") contemplated to be provided by the District.

1.2 Scope of the Preliminary Second Supplemental Report

This Preliminary Second Supplemental Report presents the projections for financing a portion of the District's Capital Improvement Plan described in the Master Engineer's Report prepared by Clearview Land Design, PL (the "District Engineer") dated July 8, 2024 (the "Master Engineer's Report") as supplemented by the 2025 Supplemental Engineer's Report for the Magnolia Island Community Development District prepared by the District Engineer dated July 29, 2025 (the "Second Supplemental Engineer's Report" and, together with the Master Engineer's Report, the "Engineer's Report"), as well as describes the method for the allocation of special benefits and the apportionment of special assessment debt resulting from the provision and funding of a portion of the CIP (such portion is herein referred to as the "2025 Project").

1.3 Special Benefits and General Benefits

Public infrastructure improvements undertaken and funded by the District as part of the 2025 Project create special benefits for properties within Assessment Area Two and general benefits for properties outside of Assessment Area Two and to the public at large. However, as discussed within this Preliminary Second Supplemental Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits

which accrue to property within Assessment Area Two. The District's CIP enables properties within its boundaries to be developed.

There is no doubt that the general public and owners of property outside of Assessment Area Two will benefit from the provision of the 2025 Project. However, these benefits are only incidental since the 2025 Project is designed solely to provide special benefits peculiar to property within Assessment Area Two of the District. Properties outside Assessment Area Two are not directly served by the 2025 Project and do not depend upon the 2025 Project to obtain or to maintain their development entitlements. This fact alone clearly distinguishes the special benefits which Assessment Area Two receives compared to those lying outside of Assessment Area Two.

The 2025 Project will provide public infrastructure improvements which are all necessary in order to make the lands within Assessment Area Two developable and saleable. The installation of such improvements will cause the value of the developable and saleable lands within Assessment Area Two to increase by more than the sum of the financed cost of the individual components of the 2025 Project. Even though the exact value of the benefits provided by the 2025 Project is hard to estimate at this point, it is nevertheless greater than the costs associated with providing the same.

1.4 Organization of the Preliminary Second Supplemental Report

Section Two describes the development program as proposed by the Developer, as defined below.

Section Three provides a summary of the CIP as determined by the District Engineer.

Section Four discusses the supplemental financing program for the District.

Section Five discusses the special assessment methodology for Assessment Area Two.

2.0 Development Program

2.1 Overview

The District will serve the Magnolia Island development, a master planned residential development located entirely within Pasco County, Florida (the "Development"). The land within the District

consists of approximately 202.314 +/- acres and is generally located in central east Pasco County north of future Kiefer Road and east of Curley Road. Of the aforementioned acreage, Assessment Area Two accounts for 44.250 +/- acres.

2.2 The Development Program

The development of Magnolia Island is anticipated to be conducted by HBWB Development Services, LLC, or an affiliated entity (the "Developer"). Based upon the information provided by the Developer and the District Engineer, the current development plan anticipates 389 residential units to be developed over a multi-year period in one or more development phases, although unit numbers, land use types and phasing may change throughout the development period. Assessment Area Two is anticipated to account for 219 residential units. Table 1 in the *Appendix* illustrates the development plan within the District.

3.0 The CIP

3.1 Overview

The public infrastructure costs to be funded by the District are described by the District Engineer in the Engineer's Report. Only public infrastructure that may qualify for bond financing by the District under Chapter 190, Florida Statutes and under the Internal Revenue Code of 1986, as amended, was included in these estimates.

3.2 2025 Project

The 2025 Project needed to serve Assessment Area Two is projected to include, without limitation, stormwater management system, local residential roadways, local residential utilities (water & wastewater), undergrounding of electric utility lines, along with contingency and professional services, and is estimated to total approximately \$7,590,577.50, a portion of which will be financed with the proceeds of the herein defined Series 2025 Bonds.

Even though the installation of the improvements that comprise the CIP is projected to occur in multiple stages coinciding with phases of development within the District, the infrastructure improvements that comprise the CIP – including the 2025 Project – will serve and provide benefit to all land uses in the District and will comprise an interrelated system of improvements, which means all of the improvements will serve the entire District and the improvements will

be interrelated such that they will reinforce one another. As a practical matter, this means that master improvements that are part of the 2025 Project may be financed by the Series 2025 Bonds and/or a future series of bonds.

Table 2 in the *Appendix* illustrates the specific components of the CIP.

4.0 Financing Program

4.1 Overview

As noted above, the District is embarking on a program of capital improvements which will facilitate the development of lands within the District. The District anticipates undertaking construction of the site work through a third-party contractor.

The District intends to issue its Capital Improvement Revenue Bonds, Series 2025 (Assessment Area Two) in the estimated principal amount of \$6,200,000* (the "Series 2025 Bonds") to fund an estimated \$5,036,983.15* in CIP costs to be expended serving and supporting the development of Assessment Area Two units constituting a portion of the 2025 Project, with the balance of the 2025 Project costs anticipated to be contributed by the Developer.

4.2 Types of Bonds Proposed

The proposed supplemental financing plan for the District provides for the issuance of the Series 2025 Bonds in the total estimated principal amount of \$6,200,000* to finance a portion of the 2025 Project costs in the total amount estimated at \$5,036,983.15*, representing the amount of construction proceeds generated from the issuance of the Series 2025 Bonds.

The Series 2025 Bonds as projected under this supplemental financing plan are structured to be amortized in 30 annual installments following an approximately 12-month capitalized interest period. Interest payments on the Series 2025 Bonds would be made every May 1 and November 1, and annual principal payments on the Series 2025 Bonds would be made on either every May 1 or November 1.

In order to finance the 2025 Project, the District would need to borrow more funds and incur indebtedness in the total amount estimated at

* Preliminary, subject to change.

\$6,200,000*. The difference is comprised of funding a debt service reserve, capitalized interest, and paying the costs of issuance, including the underwriter's discount. Preliminary sources and uses of funding for the Series 2025 Bonds are presented in Table 3 in the *Appendix*.

5.0 Assessment Methodology

5.1 Overview

The issuance of the Series 2025 Bonds provides the District with funds necessary to construct/acquire a portion of the 2025 Project as outlined in *Section 3.2* and described in more detail by the District Engineer in the Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to properties within the boundaries of Assessment Area Two. General benefits accrue to areas outside of the District and within the District but outside of Assessment Area Two, but are only incidental in nature. The debt incurred in financing the public infrastructure will be secured by assessing the properties within Assessment Area Two that derive special and peculiar benefits from the 2025 Project. All properties in Assessment Area Two receive benefits from the 2025 Project, which properties will be assessed for their fair share of debt issued in order to finance the 2025 Project.

5.2 Benefit Allocation

The current development plan for the District envisions the development of a total of 389 residential units to be developed over a multi-year period in one or more development phases, although unit numbers, land use types and phasing may change throughout the development period. Assessment Area Two is anticipated to account for 219 residential units, although unit numbers, land uses and product types may change throughout the development period.

The public infrastructure included in the CIP – including the 2025 Project – will comprise an interrelated system of public infrastructure improvements, which means that all of the improvements will serve in each respective assessment area within the District and such public improvements will be interrelated in such way that, once constructed, they will reinforce each other, and their combined benefit will be greater than the sum of their individual benefits. As a practical matter, this means that public improvements that are part of the 2025 Project and not financed by the Series 2025 Bonds may

be constructed by the Developer or funded by a future series of bonds.

As stated previously, the public infrastructure improvements included in the 2025 Project have a logical connection to the special and peculiar benefits received by Assessment Area Two, as without such improvements, the development of such properties within Assessment Area Two would not be possible. Based upon the connection between the improvements and the special and peculiar benefits to the designated lands within Assessment Area Two, the District can assign or allocate a portion of the District's debt through the imposition of non-ad valorem assessments, to the lands within Assessment Area Two receiving such special and peculiar benefits. Even though these special and peculiar benefits are real and ascertainable, the precise amount of the benefit cannot yet be calculated with mathematical certainty. However, such benefit is more valuable than the assessment related to the financed cost of constructing Assessment Area Two.

In following the Master Report, this Preliminary Second Supplemental Report proposes to allocate the benefit associated with the 2025 Project to the different unit types proposed to be developed within Assessment Area Two in proportion to their density of development and intensity of use of infrastructure as measured by a standard unit called an Equivalent Residential Unit ("ERU"). Table 4 in the *Appendix* illustrates the ERU weights that are proposed to be assigned to the unit types contemplated to be developed within Assessment Area Two based on the densities of development and the intensities of use of infrastructure, total ERU counts for each unit type, and the share of the benefit received by each unit type.

The rationale behind the different ERU values is supported by the fact that generally and on average units with smaller lot sizes will use and benefit from the improvements which are part of the 2025 Project less than units with larger lot sizes, as, for instance, generally and on average units with smaller lot sizes will produce less storm water runoff, may produce fewer vehicular trips, and may need less water/sewer capacity than units with larger lot sizes. As the exact amount of the benefit is not possible to be calculated at this time, the use of ERU measures serves as a reasonable approximation of the relative amount of benefit received by representatives of different unit types from Assessment Area Two.

Based on the ERU benefit allocation illustrated in Table 4, Table 5 in the *Appendix* presents the allocation of the amount of 2025 Project costs allocated to the various unit types proposed to be developed

within Assessment Area Two based on the ERU benefit allocation factors present in Table 4. Further, Table 5 illustrates the approximate costs that are projected to be financed with the Series 2025 Bonds, and the approximate costs of the portion of the 2025 Project costs to be contributed by the Developer, as the case may be. With the Series 2025 Bonds funding approximately \$5,036,983.15* in costs of the CIP, the Developer is anticipated to fund improvements valued at an estimated cost of \$2,553,594.35* which will not be funded with proceeds of the Series 2025 Bonds.

Finally, Table 6 in the *Appendix* presents the apportionment of the bond assessments securing the Series 2025 Bonds (the "Series 2025 Assessments") and also present the annual levels of the projected annual Series 2025 Assessments per unit.

Amenities - No Series 2025 Assessments will be allocated herein to any platted amenities or other platted common areas planned for the Development. If owned by a homeowner's association, the amenities and common areas would be considered a common element for the exclusive benefit of certain property owners, and would not be subject to Series 2025 Bonds Assessments. If the amenities are owned by the District, then they would be governmental property not subject to the Series 2025 Assessments and would be open to the general public, subject to District rules and policies.

Governmental Property - If at any time, any portion of the property within the District is sold or otherwise transferred to a unit of local, state, or federal government (without consent of such governmental unit to the imposition of Series 2025 Assessments thereon), or similarly exempt entity, all future unpaid Series 2025 Assessments for such tax parcel shall become due and payable immediately prior to such transfer.

5.3 Assigning Series 2025 Assessments

As the land in the District is not yet platted for its intended final use and the precise location of the various product types by lot or parcel is unknown, the Series 2025 Assessments will initially be levied on all of the land in Assessment Area Two on an equal pro-rata gross acre basis and thus the total bonded debt in the estimated amount of \$6,200,000* will be preliminarily levied on approximately 44.250 +/- acres at an estimated rate of \$140,112.99* per gross acre.

* Preliminary, subject to change.

When the land is platted within Assessment Area Two, the Series 2025 Assessments will be allocated to each platted parcel on a first platted-first assigned basis based on the planned use for that platted parcel as reflected in Table 6 in the *Appendix*. Such allocation of Series 2025 Assessments from unplatted gross acres to platted parcels will reduce the amounts of Series 2025 Assessments levied on unplatted gross acres within Assessment Area Two.

In the event unplatted land within Assessment Area Two is sold to a third party (the “Transferred Property”), the Series 2025 Assessments will be assigned to such Transferred Property at the time of the sale based on the maximum total number of ERUs assigned by the Developer, as applicable, to that Transferred Property, subject to review by the District’s methodology consultant, to ensure that any such assignment is reasonable, supported by current development rights and plans, and otherwise consistent with this Preliminary Second Supplemental Report. The owner of the Transferred Property will be responsible for the total Series 2025 Assessments applicable to the Transferred Property, regardless of the total number of ERUs ultimately actually platted. This total Series 2025 Assessment is allocated to the Transferred Property at the time of the sale. If the Transferred Property is subsequently sub-divided into smaller parcels, the total Series 2025 Assessments initially allocated to the Transferred Property will be re-allocated to the smaller parcels pursuant to the methodology as described herein (i.e., equal assessment per gross acre until platting).

5.4 Lienability Test: Special and Peculiar Benefit to the Property

As first discussed in *Section 1.3*, Special Benefits and General Benefits, public infrastructure improvements undertaken by the District create special and peculiar benefits to certain properties within Assessment Area Two. The 2025 Project benefits assessable properties within Assessment Area Two and accrues to all such assessable properties on an ERU basis.

The public infrastructure improvements undertaken by the District can be shown to be creating special and peculiar benefits to the property within the District. The special and peculiar benefits resulting from each improvement include, but are not limited to:

- a. added use of the property;
- b. added enjoyment of the property;
- c. decreased insurance premiums;
- d. increased marketability and value of the property.

The improvements which are part of the 2025 Project make the land in the District developable and saleable and when implemented jointly as parts of the 2025 Project, provide special and peculiar benefits which are greater than the benefits of any single category of improvements. These special and peculiar benefits are real and ascertainable, but not yet capable of being calculated and assessed in terms of numerical value; however, such benefits are more valuable than either the cost of, or the actual assessment levied for, the improvement or debt allocated to the parcel of land.

5.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay

A reasonable estimate of the proportion of special and peculiar benefits received from the improvements is delineated in Table 4 (expressed as ERU factors) in the *Appendix*. The apportionment of the Series 2025 Assessments is fair and reasonable because it was conducted on the basis of consistent application of the methodology described in *Section 5.2* initially across all assessable property within Assessment Area Two according to reasonable estimates of the special and peculiar benefits derived from the 2025 Project by different unit types.

5.6 True-Up Mechanism

The District's assessment program is predicated on the development of lots in a manner sufficient to include all of the planned ERUs as set forth in Table 1 in the *Appendix* ("Development Plan"). At such time as lands are to be platted (or re-platted) or site plans are to be approved (or re-approved), the plat or site plan (either, herein, "Proposed Plat") shall be presented to the District for a "true-up" review as follows:

- a. If a Proposed Plat within Assessment Area Two results in the same amount of ERUs (and thus Series 2025 Assessments) able to be imposed on the "Remaining Unplatted Developable Lands" within Assessment Area Two (i.e., those remaining unplatted developable lands after the Proposed Plat is recorded) as compared to what was originally contemplated under the Development Plan, then the District shall allocate the Series 2025 Assessments to the product types being platted and the remaining property in accordance with this Preliminary Second Supplemental Report, and cause the Series 2025 Assessments to be recorded in the District's Improvement Lien Book.

b. If a Proposed Plat within Assessment Area Two results in a greater amount of ERUs (and thus Series 2025 Assessments) able to be imposed on the Remaining Unplatted Developable Lands within Assessment Area Two as compared to what was originally contemplated under the Development Plan, then the District may undertake a pro rata reduction of Series 2025 Assessments for all assessed properties within Assessment Area Two, may allocate additional ERUs/ densities for a future bond financing, or may otherwise address such net decrease as permitted by law.

c. If a Proposed Plat within Assessment Area Two results in a lower amount of ERUs (and thus Series 2025 Assessments) able to be imposed on the Remaining Unplatted Developable Lands within Assessment Area Two as compared to what was originally contemplated under the Development Plan, then the District shall require the landowner(s) of the lands encompassed by the Proposed Plat to pay a "True-Up Payment" equal to the difference between: (i) the Series 2025 Assessments originally contemplated to be imposed on the lands subject to the Proposed Plat, and (ii) the Series 2025 Assessments able to be imposed on the lands subject to the Proposed Plat, after the Proposed Plat (plus applicable interest, collection costs, penalties, etc.).

With respect to the foregoing true-up analysis, the District's Assessment Consultant, in consultation with the District Engineer and District Counsel, shall determine in their sole discretion what amount of ERUs (and thus Series 2025 Assessments) are able to be imposed on the Remaining Unplatted Developable Lands within Assessment Area Two, taking into account a Proposed Plat, by reviewing: a) the original, overall development plan showing the number and type of units reasonably planned for Assessment Area Two, b) the revised, overall development plan showing the number and type of units reasonably planned for Assessment Area Two, c) proof of the amount of entitlements for the Remaining Unplatted Developable Lands within Assessment Area Two, d) evidence of allowable zoning conditions that would enable those entitlements to be placed in accordance with the revised development plan, and e) documentation that shows the feasibility of implementing the proposed development plan. Prior to any decision by the District not to impose a true-up payment, a supplemental methodology shall be produced demonstrating that there will be sufficient Series 2025 Assessments to pay debt service on the Series 2025 Bonds and the District will conduct new proceedings under Chapters 170, 190 and 197, Florida Statutes upon the advice of District Counsel.

Any True-Up Payment shall become due and payable that tax year by the landowner of the lands subject to the Proposed Plat within Assessment Area Two, shall be in addition to the regular assessment installment payable for such lands, and shall constitute part of the debt assessment liens imposed against the Proposed Plat property until paid. A True-Up Payment shall include accrued interest on the Series 2025 Bonds to the interest payment date that occurs at least 45 days after the True-Up Payment (or the second succeeding interest payment date if such True-Up Payment is made within forty-five (45) calendar days before an interest payment date (or such other time as set forth in the supplemental indenture for the Series 2025 Bonds)).

All Series 2025 Assessments levied run with the land, and such assessment liens include any True-Up Payments. The District will not release any liens on property for which True-Up Payments are due, until payment has been satisfactorily made. Further, upon the District's review of the final plat for the developable acres within Assessment Area Two, any unallocated Series 2025 Assessments shall become due and payable and must be paid prior to the District's approval of that plat. This true-up process applies for both plats and/or re-plats.

Such review shall be limited solely to the function and the enforcement of the District's assessment liens and/or true-up agreements. Nothing herein shall in any way operate to or be construed as providing any other plat approval or disapproval powers to the District. For further detail on the true-up process, please refer to the True-Up Agreement and applicable assessment resolution(s).

5.7 Assessment Roll

Series 2025 Assessments in the estimated amount of \$6,200,000*, plus interest and collection costs, are proposed to be levied over the area described in Exhibit "A". The Series 2025 Assessments shall be paid in thirty (30) annual principal installments.

6.0 Additional Stipulations

6.1 Overview

Wrathell, Hunt and Associates, LLC was retained by the District to prepare a methodology to fairly allocate the special assessments related to the District's CIP. Certain financing, development and

* Preliminary, subject to change

engineering data was provided by members of District Staff and/or the Developer. The allocation methodology described herein was based on information provided by those professionals. Wrathell, Hunt and Associates, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this Preliminary Second Supplemental Report. For additional information on the Series 2025 Bond structure and related items, please refer to the Offering Statement associated with this transaction.

Wrathell, Hunt and Associates, LLC does not represent the District as a Municipal Advisor or Securities Broker nor is Wrathell, Hunt and Associates, LLC registered to provide such services as described in Section 15B of the Securities Exchange Act of 1934, as amended. Similarly, Wrathell, Hunt & Associates, LLC does not provide the District with financial advisory services or offer investment advice in any form.

7.0 Appendix

Table 1

Magnolia Island

Community Development District

Development Plan - 2025 Project

Product Type	Phase 2A Units	Phase 2B Units	Total Number of Units
Townhomes	120	-	120
Single Family 40'	19	80	99
Total	139	80	219

Table 2

Magnolia Island

Community Development District

Project Costs - 2025 Project

Improvement	Total Costs
Stormwater Management System	\$3,730,525.00
Local Residential Roadways	\$970,000.00
Local Residential Utilities (Water & Wastewater)	\$1,350,000.00
Undergrounding of Electric Utility Lines	\$300,000.00
Professional Services	\$550,000.00
Contingency (10%)	\$690,052.50
Total	\$7,590,577.50

Table 3

Magnolia Island

Community Development District

Preliminary Sources and Uses of Funds

Series 2025

Sources

Bond Proceeds:

Par Amount \$6,200,000.00

Total Sources	\$6,200,000.00
----------------------	-----------------------

Uses

Project Fund Deposits:

Project Fund \$5,036,983.15

Other Fund Deposits:

Debt Service Reserve Fund \$460,104.35

Capitalized Interest Fund \$384,400.00

Delivery Date Expenses:

Costs of Issuance \$318,512.50

Total Uses	\$6,200,000.00
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Financing Assumptions

Coupon Rate: 6.20%

Capitalized Interest Period: 12 months

Term: 30 Years

Underwriter's Discount: 2%

Cost of Issuance: \$194,512.50

Table 4

Magnolia Island

Community Development District

Benefit Allocation - 2025 Project

Product Type	Total Number of Units	ERU Weight	Total ERU
Townhomes	120	0.50	60.00
Single Family 40'	99	0.80	79.20
Total	219		139.20

Table 5

Magnolia Island

Community Development District

Cost Allocation - 2025 Project

Product Type	Infrastructure Allocation Based on ERU Method	Infrastructure Financed with Series 2025 Bonds	Infrastructure Funded with Proceeds of Future Bonds and/or Contributed by the Developer*
Townhomes	\$3,271,800.65	\$1,900,748.36	\$1,371,052.29
Single Family 40'	\$4,318,776.85	\$3,136,234.79	\$1,182,542.06
Total	\$7,590,577.50	\$5,036,983.15	\$2,553,594.35

* Can be funded with proceeds of future bonds

Table 6

Magnolia Island

Community Development District

Series 2024 Bond Assessment Apportionment

Product Type	Total Number of Units	Total Cost Allocation*	Series 2025 Assessment Apportionment	Series 2025 Assessment Apportionment per Unit	Annual Series 2025 Assessment Debt Service per Unit**
Townhomes	120	\$3,271,800.65	\$2,339,622.64	\$19,496.86	\$1,539.22
Single Family 40'	99	\$4,318,776.85	\$3,860,377.36	\$38,993.71	\$3,078.44
Total	219	\$7,590,577.50	\$6,200,000.00		

* Please note that cost allocations to units herein are based on the ERU benefit allocation illustrated in Table 4.

** Includes costs of collection estimated at 2% (subject to change) and an early payment discount at 4% (subject to change.)

Exhibit “A”

Series 2025 Bond Assessments in the estimated amount of \$6,200,000* are proposed to be levied over the area as described below:

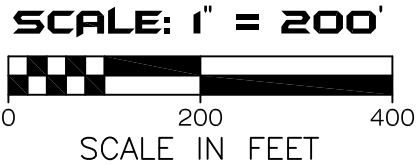
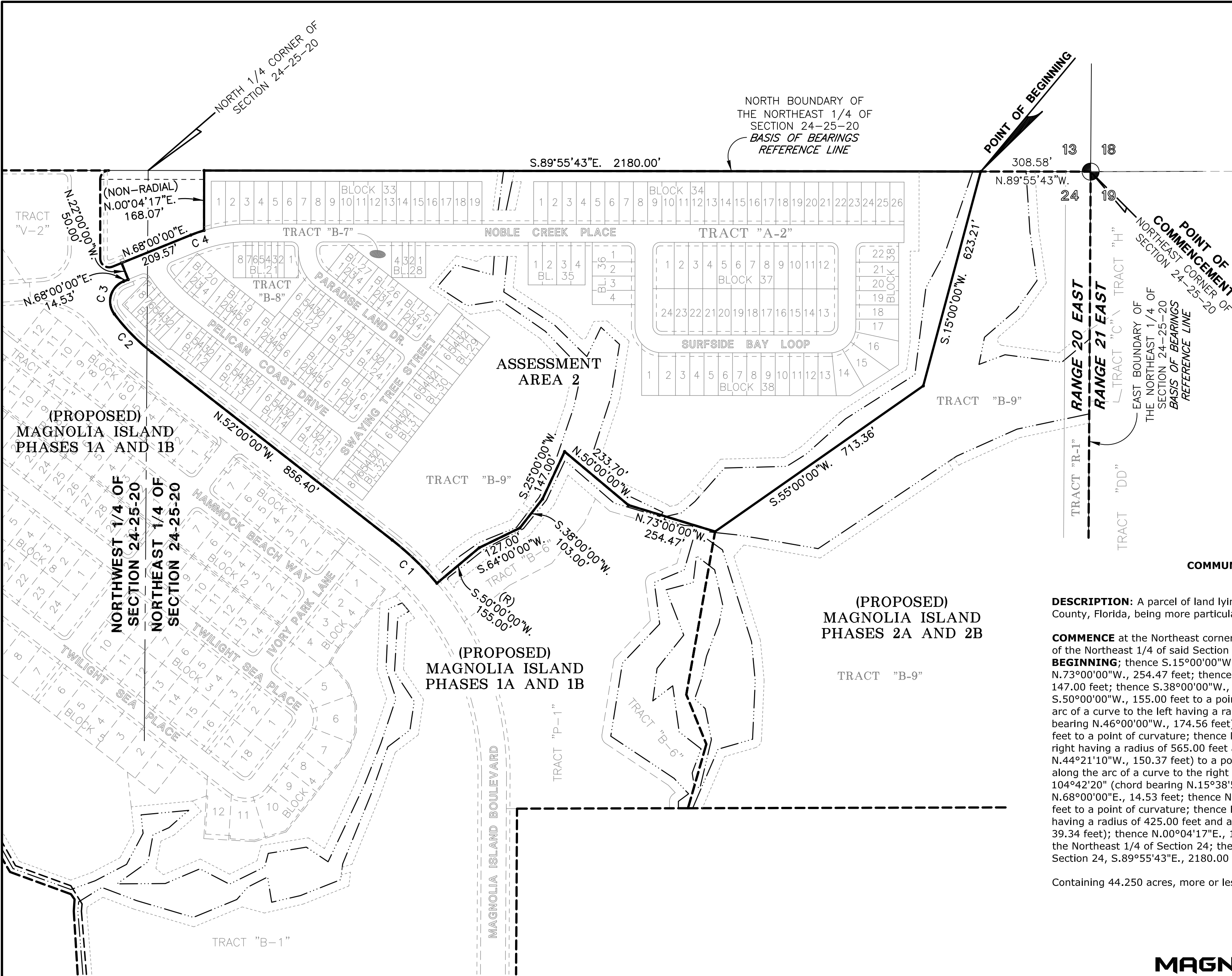
* Preliminary, subject to change.

Exhibit A
Magnolia Island CDD – Assessment Area Two Project

DESCRIPTION: A parcel of land lying in Section 24, Township 25 South, Range 20 East, Pasco County, Florida, being more particularly described as follows:

COMMENCE at the Northeast corner of said Section 24, run thence along the North boundary of the Northeast 1/4 of said Section 24, N.89°55'43"W., 308.58 feet to the **POINT OF BEGINNING**; thence S.15°00'00"W., 623.21 feet; thence S.55°00'00"W., 713.36 feet; thence N.73°00'00"W., 254.47 feet; thence N.50°00'00"W., 233.70 feet; thence S.25°00'00"W., 147.00 feet; thence S.38°00'00"W., 103.00 feet; thence S.64°00'00"W., 127.00 feet; thence S.50°00'00"W., 155.00 feet to a point on a curve; thence Northwesterly, 174.88 feet along the arc of a curve to the left having a radius of 835.00 feet and a central angle of 12°00'00" (chord bearing N.46°00'00"W., 174.56 feet) to a point of tangency; thence N.52°00'00"W., 856.40 feet to a point of curvature; thence Northwesterly, 150.82 feet along the arc of a curve to the right having a radius of 565.00 feet and a central angle of 15°17'40" (chord bearing N.44°21'10"W., 150.37 feet) to a point of compound curvature; thence Northerly, 109.65 feet along the arc of a curve to the right having a radius of 60.00 feet and a central angle of 104°42'20" (chord bearing N.15°38'50"E., 95.01 feet) to a point of tangency; thence N.68°00'00"E., 14.53 feet; thence N.22°00'00"W., 50.00 feet; thence N.68°00'00"E., 209.57 feet to a point of curvature; thence Easterly, 39.35 feet along the arc of a curve to the right having a radius of 425.00 feet and a central angle of 05°18'20" (chord bearing N.70°39'10"E., 39.34 feet); thence N.00°04'17"E., 168.07 feet to a point on the aforesaid North boundary of the Northeast 1/4 of Section 24; thence along said North boundary of the Northeast 1/4 of Section 24, S.89°55'43"E., 2180.00 feet to the **POINT OF BEGINNING**.

Containing 44.250 acres, more or less.



BASIS OF BEARINGS

The North boundary of the Northeast 1/4 of Section 24, Township 25 South, Range 20 East, Pasco County, Florida, has a Grid bearing of N.89°55'43"W. The Grid Bearings as shown hereon refer to the State Plane Coordinate System, North American Horizontal Datum of 1983 (NAD 83 - 2011 ADJUSTMENT) for the West Zone of Florida.

**MAGNOLIA ISLAND
COMMUNITY DEVELOPMENT DISTRICT
ASSESSMENT AREA 2**

DESCRIPTION: A parcel of land lying in Section 24, Township 25 South, Range 20 East, Pasco County, Florida, being more particularly described as follows:

COMMENCE at the Northeast corner of said Section 24, run thence along the North boundary of the Northeast 1/4 of said Section 24, N.89°55'43"W., 308.58 feet to the **POINT OF BEGINNING**; thence S.15°00'00"W., 623.21 feet; thence S.55°00'00"W., 713.36 feet; thence N.73°00'00"W., 254.47 feet; thence N.50°00'00"W., 233.70 feet; thence S.25°00'00"W., 147.00 feet; thence S.38°00'00"W., 127.00 feet; thence S.64°00'00"W., 127.00 feet; thence S.50°00'00"W., 155.00 feet to a point on a curve; thence Northwestery, 174.88 feet along the arc of a curve to the left having a radius of 835.00 feet and a central angle of 12°00'00" (chord bearing N.46°00'00"W., 174.56 feet) to a point of tangency; thence N.52°00'00"W., 856.40 feet to a point of curvature; thence Northwestery, 150.82 feet along the arc of a curve to the right having a radius of 565.00 feet and a central angle of 15°17'40" (chord bearing N.44°21'10"W., 150.37 feet) to a point of compound curvature; thence Northerly, 109.65 feet along the arc of a curve to the right having a radius of 60.00 feet and a central angle of 104°42'20" (chord bearing N.15°38'50"E., 95.01 feet) to a point of tangency; thence N.68°00'00"E., 14.53 feet; thence N.22°00'00"W., 50.00 feet; thence N.68°00'00"E., 209.57 feet to a point of curvature; thence Easterly, 39.35 feet along the arc of a curve to the right having a radius of 425.00 feet and a central angle of 05°18'20" (chord bearing N.70°39'10"E., 39.34 feet); thence N.00°04'17"E., 168.07 feet to a point on the aforesaid North boundary of the Northeast 1/4 of Section 24; thence along said North boundary of the Northeast 1/4 of Section 24, S.89°55'43"E., 2180.00 feet to the **POINT OF BEGINNING**.

Containing 44.250 acres, more or less.

**MAGNOLIA ISLAND
COMMUNITY DEVELOPMENT DISTRICT
ASSESSMENT AREA 2**

CURVE DATA TABLE

NO.	RADIUS	DELTA	ARC	CHORD	BEARING
1	835.00	12°00'00"	174.88	174.56	N.46°00'00"W.
2	565.00	15°17'40"	150.82	150.37	N.44°21'10"W.
3	60.00	104°42'20"	109.65	95.01	N.15°38'50"E.
4	425.00	05°18'20"	39.35	39.34	N.70°39'10"E.

LEGEND:
1. BL. - Block Number

1	07/01/25	Add Lots to Sketch	VBR
No.	Date	Description	Dwn.
REVISIONS			
SHEET NO. 1 OF 1 SHEETS			

Prepared For: HBWB Development Services, LLC		
DESCRIPTION SKETCH (Not a Survey)		AMERRITT, INC. LAND SURVEYING AND MAPPING LICENSED BUSINESS NUMBER LB7778 3010 W. Azeele Street, Suite 150 Tampa, FL 33609 PHONE (813) 221-5200
Arthur W. Merritt FLORIDA PROFESSIONAL SURVEYOR & MAPPER NO. 4498	Drawn: WFS Date: 6/10/25	Checked: JLS Dwg: Mag-Island CDD-Assess-2-DS.dwg
NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OR AN AUTHENTICATED DIGITAL SIGNATURE AND SEAL OF THE FLORIDA LICENSED SURVEYOR AND MAPPER	Order No.: AMI-CLD-MI-001	File Path: P:\Magnolia Island\Master Plan\Description\CDD\Assessment Area 2
SECTION 24, TOWNSHIP 25 SOUTH, RANGE 20 EAST		

MAGNOLIA ISLAND

COMMUNITY DEVELOPMENT DISTRICT

5

RESOLUTION NO. 2025-06

A RESOLUTION DELEGATING TO THE CHAIRMAN OF THE BOARD OF SUPERVISORS OF MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT (THE "DISTRICT") THE AUTHORITY TO APPROVE THE SALE, ISSUANCE AND TERMS OF SALE OF MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2025A (ASSESSMENT AREA TWO) (THE "SERIES 2025A BONDS"), AS A SINGLE SERIES OF BONDS UNDER THE MASTER TRUST INDENTURE IN ORDER TO FINANCE THE ASSESSMENT AREA TWO PROJECT; ESTABLISHING THE PARAMETERS FOR THE PRINCIPAL AMOUNTS, INTEREST RATES, MATURITY DATES, REDEMPTION PROVISIONS AND OTHER DETAILS THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE CHAIRMAN TO ACCEPT THE BOND PURCHASE CONTRACT FOR THE SERIES 2025A BONDS; APPROVING A NEGOTIATED SALE OF THE SERIES 2025A BONDS TO THE UNDERWRITER; RATIFYING THE MASTER TRUST INDENTURE AND APPROVING THE FORM OF SECOND SUPPLEMENTAL TRUST INDENTURE AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF BY CERTAIN OFFICERS OF THE DISTRICT; APPOINTING A TRUSTEE, PAYING AGENT AND BOND REGISTRAR FOR THE SERIES 2025A BONDS; APPROVING THE FORM OF THE SERIES 2025A BONDS; APPROVING THE FORM OF AND AUTHORIZING THE USE OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND LIMITED OFFERING MEMORANDUM RELATING TO THE SERIES 2025A BONDS; APPROVING THE FORM OF THE CONTINUING DISCLOSURE AGREEMENT RELATING TO THE SERIES 2025A BONDS; AUTHORIZING CERTAIN OFFICERS OF THE DISTRICT TO TAKE ALL ACTIONS REQUIRED AND TO EXECUTE AND DELIVER ALL DOCUMENTS, INSTRUMENTS AND CERTIFICATES NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2025A BONDS; AUTHORIZING THE VICE CHAIRMAN AND ASSISTANT SECRETARIES TO ACT IN THE STEAD OF THE CHAIRMAN OR THE SECRETARY, AS THE CASE MAY BE; SPECIFYING THE APPLICATION OF THE PROCEEDS OF THE SERIES 2025A BONDS; AUTHORIZING CERTAIN OFFICERS OF THE DISTRICT TO TAKE ALL ACTIONS AND ENTER INTO ALL AGREEMENTS REQUIRED IN CONNECTION WITH THE ACQUISITION AND CONSTRUCTION OF THE ASSESSMENT AREA TWO PROJECT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors of Magnolia Island Community Development District (the "Board" and the "District," respectively) has determined to

proceed at this time with the sale and issuance of Magnolia Island Community Development District Capital Improvement Revenue Bonds, Series 2025A (Assessment Area Two) (the "Series 2025A Bonds") to be issued under and pursuant to a Master Trust Indenture, dated as of February 1, 2025 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Indenture to be dated as of the first day of the first month and year in which the Series 2025A Bonds are issued thereunder (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture") between the District and the Trustee, in order to finance a portion of the Costs of the Assessment Area Two Project;

WHEREAS, the Board has determined that given the nature of the market, the necessity for moving rapidly and the nature of the security for the Series 2025A Bonds, it is necessary and desirable for the Series 2025A Bonds to be sold by negotiated sale rather than competitive bid;

WHEREAS, the Board has received a proposal from FMSbonds, Inc. (the "Underwriter") for the purchase of the Series 2025A Bonds within parameters to be established by the Board and the Board has determined that authorization of the Chairman or other designated person to enter into a Bond Purchase Contract (the "Purchase Contract") in substantially the form attached hereto as Exhibit A for the sale of the Series 2025A Bonds to the Underwriter within the Parameters (hereinafter defined) herein set forth is in the best interests of the District for the reasons hereafter indicated; and

WHEREAS, in conjunction with the sale and issuance of the Series 2025A Bonds, it is necessary to approve the form of the Supplemental Indenture, to establish the parameters for the delegated award of the Series 2025A Bonds as set forth in Schedule I attached hereto (the "Parameters"), to authorize the Chairman to approve the use of the Preliminary Limited Offering Memorandum relating to the Series 2025A Bonds and the form of the final Limited Offering Memorandum, to approve the form of the Series 2025A Bonds and to provide for various other matters with respect to the Series 2025A Bonds and the undertaking of the Assessment Area Two Project.

NOW, THEREFORE, BE IT RESOLVED that:

1. Definitions. All words and phrases used herein in capitalized form, unless otherwise defined herein, shall have the meaning ascribed to them in the Indenture.

2. Award. The Purchase Contract in the form attached hereto as Exhibit A is hereby approved in substantial form and the sale of the Series 2025A Bonds to

the Underwriter upon the terms and conditions therein set forth, but within the Parameters, is hereby approved. The Chairman is hereby authorized and directed to execute and deliver the Purchase Contract on behalf of the District, with such changes, additions, deletions and insertions as shall be approved by the official executing such Purchase Contract, which approval shall be conclusively evidenced by the execution and delivery thereof. In the absence or unavailability of the Chairman, the Vice Chairman is authorized and directed to execute the Purchase Contract, and in the absence or unavailability of the Vice Chairman, any other member of the Board is authorized and directed to execute the Purchase Contract. The Purchase Contract, when executed and delivered by the District and the Underwriter, shall be the legal, valid and binding obligation of the District, enforceable in accordance with its terms.

3. Negotiated Sale. The Board hereby determines that a negotiated sale of the Series 2025A Bonds to the Underwriter is in the best interests of the District because the market for instruments such as the Series 2025A Bonds is limited, because of prevailing market conditions and because the delays caused by soliciting competitive bids could adversely affect the District's ability to issue and deliver the Series 2025A Bonds.

4. Approval of Form of Supplemental Indenture; Ratification of Master Indenture; Appointment of Trustee, Paying Agent and Bond Registrar. Attached hereto as Exhibit B is the form of Supplemental Indenture, which is hereby authorized and approved, subject to such changes, additions, deletions and insertions as shall be approved by the Chairman, which approval shall be conclusively evidenced by the execution thereof. The Chairman is hereby authorized to execute and the Secretary is authorized to attest the Supplemental Indenture and the Chairman is hereby authorized to deliver to the Trustee the Supplemental Indenture which, when executed and delivered by the Trustee, shall constitute a legal, valid and binding obligation of the District, enforceable in accordance with its terms. The Master Indenture as executed and delivered and the appointment of U.S. Bank Trust Company, National Association, as Trustee, Paying Agent and Bond Registrar under the Master Indenture is hereby ratified and confirmed and U.S. Bank Trust Company, National Association is hereby appointed as Trustee, Paying Agent and Bond Registrar under the Supplemental Indenture.

5. Description of Series 2025A Bonds. The Series 2025A Bonds shall be dated as of their date of delivery and may be issued in one or more Series having such details as shall be set forth in the Purchase Contract and as reflected in the Supplemental Indenture, but within the Parameters. The Series 2025A Bonds shall, subject to the Parameters, be subject to redemption on the terms, at the times and prices and in the manner provided in the Purchase Contract and in the form of Series 2025A Bonds attached to the Supplemental Indenture, which form is hereby approved, subject to such changes, additions, deletions and insertions as shall be approved by the Chairman, which approval shall be conclusively evidenced by the

execution thereof. The Chairman is hereby authorized to execute and the Secretary is authorized to attest and seal the Series 2025A Bonds and the Chairman is hereby authorized to deliver to the Trustee for authentication and delivery to the Underwriter upon payment by the Underwriter of the purchase price therefor, the Series 2025A Bonds which, when authenticated and delivered by the Trustee, shall be legal, valid and binding obligations of the District, enforceable in accordance with their terms.

6. Approval of Form of Preliminary Limited Offering Memorandum and Limited Offering Memorandum; Approval of Form of Continuing Disclosure Agreement. The Chairman is hereby authorized to approve the form and content of the Preliminary Limited Offering Memorandum, which is attached hereto as Exhibit C (the "Preliminary Limited Offering Memorandum") with such changes, additions, deletions and insertions as shall be approved by the Chairman prior to its distribution and the final form of which is to be dated the date of execution and delivery of the Purchase Contract (the "Limited Offering Memorandum") relating to the Series 2025A Bonds. The Chairman is hereby authorized to execute on behalf of the District such Limited Offering Memorandum with such changes, additions, deletions and insertions as the Chairman may approve (such approval to be conclusively evidenced by the execution of the Limited Offering Memorandum), and to deliver such Limited Offering Memorandum to the Underwriter in sufficient quantities for use by the Underwriter in marketing the Series 2025A Bonds. The Chairman is hereby authorized to deem "final" the Preliminary Limited Offering Memorandum, as of its date, for the purposes and within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (except for information concerning the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings or other terms dependent upon such matters, and except for such technical and conforming changes which shall be approved by the Chairman).

The Continuing Disclosure Agreement relating to the Series 2025A Bonds in the form attached hereto as Exhibit D is hereby approved, subject to such changes, additions, deletions and insertions as shall be approved by the Chairman, which approval shall be conclusively evidenced by the execution thereof. The Chairman is hereby authorized to execute and the Secretary is authorized to attest the Continuing Disclosure Agreement which, when executed and delivered by the District, shall be the legal, valid and binding obligation of the District, enforceable in accordance with its terms.

7. Open Meetings. It is hereby found and determined that all official acts of this Board concerning and relating to the issuance, sale, and delivery of the Series 2025A Bonds, including but not limited to adoption of this Resolution, were taken in open meetings of the members of the Board and all deliberations of the members of the Board that resulted in such official acts were in meetings open to the public, in

compliance with all legal requirements including, but not limited to, the requirements of Section 286.011, Florida Statutes.

8. Other Actions. The Chairman, the Secretary, and all other members, officers and employees of the Board and the District are hereby authorized and directed to take all actions necessary or desirable in connection with the issuance and delivery of the Series 2025A Bonds and the consummation of all transactions in connection therewith, including the execution of all certificates, documents, papers, and agreements necessary to the undertaking and fulfillment of all transactions referred to in or contemplated by the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum, the Indenture, this Resolution, the Continuing Disclosure Agreement and the Purchase Contract, in all cases within the Parameters.

The Vice Chairman is hereby authorized to act in the stead of the Chairman in any undertaking authorized or required of the Chairman hereunder and any Assistant Secretary is hereby authorized to act in the stead of the Secretary in any undertaking authorized or required of the Secretary hereunder.

9. Deposits to Funds and Accounts. The Trustee is hereby authorized and directed to apply the proceeds of the Series 2025A Bonds in the amounts and in the manner set forth in Section 402 of the Supplemental Indenture.

10. Undertaking of the Assessment Area Two Project; Execution and Delivery of Other Instruments. The Board hereby authorizes the undertaking of the Assessment Area Two Project and authorizes and directs the District staff and Consulting Engineer to proceed with due diligence to the completion thereof in accordance with the Indenture and as described in the Limited Offering Memorandum. The Board hereby authorizes the Chairman and the Secretary to execute and deliver, receive or enter into such agreements, contracts, documents, instruments, certificates and proceedings incident thereto or necessary in order to effect the undertaking of the Assessment Area Two Project and the issuance, sale and delivery of the Series 2025A Bonds, including but not limited to the execution and delivery of the DTC Letter of Representation.

11. Assessment Methodology; Engineer's Report. The Board hereby authorizes and approves modifications and supplements to the Assessment Methodology previously approved by the Board in connection with the marketing and sale of the Series 2025A Bonds. The Board hereby authorizes and approves modifications and supplements to the Engineer's Report previously approved by the Board in connection with the marketing and sale of the Series 2025A Bonds.

12. Approval of Prior Actions. All actions taken to date by the members of the Board and the officers, agents and consultants of the District in furtherance of the issuance of the Series 2025A Bonds are hereby approved, confirmed and ratified.

13. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

14. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED in Public Session of the Board of Supervisors of Magnolia Island Community Development District, this 4th day of September, 2025.

**MAGNOLIA ISLAND
COMMUNITY DEVELOPMENT
DISTRICT**

Attest:

Secretary/Assistant Secretary

Chairman/Vice Chairman,
Board of Supervisors

Exhibit A – Form of Purchase Contract

Exhibit B – Form of Supplemental Indenture

Exhibit C – Form of Preliminary Limited Offering Memorandum

Exhibit D – Form of Continuing Disclosure Agreement

**SCHEDULE I
PARAMETERS**

Maximum Principal Amount:	Not to Exceed \$10,000,000
Maximum Coupon Rate:	Maximum Statutory Rate
Underwriting Discount:	Maximum 2.0%
Not to Exceed Maturity Date:	Maximum Allowed by Law
Redemption Provisions:	The Series 2025A Bonds shall be subject to redemption as set forth in the form of Series 2025A Bond attached to the form of Supplemental Indenture attached hereto and shall be as set forth in the Purchase Contract.

Exhibit A – Form of Purchase Contract

\$[_____]]
MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT
(PASCO COUNTY, FLORIDA)
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2025A
(ASSESSMENT AREA TWO)

BOND PURCHASE CONTRACT

[_____] , 2025

Board of Supervisors
Magnolia Island Community Development District
Pasco County, Florida

Dear Board of Supervisors:

FMSbonds, Inc. (the "Underwriter") offers to enter into this Bond Purchase Contract (the "Purchase Contract") with the Magnolia Island Community Development District (the "District"). The District is located entirely within an unincorporated area of Pasco County, Florida (the "County"). This offer of the Underwriter shall, unless accepted by the District, acting through its Board of Supervisors (the "Board"), expire at 4:00 P.M. prevailing time within the jurisdiction of the District on the date hereof, unless previously withdrawn or extended in writing by the Underwriter. This Purchase Contract shall be binding upon the District and the Underwriter upon execution and delivery. Any capitalized word not defined herein shall have the meaning ascribed thereto in the Preliminary Limited Offering Memorandum (hereinafter defined). In conformance with Section 218.385, Florida Statutes, as amended, the Underwriter hereby delivers to the District the Disclosure and Truth-In-Bonding Statement attached hereto as Exhibit A.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the District and the District hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of its \$[_____] aggregate principal amount of Magnolia Island Community Development District Capital Improvement Revenue Bonds, Series 2025A (Assessment Area Two) (the "Series 2025A Bonds"). The Series 2025A Bonds shall be dated their date of delivery and shall mature on the dates, shall bear interest at the rates, and shall be subject to redemption prior to maturity, all as provided in Exhibit B attached hereto. The purchase price for the Series 2025A Bonds shall be \$[_____] (representing the \$[_____] .00 aggregate principal amount of the Series 2025A Bonds, [plus/less net original issue premium/discount of \$[_____] and] less an underwriter's discount of \$[_____]) (such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery being hereinafter referred to as the "Closing").

2. The Series 2025A Bonds. The Series 2025A Bonds are to be issued by the District, a local unit of special-purpose government of the State of Florida (the "State") created pursuant to

the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, any successor statute thereto, the Florida Constitution, and other applicable provisions of law (the "Act"), and established by Ordinance No. 24-24 of the Board of County Commissioners of the County, enacted on May 21, 2024 and effective on May 23, 2024 (the "Ordinance"). The Series 2025A Bonds are being issued pursuant to the Act and secured pursuant to the provisions of a Master Trust Indenture dated as of February 1, 2025 (the "Master Indenture"), as supplemented by a Second Supplemental Trust Indenture dated as of [] 1, 2025 (the "Second Supplemental Indenture," and together with the Master Indenture, the "Indenture"), each by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), and Resolution Nos. 2024-31 and 2025-[] adopted by the Board on July 8, 2024 and [August 14], 2025, respectively (collectively, the "Bond Resolution"). The Series 2025A Assessments, the revenues of which comprise the Series 2025A Pledged Revenues for the Series 2025A Bonds, have been levied by the District on those lands within the District specially benefited by the Assessment Area Two Project pursuant to certain resolutions adopted or to be adopted by the Board prior to the issuance of the Series 2025A Bonds (collectively, the "Assessment Resolution").

3. Limited Offering; Establishment of Issue Price. It shall be a condition to the District's obligation to sell and to deliver the Series 2025A Bonds to the Underwriter, and to the Underwriter's obligation to purchase, accept delivery of and pay for the Series 2025A Bonds, that the entire principal amount of the Series 2025A Bonds be issued, sold and delivered by the District and purchased, accepted and paid for by the Underwriter at the Closing and that the District and the Underwriter receive the opinions, documents and certificates described in Section 8(c) hereof.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Series 2025A Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, in the form reasonably satisfactory to Bond Counsel, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2025A Bonds.

(b) Except as otherwise set forth in Exhibit B attached hereto, the District will treat the first price at which 10% of each maturity of the Series 2025A Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of the Series 2025A Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2025A Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Series 2025A Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until the 10% test has been satisfied as to the Series 2025A Bonds of that maturity or until all Series 2025A Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Series 2025A Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit B attached hereto, except as otherwise set forth therein. Exhibit B also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Series 2025A Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2025A Bonds, the Underwriter will neither offer nor sell unsold Series 2025A Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2025A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the District when it has sold 10% of that maturity of the Series 2025A Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter acknowledges that sales of any Series 2025A Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(1) "public" means any person other than an underwriter or a related party, and

(2) a purchaser of any of the Series 2025A Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(3) "sale date" means the date of execution of this Purchase Contract by all parties.

4. Use of Documents. Prior to the date hereof, the District has caused to be prepared and provided to the Underwriter its Preliminary Limited Offering Memorandum dated [____], 2025 (such Preliminary Limited Offering Memorandum, including the cover pages and all appendices thereto and any amendments and supplements thereto that may be authorized by the District for use with respect to the Series 2025A Bonds, being herein collectively called the "Preliminary Limited Offering Memorandum"), relating to the Series 2025A Bonds, which the District has deemed final as of its date, except for certain permitted omissions (the "Permitted Omissions"), as contemplated by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12" or the "Rule") in connection with the limited offering of the Series 2025A Bonds. The Underwriter has reviewed the Preliminary Limited Offering Memorandum prior to the execution of this Purchase Contract. The District has, prior to the date hereof, authorized the Underwriter to circulate and use the Preliminary Limited Offering Memorandum in connection with the limited offering of the Series 2025A Bonds. The District, at its expense, shall deliver or cause to be delivered to the Underwriter, within seven (7) business days after the date hereof but not later than three (3) days prior to the Closing Date and in sufficient time to allow the Underwriter to comply with all of the requirements of the Rule and all applicable securities laws and the rules of the Municipal Securities Rulemaking Board (the "MSRB"), a final Limited Offering Memorandum dated [____], 2025 (such Limited Offering Memorandum, including the cover pages and all appendices thereto and any amendments and supplements thereto that may be authorized by the District for use with respect to the Series 2025A Bonds, being herein collectively called the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda"). The District hereby ratifies and approves the circulation and use of the Limited Offering Memoranda by the Underwriter.

5. Definitions. For purposes hereof, (a) this Purchase Contract, the Indenture, the Continuing Disclosure Agreement to be dated as of the Closing Date, among the District, Homes by West Bay, LLC, a Florida limited liability company ("Homes by West Bay") and CF GTIS III Magnolia Island, LLC, a Delaware limited liability company ("CF GTIS" and, together with Homes by West Bay, the "Landowners"), and the dissemination agent named therein (the "Dissemination Agent"), in substantially the form attached to the Preliminary Limited Offering Memorandum as APPENDIX D thereto (the "Disclosure Agreement"), and the DTC Blanket Issuer Letter of Representations entered into by the District, are referred to herein collectively as the "Financing Documents," and (b) [the Funding and Completion Agreement (Assessment Area Two Project) by and between the District and Homes by West Bay and dated as of the Closing Date, the Development Acquisition Agreement (Assessment Area Two Project) by and between the District and Homes by West Bay and dated as of the Closing Date, the Collateral Assignments and Assumptions of Development Rights Relating to the Assessment Area Two Project by and between the District, CF GTIS and HBWB Development Services, LLC (the "Development Manager"), and by and between the District, Homes by West Bay and the Development Manager, respectively, each dated as of the Closing Date, the Agreements to Convey or Dedicate (Assessment Area Two Project) by and between the District and CF GTIS, and by and between the District and Homes by West Bay, respectively, each dated as of the Closing Date, the True-Up Agreements (Assessment Area Two Project) by and between the District and CF GTIS, and by and between the District and Homes by West Bay, respectively, each dated as of the Closing Date, and the Declarations of Consent to Jurisdiction of the Magnolia Island Community Development District, Imposition of Special Assessments, and Imposition of Lien of Record (Assessment Area Two Project), executed by CF GTIS and Homes by West Bay, respectively, each dated as of the

Closing Date, each of which shall be in recordable form, if applicable, are referred to herein collectively as the "Ancillary Agreements."]

6. Representations, Warranties and Agreements. The District hereby represents, warrants and agrees as follows:

(a) The Board is the governing body of the District, and the District is and will be on the Closing Date duly organized and validly existing as a unit of special-purpose government created pursuant to the Constitution and laws of the State, including without limitation the Act;

(b) The District has full legal right, power and authority to: (i) adopt the Bond Resolution and the Assessment Resolution; (ii) enter into the Financing Documents and the Ancillary Agreements to which it is a party; (iii) sell, issue and deliver the Series 2025A Bonds to the Underwriter as provided herein; (iv) apply the proceeds of the sale of the Series 2025A Bonds for the purposes described in the Limited Offering Memoranda; (v) acknowledge and authorize the use of the Preliminary Limited Offering Memorandum and the use and execution of the Limited Offering Memorandum; and (vi) carry out and consummate the transactions contemplated by the Bond Resolution, the Assessment Resolution, the Financing Documents, the Ancillary Agreements to which it is a party and the Limited Offering Memoranda, including without limitation entering into a Property Appraiser and Tax Collector Agreement to provide for the collection of the Series 2025A Assessments using the Uniform Method of collection in accordance with the Indenture. The District has complied, or on the Closing Date will be in compliance in all material respects, with the terms of the Act and with the obligations on its part contained in the Bond Resolution, the Assessment Resolution, the Financing Documents, the Ancillary Agreements to which it is a party and the Series 2025A Bonds;

(c) At meetings of the Board that were duly called and noticed and at which a quorum was present and acting throughout, the Board duly adopted the Bond Resolution and the Assessment Resolution, and the same are in full force and effect and have not been supplemented, amended, modified or repealed, except as set forth therein. By all necessary official Board action, the District has duly authorized and approved the use and delivery of the Preliminary Limited Offering Memorandum and the execution and delivery of the Financing Documents, the Ancillary Agreements to which it is a party, the Series 2025A Bonds and the Limited Offering Memorandum, and has duly authorized and approved the performance by the District of the obligations on its part contained in the Financing Documents, the Ancillary Agreements to which it is a party and the Series 2025A Bonds and the consummation by it of all other transactions contemplated by this Purchase Contract and the Preliminary Limited Offering Memorandum in connection with the issuance of the Series 2025A Bonds. Upon execution and delivery by the District and the Trustee (and assuming the due authorization, execution and delivery of the Indenture by the Trustee), the Indenture will constitute a legal, valid and binding obligation of the District, enforceable in accordance with its terms, subject only to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law). Upon execution by the District and the other parties thereto (and

assuming the due authorization, execution and delivery of such agreements by the other parties thereto) the Financing Documents and the Ancillary Agreements to which it is a party will constitute the legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

(d) The District is not in material breach of or material default under any applicable provision of the Act or any applicable constitutional provision or statute or, to the best of its knowledge, administrative regulation of the State or the United States of America or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement, or other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of its knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or material event of default under any such instrument; and the execution and delivery of the Series 2025A Bonds, the Financing Documents, the Ancillary Agreements to which it is a party and the Limited Offering Memorandum, the delivery of the Preliminary Limited Offering Memorandum, and the adoption of the Bond Resolution and the Assessment Resolution, and compliance with the provisions on the District's part contained therein, will not conflict with or constitute a material breach of or material default under any applicable constitutional provision or law or, to the best of its knowledge, any administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption, use or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such law, regulation or instrument, except as provided by the Assessment Resolution, the Series 2025A Bonds and the Indenture. To the best of its knowledge, no event has occurred which, with the lapse of time or the giving of notice, or both, would constitute an event of default (as therein defined) under the Series 2025A Bonds or the Financing Documents or the Ancillary Agreements to which the District is a party;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which (i) are required for the due authorization by the District, or (ii) would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the District, of its obligations to issue the Series 2025A Bonds, or under the Series 2025A Bonds, the Bond Resolution, the Assessment Resolution, the Financing Documents or the Ancillary Agreements to which it is a party have been duly obtained or will be obtained in the ordinary course of business, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2025A Bonds;

(f) The descriptions of the Series 2025A Bonds, the Financing Documents, the Ancillary Agreements to which the District is a party and the Assessment Area Two Project

to the extent referred to in the Limited Offering Memoranda, conform in all material respects to the Series 2025A Bonds, the Financing Documents, such Ancillary Agreements and the Assessment Area Two Project, respectively;

(g) The Series 2025A Bonds, when issued, executed and delivered in accordance with the Indenture and when delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Purchase Contract, will be validly issued and outstanding obligations of the District, entitled to the benefits of the Indenture, and upon such issuance, execution and delivery of the Series 2025A Bonds, the Indenture will provide, for the benefit of the holders from time to time of the Series 2025A Bonds, a legally valid and binding pledge of the Series 2025A Trust Estate. On the Closing Date, all conditions precedent to the issuance of the Series 2025A Bonds set forth in the Indenture will have been complied with or fulfilled;

(h) There is no claim, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to its best knowledge, threatened against the District: (i) contesting the corporate existence or powers of the Board or the titles of the respective officers of the Board to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2025A Bonds or the application of the proceeds of the sale thereof for the purposes described in the Limited Offering Memoranda or the collection of Series 2025A Assessments or the pledge of the Series 2025A Trust Estate, pursuant to the Indenture; (iii) contesting or affecting specifically as to the District the validity or enforceability of the Act or any action of the District in any respect relating to the authorization for the issuance of the Series 2025A Bonds, or the authorization of the Assessment Area Two Project, the Bond Resolution, the Assessment Resolution, the Financing Documents and the Ancillary Agreements to which the District is a party or the application of the proceeds of the Series 2025A Bonds for the purposes set forth in the Limited Offering Memoranda; (iv) contesting the federal tax status of the Series 2025A Bonds; or (v) contesting the completeness or accuracy of the Limited Offering Memoranda or any supplement or amendment thereto;

(i) To the extent applicable, the District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to: (i) qualify the Series 2025A Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) determine the eligibility of the Series 2025A Bonds for investment under the laws of such states and other jurisdictions, and the District will use its best efforts to continue such qualifications in effect so long as required for the initial limited offering and distribution of the Series 2025A Bonds; provided, however, that the District shall not be required to execute a general or special consent to service of process or to qualify to do business in connection with any such qualification or determination in any jurisdiction or register as a broker/dealer;

(j) As of its date (unless an event occurs of the nature described in paragraph (1) of this Section 6) and at all times subsequent thereto, up to and including the Closing Date, the statements and information contained in the Preliminary Limited Offering

Memorandum (other than Permitted Omissions) and in the Limited Offering Memorandum are and will be accurate in all material respects for the purposes for which their use is authorized and do not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Limited Offering Memoranda under the captions "DESCRIPTION OF THE SERIES 2025A BONDS – Book-Entry Only System," "THE DEVELOPMENT," "THE LANDOWNERS AND THE DEVELOPMENT MANAGER," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Landowners and the Development Manager," and "UNDERWRITING";

(k) If the Limited Offering Memorandum is supplemented or amended pursuant to subsection (1) of this Section 6, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Limited Offering Memorandum under the captions "DESCRIPTION OF THE SERIES 2025A BONDS – Book-Entry Only System," "THE DEVELOPMENT," "THE LANDOWNERS AND THE DEVELOPMENT MANAGER," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Landowners and the Development Manager," and "UNDERWRITING";

(l) If between the date of this Purchase Contract and the earlier of (i) ninety (90) days from the end of the "Underwriting Period" as defined in Rule 15c2-12, or (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB's Electronic Municipal Market Access system (but in no event less than twenty-five (25) days following the end of the Underwriting Period), any event shall occur, of which the District has actual knowledge, which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter thereof, and, if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the District will at its expense supplement or amend the Limited Offering Memorandum in a form and in a manner approved by the Underwriter. The end of the Underwriting Period shall be the next business day after the Closing Date;

(m) Since its inception, there has been no material adverse change in the properties, businesses, results of operations, prospects, management or financial or other condition of the District except as disclosed in the Limited Offering Memoranda, and the District has not incurred liabilities that would materially adversely affect its ability to discharge its obligations under the Bond Resolution, the Assessment Resolution, the Series 2025A Bonds, the Financing Documents or the Ancillary Agreements to which it is a party,

direct or contingent, other than as set forth in or contemplated by the Limited Offering Memoranda;

(n) The District is not now in default and has not been in default at any time after December 31, 1975 in the payment of the principal of or the interest on any governmental security issued or guaranteed by it which would require disclosure pursuant to Section 517.051, Florida Statutes or Rule 69W-400.003 of the Florida Department of Financial Services;

(o) The District represents and warrants that it has not failed to timely comply with any continuing disclosure obligations with respect to any prior offering of securities except as expressly set forth in the Preliminary Limited Offering Memorandum;

(p) Any certificate signed by any official of the District and delivered to the Underwriter will be deemed to be a representation by the District to the Underwriter as to the statements made therein; and

(q) From the date of this Purchase Contract through the Closing Date, the District will not issue any bonds (other than the Series 2025A Bonds), notes or other obligations payable from the Series 2025A Trust Estate.

7. **Closing.** At 10:00 a.m. prevailing time on [_____], 2025 (the "Closing Date") or at such later time as may be mutually agreed upon by the District and the Underwriter, the District will deliver or cause to be delivered to the Underwriter the Series 2025A Bonds in definitive book-entry-only form, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Series 2025A Bonds as set forth in Section 1 hereof, in federal or other immediately available funds to the order of the District. Delivery of the Series 2025A Bonds as aforesaid shall be made pursuant to the FAST system of delivery of The Depository Trust Company, New York, New York, or at such other place as may be mutually agreed upon by the District and the Underwriter. The Series 2025A Bonds shall be typewritten, shall be prepared and delivered as fully registered bonds in book-entry-only form, with one bond for each maturity, registered in the name of Cede & Co. and shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection and packaging, unless otherwise agreed by the District and the Underwriter.

8. **Closing Conditions.** The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the District contained herein, upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the District of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Purchase Contract are conditioned upon the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, and are also subject to the following additional conditions:

(a) The representations and warranties of the District contained herein shall be true, complete and correct, on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) At the time of the Closing, the Bond Resolution, the Assessment Resolution, the Series 2025A Bonds, the Financing Documents and the Ancillary Agreements shall each be in full force and effect in accordance with their respective terms, and the Bond Resolution, the Assessment Resolution, the Indenture and the Limited Offering Memoranda shall not have been supplemented, amended, modified or repealed, except in any such case as may have been agreed to in writing by the Underwriter;

(c) At or prior to the Closing Date, the Underwriter and the District shall have received each of the following:

(1) The Limited Offering Memorandum and each supplement or amendment, if any, thereto, executed on behalf of the District by the Chairperson of the Board or such other authorized member of the Board;

(2) A copy of each of the Bond Resolution and the Assessment Resolution certified by the Secretary or an Assistant Secretary of the Board under seal as having been duly adopted by the Board of the District and as being in full force and effect;

(3) An executed copy of each of the Financing Documents and the Ancillary Agreements in form and substance acceptable to the Underwriter and its counsel;

(4) The opinion, dated as of the Closing Date and addressed to the District, of Nabors, Giblin & Nickerson, P.A., Bond Counsel, in the form included in the Preliminary Limited Offering Memorandum as APPENDIX C, together with a letter of such counsel, dated as of the Closing Date and addressed to the Underwriter and the Trustee, to the effect that the foregoing opinion addressed to the District may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion were addressed to them;

(5) The supplemental opinion, dated as of the Closing Date and addressed to the Underwriter, of Nabors, Giblin & Nickerson, P.A., Bond Counsel, in the form annexed as Exhibit C hereto;

(6) The opinion, dated as of the Closing Date and addressed to the District, Bond Counsel, the Trustee and the Underwriter, of Straley Robin Vericker P.A., counsel to the District, in form and substance acceptable to the Underwriter and its counsel;

(7) The opinion, dated as of the Closing Date and addressed to the District, the Trustee, the Underwriter, and Underwriter's Counsel of Dean, Mead, Egerton, Bloodworth, Capouano & Bozarth, P.A., counsel to the Landowners and the Development Manager, in the form annexed as Exhibit D hereto;

(8) An opinion, dated as of the Closing Date and addressed to the Underwriter and the District, of Aponte & Associates Law Firm, P.L.L.C., counsel to the Trustee, in form and substance acceptable to Bond Counsel, Underwriter, Underwriter's Counsel, and the District;

(9) A customary authorization and incumbency certificate, dated as of the Closing Date, signed by authorized officers of the Trustee;

(10) Certificate of the Landowners and the Development Manager dated as of the Closing Date in the form annexed as Exhibit E hereto, or in such form and substance otherwise acceptable to the Underwriter and its counsel;

(11) A copy of the Ordinance;

(12) A certificate, dated as of the Closing Date, signed by the Chairperson or Vice-Chairperson and the Secretary or an Assistant Secretary of the Board, setting forth that: (i) each of the representations of the District contained herein was true and accurate in all material respects on the date when made, has been true and accurate in all material respects at all times since, and continues to be true and accurate in all material respects on the Closing Date as if made on such date; (ii) the District has performed all obligations to be performed hereunder as of the Closing Date; (iii) except as may be disclosed in the Limited Offering Memoranda, the District has never been in default as to principal or interest with respect to any obligation issued or guaranteed by the District; (iv) the District agrees to take all reasonable action necessary to use the Uniform Method as the means of collecting the Series 2025A Assessments when required under the Indenture; and (v) the Limited Offering Memoranda (other than the information under the captions "DESCRIPTION OF THE SERIES 2025A BONDS – Book-Entry Only System," "THE DEVELOPMENT," "THE LANDOWNERS AND THE DEVELOPMENT MANAGER," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Landowners and the Development Manager," and "UNDERWRITING," as to which no view need be expressed) as of its date, and as of the Closing Date, does not contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which the Limited Offering Memoranda are to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(13) A customary signature and no litigation certificate, dated as of the Closing Date, signed on behalf of the District by the Chairperson or Vice-Chairperson and Secretary or an Assistant Secretary of the Board in form and substance acceptable to the Underwriter and its counsel;

(14) Evidence of compliance by the District with the requirements of Section 189.051, Florida Statutes;

(15) Executed copy of the District's certification as to arbitrage and other matters relative to the tax status of the Series 2025A Bonds under Section 148 of the Internal Revenue Code of 1986, as amended;

(16) Executed copy of Internal Revenue Service Form 8038-G relating to the Series 2025A Bonds;

(17) A certificate of the District's Consulting Engineer, dated as of the Closing Date, in the form annexed as Exhibit F hereto or otherwise in form and substance acceptable to the Underwriter and its counsel;

(18) A certificate of the District Manager and Methodology Consultant in the form annexed as Exhibit G hereto or otherwise in form and substance acceptable to the Underwriter and its counsel;

(19) Such additional documents as may be required by the Indenture to be delivered as a condition precedent to the issuance of the Series 2025A Bonds;

(20) Evidence of compliance by the District with the requirements of Section 215.84, Florida Statutes;

(21) A certified copy of the final judgment of the Circuit Court in and for the County, validating the Series 2025A Bonds and a certificate of no-appeal;

(22) A copy of the Master Special Assessment Methodology Report dated July 8, 2024, as supplemented by the Final Second Supplemental Special Assessment Methodology Report dated the date hereof (collectively, the "Assessment Methodology"), as amended and supplemented from time to time, relating to the Series 2025A Bonds;

(23) A copy of the Master Engineer's Report dated July 8, 2024, as supplemented by the 2024 Supplemental Engineer's Report for the Magnolia Island Community Development District dated September 17, 2024 (together, the "Engineer's Report");

(24) A certificate of the District whereby the District has deemed the Preliminary Limited Offering Memorandum final as of its date, except for Permitted Omissions, as contemplated by Rule 15c2-12 in connection with the limited offering of the Series 2025A Bonds;

(25) Acknowledgments in recordable form by all holders of mortgages on lands within Assessment Area Two as to the superior lien of the Series 2025A Assessments in form and substance acceptable to the Underwriter and its counsel;

(26) A Declaration of Consent by each of the Landowners with respect to all real property owned by it which is subject to the Series 2025A Assessments in recordable form and otherwise in form and substance acceptable to the Underwriter and Underwriter's Counsel;

(27) Evidence that the District has engaged a Dissemination Agent acceptable to the Underwriter;

(28) A certificate of the Dissemination Agent (i) acknowledging its agreement to serve as the initial Dissemination Agent for the District and undertake the obligations of the Dissemination Agent as set forth in the Disclosure Agreement, (ii) representing that the Dissemination Agent is aware of the continuing disclosure requirements set forth in the Disclosure Agreement and Rule 15c2-12, and that it has policies and procedures in place to ensure its compliance with its obligations under the Disclosure Agreement, and (iii) covenanting to comply with its obligations under the Disclosure Agreement; and

(29) Such additional legal opinions, certificates, instruments and other documents as the Underwriter, Underwriter's Counsel, Bond Counsel or District Counsel may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the District's representations and warranties contained herein and of the statements and information contained in the Limited Offering Memoranda and the due performance or satisfaction by the District, the Landowners and the Development Manager on or prior to the Closing of all the agreements then to be performed and conditions then to be satisfied by each.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Series 2025A Bonds contained in this Purchase Contract (unless waived by the Underwriter in its sole discretion), or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Series 2025A Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the District shall be under any further obligation hereunder, except that the respective obligations of the District and the Underwriter set forth in Section 10 hereof shall continue in full force and effect.

9. Termination. The Underwriter shall have the right to terminate its obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Series 2025A Bonds by notifying the District of its election to do so if, after the execution hereof and prior to the Closing: (i) legislation shall have been introduced in or enacted by the Congress of the United States or enacted by the State, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairperson or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such committee, by any member thereof, or legislation shall have been favorably reported for passage to either House of Congress of the United States by a committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or the State, including the Tax Court of the United States, or a ruling shall have been made or a regulation shall have been proposed or made or a press release or other form of notice shall have been issued by the Treasury Department of the United States, or the Internal

Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the District or by any similar body, or upon interest on obligations of the general character of the Series 2025A Bonds, which may have the purpose or effect, directly or indirectly, of materially and adversely affecting the tax status of the District, its property or income, its securities (including the Series 2025A Bonds) or the interest thereon, or any tax exemption granted or authorized by the State or, which in the reasonable opinion of the Underwriter, affects materially and adversely the market for the Series 2025A Bonds, or the market price generally of obligations of the general character of the Series 2025A Bonds; (ii) the District has, without the prior written consent of the Underwriter, offered or issued any bonds, notes or other obligations for borrowed money, or incurred any material liabilities, direct or contingent, or there has been an adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District, the Landowners or the Development Manager, other than in the ordinary course of its business; (iii) any event shall have occurred or shall exist which, in the reasonable opinion of the Underwriter, would or might cause the information contained in the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or (iv) the District fails to perform any action to be performed by it in connection with the levy of the Series 2025A Assessments.

10. Expenses.

(a) The District agrees to pay, and the Underwriter shall not be obligated to pay, any expenses incident to the performance of the District's obligations hereunder, including, but not limited to: (i) the cost of the preparation and distribution of the Indenture; (ii) the cost of the preparation and printing, if applicable, of the Limited Offering Memoranda and any supplements thereto, together with a reasonable number of copies which the Underwriter may request; (iii) the cost of registering the Series 2025A Bonds in the name of Cede & Co., as nominee of DTC, which will act as securities depository for such Series 2025A Bonds; (iv) the fees and disbursements of District Counsel, the District Manager, the Dissemination Agent, Bond Counsel, Underwriter's Counsel, the District's Methodology Consultant, the Consulting Engineer, and any other experts or consultants retained by the District; and (v) the cost of recording in the Official Records of the County any Financing Documents, Ancillary Agreements or other documents or certificates that are required to be recorded pursuant to the terms of this Purchase Contract. The District shall submit for recording all documents required to be provided in recordable form hereunder within three (3) business days after the Closing Date, which obligation shall survive the Closing.

(b) The Underwriter agrees to pay all advertising and applicable regulatory expenses in connection with the Series 2025A Bonds, if any.

11. No Advisory or Fiduciary Role. The District acknowledges and agrees that (i) the purchase and sale of the Series 2025A Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection with such transaction and with the discussions, undertakings and procedures leading up to such transaction, the Underwriter is and has been acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor, as such term is defined in Section 975(e) of the Dodd-

Frank Wall Street Reform and Consumer Protection Act), agent or a fiduciary of the District, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering of the Series 2025A Bonds or the discussions, undertakings and process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising or providing other services to the District on other matters) or any other obligation to the District except the obligations expressly set forth in this Purchase Contract, (iv) the Underwriter has financial and other interests that differ from those of the District, (v) the District has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Series 2025A Bonds, and (vi) the Underwriter has provided to the District prior disclosures under Rule G-17 of the MSRB, which have been received by the District.

12. Notices. Any notice or other communication to be given to the District under this Purchase Contract may be given by delivering the same in writing to the District Manager at Wrathell, Hunt & Associates, LLC, 2300 Glades Rd., Ste. #410W, Boca Raton, Florida 33431, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to FMSbonds, Inc., 20660 W. Dixie Highway, North Miami Beach, Florida 33180, Attention: Jon Kessler.

13. Parties in Interest; Survival of Representations. This Purchase Contract is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the District's representations, warranties and agreements contained in this Purchase Contract, with the understanding that all such are made as of the date hereof, shall remain operative and in full force and effect and survive the closing on the Series 2025A Bonds, regardless of: (i) any investigations made by or on behalf of the Underwriter and (ii) delivery of and payment for the Series 2025A Bonds pursuant to this Purchase Contract.

14. Effectiveness. This Purchase Contract shall become effective upon the execution by the appropriate officials of the District and shall be valid and enforceable at the time of such acceptance. To the extent of any conflict between the provisions of this Purchase Contract and any prior contract between the parties hereto, the provisions of this Purchase Contract shall govern.

15. Headings. The headings of the sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

16. Amendment. No modification, alteration or amendment to this Purchase Contract shall be binding upon any party until such modification, alteration or amendment is reduced to writing and executed by all parties hereto.

17. Governing Law. This Purchase Contract shall be governed and construed in accordance with the laws of the State.

18. Counterparts; Facsimile. This Purchase Contract may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were signatures upon the same instrument. Facsimile or a scanned copy of the signatures delivered in a PDF format shall be deemed originals.

[Signature page follows.]

Very truly yours,

FMSBONDS, INC.

By: _____
Theodore A. Swinarski,
Senior Vice President – Trading

Accepted and agreed to this
____ day of _____, 2025.

**MAGNOLIA ISLAND COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Grant Striepling,
Chairperson, Board of Supervisors

EXHIBIT A

DISCLOSURE AND TRUTH-IN-BONDING STATEMENT

[_____] , 2025

Magnolia Island Community Development District
Pasco County, Florida

Re: \$[_____] Magnolia Island Community Development District Capital Improvement
Revenue Bonds, Series 2025A (Assessment Area Two)

Dear Board of Supervisors:

Pursuant to Chapter 218.385, Florida Statutes, and with respect to the issuance of the above-referenced bonds (the "Series 2025A Bonds"), FMSbonds, Inc. (the "Underwriter"), having purchased the Series 2025A Bonds pursuant to a Bond Purchase Contract dated [_____] , 2025 (the "Bond Purchase Contract"), between the Underwriter and Magnolia Island Community Development District (the "District"), furnishes the following information in connection with the limited offering and sale of the Series 2025A Bonds:

1. The total underwriting discount to be paid to the Underwriter pursuant to the Bond Purchase Contract is approximately \$[_____] per \$1,000.00 or \$[_____].
2. There are no "finders" as such term is used in Sections 218.385 and 218.386, Florida Statutes, in connection with the issuance of the Series 2025A Bonds.
3. The nature and estimated amounts of expenses to be incurred by the Underwriter in connection with the issuance of the Series 2025A Bonds are set forth in Schedule I attached hereto.
4. Any other fee, bonus or other compensation estimated to be paid by the Underwriter in connection with the Series 2025A Bonds to any person not regularly employed or retained by the Underwriter is as follows: None. GrayRobinson, P.A. has been retained as counsel to the Underwriter and will be compensated by the District.
5. The address of the Underwriter is:

FMSbonds, Inc.
20660 W. Dixie Highway
North Miami Beach, Florida 33180
6. Pursuant to the provisions of Sections 218.385(2) and (3), Florida Statutes, as amended, the following truth-in-bonding statements are made with respect to the Series 2025A Bonds:

The District is proposing to issue \$[] aggregate amount of the Series 2025A Bonds for the purpose of providing moneys to: (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area Two Project, (ii) pay certain costs associated with the issuance of the Series 2025A Bonds, (iii) make a deposit into the Series 2025A Reserve Account to be held for the benefit of all of the Series 2025A Bonds, and (iv) pay a portion of the interest to become due on the Series 2025A Bonds. This debt or obligation is expected to be repaid over a period of approximately [] () years, [] () months, and [] () days. [There shall be no more than thirty (30) principal installments.] At a net interest cost of approximately []% for the Series 2025A Bonds, total interest paid over the life of the Series 2025A Bonds will be \$[].

The source of repayment for the Series 2025A Bonds is the Series 2025A Assessments imposed and collected by the District. Based solely upon the assumptions set forth in the paragraph above, the issuance of the Series 2025A Bonds will result in approximately \$[] (representing the average annual debt service on the Series 2025A Bonds) of the District's special assessment revenues not being available to the District on an annual basis to finance other services of the District; provided however, that in the event that the Series 2025A Bonds were not issued, the District would not be entitled to impose and collect the Series 2025A Assessments in the amount of the principal of and interest to be paid on the Series 2025A Bonds.

[Remainder of page intentionally left blank.]

Signature Page to Disclosure and Truth-in-Bonding Statement

Sincerely,

FMSBONDS, INC.

By: _____
Theodore A. Swinarski,
Senior Vice President – Trading

SCHEDULE I

<u>Expense</u>	<u>Amount</u>
DALCOMP	\$[_____]
Clearance	
CUSIP	
DTC	
FINRA/SIPC	
MSRB	
Electronic Orders	
TOTAL:	\$[_____]

EXHIBIT B

TERMS OF BONDS

1. **Purchase Price:** \$[] (representing the \$[].00 aggregate principal amount of the Series 2025A Bonds, [plus/less net original issue premium/discount of \$[] and] less an underwriter's discount of \$[]).
2. **Principal Amounts, Maturities, Interest Rates, and Prices:**

<u>Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
---------------	-----------------	----------------------	--------------	--------------

[*Yield calculated to the first optional call date of ____, 20__.]

The Underwriter has offered the Series 2025A Bonds to the public on or before the date of this Purchase Contract at the initial offering prices set forth herein and has sold at least 10% of each maturity of the Series 2025A Bonds to the public at a price that is no higher than such initial offering prices[, except for the following maturities: _____].

3. **Redemption Provisions:**

Optional Redemption

The Series 2025A Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date, on or after May 1, 20[], at the Redemption Price of the principal amount of the Series 2025A Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption

The Series 2025A Bond maturing May 1, 20[], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2025A Sinking Fund Account established under the Second Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installment</u>
	\$		\$

*

* Final maturity

The Series 2025A Bond maturing May 1, 20[], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2025A Sinking Fund Account established under the Second Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
	\$		\$

*

* Final maturity

The Series 2025A Bond maturing May 1, 20[], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2025A Sinking Fund Account established under the Second Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
	\$		\$

*

* Final maturity

As more particularly set forth in the Indenture, any Series 2025A Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2025A Bonds. Amortization Installments are also subject to recalculation, as provided in the Second Supplemental Indenture, as the result of the redemption of Series 2025A Bonds other than from scheduled Amortization Installments so as to reamortize the remaining Outstanding principal balance of the Series 2025A Bonds as set forth in the Second Supplemental Indenture.

Extraordinary Mandatory Redemption

The Series 2025A Bonds are subject to extraordinary mandatory redemption prior to maturity in whole or in part on any Redemption Date at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Assessment Area Two Project, by application of moneys transferred from the Series 2025A Acquisition and Construction Account to the Series 2025A Prepayment Subaccount as provided for in the Indenture; or

(b) from amounts, including Series 2025A Prepayments, required by the Indenture to be deposited into the Series 2025A Prepayment Subaccount; or

(c) from amounts transferred from the Series 2025A Reserve Account to the Series 2025A Prepayment Subaccount resulting from a reduction in the Series 2025A Reserve Account Requirement as provided for in the Indenture; or

(d) on the date on which the amount on deposit in the Series 2025A Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2025A Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2025A Bonds shall be called for redemption, the particular Series 2025A Bonds or portions of Series 2025A Bonds to be redeemed shall be selected by lot by the Bond Registrar as provided in the Indenture, or as provided or directed by DTC.

[Remainder of page intentionally left blank.]

EXHIBIT C

BOND COUNSEL'S SUPPLEMENTAL OPINION

[____], 2025

FMSbonds, Inc.
North Miami Beach, Florida

Re: \$[____] Magnolia Island Community Development District Capital
Improvement Revenue Bonds, Series 2025A (Assessment Area Two)

Ladies and Gentlemen:

We have acted as Bond Counsel to the Magnolia Island Community Development District (the "District"), a community development district established and existing pursuant to Chapter 190, Florida Statutes (the "Act"), in connection with the issuance by the District of its \$[____] original aggregate principal amount of Magnolia Island Community Development District Capital Improvement Revenue Bonds, Series 2025A (Assessment Area Two) (the "Series 2025A Bonds"). In such capacity, we have rendered our final approving opinion (the "Opinion") of even date herewith relating to the Series 2025A Bonds. The Series 2025A Bonds are secured pursuant to that certain Master Trust Indenture, dated as of February 1, 2025, as supplemented by that certain Second Supplemental Trust Indenture, dated as of [____] 1, 2025 (together, the "Indenture"), each by and between the District and U.S. Bank Trust Company, National Association, as trustee.

In connection with the rendering of the Opinion, we have reviewed records of the acts taken by the District in connection with the authorization, sale and issuance of the Series 2025A Bonds, were present at various meetings and participated in various discussions in connection therewith and have reviewed such other documents, records and other instruments as we deem necessary to deliver this opinion.

The District has entered into a Bond Purchase Contract dated [____], 2025 (the "Purchase Contract"), for the purchase of the Series 2025A Bonds. Capitalized words used, but not defined, herein shall have the meanings ascribed thereto in the Purchase Contract.

Based upon the forgoing, under existing law, we are of the opinion that:

1. The Series 2025A Bonds are not subject to the registration requirement of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

2. We have reviewed the statements contained in the Limited Offering Memorandum under the sections captioned "DESCRIPTION OF THE SERIES 2025A BONDS" (other than any information therein relating to DTC or the book-entry system, as to which no opinion is expressed) and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025A BONDS" (other than the portion thereof captioned "— Prepayment of the Series 2025A Assessments" as to which no opinion is expressed) and insofar as such statements purport to be summaries of certain provisions of the Series 2025A Bonds, the Act and the Indenture, they constitute a fair summary

of the information purported to be summarized therein and the statements in the Limited Offering Memorandum on the cover relating to the Opinion and under the caption "TAX MATTERS" are accurate statements or summaries of the matters therein set forth. It should be noted that such summaries do not purport to summarize all of the provisions of, and are qualified in their entirety by, the complete documents or provisions which are summarized.

We express no opinion as to the information contained in the Limited Offering Memorandum other than as provided in paragraph 2 above. The opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation or duty to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

This letter is furnished by us as Bond Counsel. No attorney-client relationship has existed or exists between our firm and yours in connection with the Series 2025A Bonds or by virtue of this letter. This letter is delivered to you solely for your benefit as Underwriter and may not be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by holders of the Series 2025A Bonds.

Very truly yours,

EXHIBIT D

**FORM OF LANDOWNERS' AND DEVELOPMENT MANAGER'S COUNSEL
OPINION**

[____], 2025

Magnolia Island Community Development District
Pasco County, Florida

FMSbonds, Inc.
North Miami Beach, Florida

U.S. Bank Trust Company, National Association, as Trustee
Fort Lauderdale, Florida

GrayRobinson, P.A.
Tampa, Florida

Re: \$[____] Magnolia Island Community Development District Capital
 Improvement Revenue Bonds, Series 2025A (Assessment Area Two)

Ladies and Gentlemen:

The firm of Dean, Mead, Egerton, Bloodworth, Capouano & Bozarth, P.A. (the "Firm"), serves as counsel to Homes by West Bay, LLC, a Florida limited liability company ("Homes by West Bay") and CF GTIS III Magnolia Island, LLC, a Delaware limited liability company ("CF GTIS" and, together with Homes by West Bay, the "Landowners"), and HBWB Development Services, LLC, a Florida limited liability company (the "Development Manager"), which are the landowners and development manager, respectively, of certain land within the proposed residential community located in Pasco County, Florida and commonly referred to as Magnolia Island, as such lands are described in the Limited Offering Memoranda (as hereinafter defined). This opinion is rendered at the request of the Landowners and the Development Manager in connection with the issuance by the Magnolia Island Community Development District (the "District") of the Series 2025A Bonds described in the District's Preliminary Limited Offering Memorandum dated [____], 2025, and the District's final Limited Offering Memorandum dated [____], 2025, including the appendices attached thereto (collectively, the "Limited Offering Memoranda"). Capitalized terms not defined herein shall have the meaning set forth in the Limited Offering Memoranda.

It is our understanding that the Series 2025A Bonds are being issued for the purpose of providing funds to: (i) finance a portion of the cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area Two Project, (ii) pay certain costs associated with the issuance of the Series 2025A Bonds, (iii) make a deposit into the Series 2025A Reserve Account to be held for the benefit of all of the Series 2025A Bonds, and (iv) pay a portion of the interest to become due on the Series 2025A Bonds (all as defined in the Limited Offering Memoranda).

In our capacity as counsel to the Landowners and the Development Manager, attorneys in the Firm have examined originals or copies identified to our satisfaction as being true copies of the Limited Offering Memoranda, the Continuing Disclosure Agreement, by and among the District, the Landowners, and Wrathell, Hunt & Associates, LLC, dated as of the Closing Date, the Funding and Completion Agreement (Assessment Area Two Project) by and between the District and Homes by West Bay and dated as of the Closing Date, the Development Acquisition Agreement (Assessment Area Two Project) by and between the District and Homes by West Bay and dated as of the Closing Date, the Collateral Assignments and Assumptions of Development Rights Relating to the Assessment Area Two Project by and between the District, CF GTIS and the Development Manager, and by and between the District, Homes by West Bay and the Development Manager, respectively, each dated as of the Closing Date, the Agreements to Convey or Dedicate (Assessment Area Two Project) by and between the District and CF GTIS, and by and between the District and Homes by West Bay, respectively, each dated as of the Closing Date, the True-Up Agreements (Assessment Area Two Project) by and between the District and CF GTIS, and by and between the District and Homes by West Bay, respectively, each dated as of the Closing Date, and the Declarations of Consent to Jurisdiction of the Magnolia Island Community Development District, Imposition of Special Assessments, and Imposition of Lien of Record (Assessment Area Two Project), executed by CF GTIS and Homes by West Bay, respectively, each dated as of the Closing Date, and the Certificate of the Landowners and the Development Manager, dated as of the Closing Date (collectively, the "Documents"), and have made such examination of law as we have deemed necessary or appropriate in rendering this opinion. In connection with the forgoing, attorneys in the Firm also have reviewed and examined the Operating Agreements and Articles of Organization, together with all amendments thereto, of Homes by West Bay, CF GTIS and the Development Manager (collectively, the "Organizational Documents").

In rendering this opinion, we have assumed, without having made any independent investigation of the facts, the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies, and the legal capacity of all natural persons.

In basing the opinions set forth in this opinion on "our knowledge," the words "our knowledge" signify that, in the course of our representation of the Landowners and the Development Manager, no facts have come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters.

Based on the forgoing, we are of the opinion that:

1. Homes by West Bay, is a limited liability company organized and existing under the laws of the State of Florida. CF GTIS is a limited liability company organized and existing under the laws of the State of Delaware and authorized to conduct business in the State of Florida. The Development Manager is a limited liability company organized and existing under the laws of the State of Florida.

2. The Landowners and the Development Manager have the power to conduct their respective businesses and to undertake the development of the lands and the construction of lots

in Assessment Area Two of the District as described in the Limited Offering Memoranda and to enter into the Documents.

3. The Documents have been duly authorized, executed and delivered by the Landowners and the Development Manager, as applicable, and are in full force and effect. Assuming the due authorization, execution and delivery of such instruments by the other parties thereto and their authority to perform such instruments, the Documents constitute legal, valid and binding obligations of the Landowners and the Development Manager, as applicable, enforceable in accordance with their respective terms.

4. Nothing has come to our attention that would lead us to believe the information contained in the Limited Offering Memoranda under the captions "THE DEVELOPMENT", "THE LANDOWNERS AND THE DEVELOPMENT MANAGER," "LITIGATION – The Landowners and the Development Manager," and "CONTINUING DISCLOSURE" (as it relates to the Landowners and the Development Manager), does not accurately and fairly present the information purported to be shown or contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading as of the dates of the Limited Offering Memoranda or as of the date hereof.

5. The execution, delivery and performance of the Documents by the Landowners and the Development Manager does not violate (i) the respective operating agreements of the Landowners and the Development Manager, (ii) to our knowledge after due inquiry, any agreement, instrument or Federal or Florida law, rule or regulation known to us to which the Landowners and the Development Manager, as applicable, are a party or by which the Landowners' and the Development Manager's respective assets are or may be bound; or (iii) to our knowledge, any judgment, decree or order of any administrative tribunal, which judgment, decree, or order is binding on the Landowners, the Development Manager or any of their respective assets.

6. Nothing has come to our attention that would lead us to believe that the Landowners or the Development Manager are not in compliance in all material respects with all provisions of applicable law in all material matters relating to such entity as described in the Limited Offering Memoranda. Except as otherwise described in the Limited Offering Memoranda, (a) we have no knowledge that the Landowners and the Development Manager have not received (other than certain permits, which permits are expected to be received as needed) all government permits required in connection with the construction and completion of the Assessment Area Two Project or the development of the lands in Assessment Area Two of the District as described in the Limited Offering Memoranda; (b) we have no knowledge of any default of any zoning condition, permit or development agreement which would adversely affect the Landowners' and the Development Manager's ability to complete or cause the completion of the Assessment Area Two Project or the development of the lands in Assessment Area Two of the District as described in the Limited Offering Memoranda or the Landowners' ability to complete construction of the homes planned for Assessment Area Two as described in the Limited Offering Memoranda; and (c) we have no knowledge of any reason to believe that any permits, consents and licenses required to complete the Assessment Area Two Project or the development of the lands in Assessment Area Two of the District as described in the Limited Offering Memoranda will not be obtained in due course as required the Landowners and the Development Manager.

7. To the best of our knowledge, the levy of the Series 2025A Assessments on the applicable lands within Assessment Area Two of the District will not conflict with or constitute a breach of or default under any agreement, mortgage, lien, or other instrument to which the Landowners are a party or to which the Landowners or any of their respective properties or assets are subject.

8. To the best of our knowledge after due inquiry, there is no litigation pending which would prevent or prohibit the development of either the Assessment Area Two Project or the lands in Assessment Area Two of the District in accordance with the descriptions thereof in the Limited Offering Memoranda and the Engineer's Report annexed thereto or which may result in any material adverse change in the respective business, properties, assets or financial condition of the Landowners or the Development Manager.

9. To the best of our knowledge after due inquiry, none of the entities comprising the Landowners or the Development Manager have made an assignment for the benefit of creditors, filed a petition in bankruptcy, petitioned or applied to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction. To the best of our knowledge after due inquiry, none of the Landowners or the Development Manager has indicated its consent to, or approval of, or failed to object timely to, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee.

10. To the best of our knowledge after due inquiry, none of the Landowners or the Development Manager is in default under any mortgage, trust indenture, lease or other instrument to which they or any of their respective assets are subject, which default would have a material adverse effect on the Series 2025A Bonds or the development of the Assessment Area Two Project or the lands in Assessment Area Two of the District.

This opinion is given as of the date hereof, and we disclaim any obligation to update this opinion letter for events occurring after the date of this opinion letter. The foregoing opinion applies only with respect to the laws of the State of Florida and the federal laws of the United States of America and we express no opinion with respect to the laws of any other jurisdiction. Nothing herein shall be construed as an opinion regarding the possible applicability of state securities or "blue sky" laws, as to which no opinion is expressed. This letter is for the benefit of, and may be relied upon solely by, the addressees and this opinion may not be relied upon in any other manner, nor used, by any other persons or entities.

Our opinion as to enforceability of any document is subject to limitations imposed by bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt, or similar laws relating to or affecting creditor's rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and to the exercise of judicial discretion in appropriate cases.

Very truly yours,

David P. Barker, Esq.

EXHIBIT E

FORM OF CERTIFICATE FOR THE LANDOWNERS AND THE DEVELOPMENT MANAGER

Homes by West Bay, LLC, a Florida limited liability company ("Homes by West Bay"), CF GTIS III Magnolia Island, LLC, a Delaware limited liability company ("CF GTIS" and, together with Homes by West Bay, the "Landowners"), and HBWB Development Services, LLC, a Florida limited liability company (the "Development Manager"), DO HEREBY CERTIFY that:

1. This Certificate of the Landowners and the Development Manager is furnished pursuant to Section 8(c)(10) of the Bond Purchase Contract dated [____], 2025 (the "Purchase Contract") between Magnolia Island Community Development District (the "District") and FMSbonds, Inc. (the "Underwriter") relating to the sale by the District of its \$[____] original aggregate principal amount of Magnolia Island Community Development District Capital Improvement Revenue Bonds, Series 2025A (Assessment Area Two) (the "Series 2025A Bonds"). Capitalized terms used, but not defined, herein shall have the meanings assigned thereto in the Purchase Contract.

2. Homes by West Bay is a limited liability company organized and existing under the laws of the State of Florida and authorized to transact business therein. CF GTIS is a limited liability company organized and existing under the laws of the State of Delaware and authorized to transact business in the State of Florida. The Development Manager is a limited liability company organized and existing under the laws of the State of Florida and authorized to transact business therein.

3. Representatives of the Landowners and the Development Manager have provided information to the District to be used in connection with the offering by the District of the Series 2025A Bonds, pursuant to a Preliminary Limited Offering Memorandum dated [____], 2025, and a final Limited Offering Memorandum dated [____], 2025 (collectively, the "Limited Offering Memoranda").

4. The Continuing Disclosure Agreement dated [____], 2025 (the "Closing Date"), among the District, the Landowners, and a dissemination agent named therein, the Funding and Completion Agreement (Assessment Area Two Project) by and between the District and Homes by West Bay and dated as of the Closing Date, the Development Acquisition Agreement (Assessment Area Two Project) by and between the District and Homes by West Bay and dated as of the Closing Date, the Collateral Assignments and Assumptions of Development Rights Relating to the Assessment Area Two Project by and between the District, CF GTIS and the Development Manager, and by and between the District, Homes by West Bay and the Development Manager, respectively, each dated as of the Closing Date, the Agreements to Convey or Dedicate (Assessment Area Two Project) by and between the District and CF GTIS, and by and between the District and Homes by West Bay, respectively, each dated as of the Closing Date, the True-Up Agreements (Assessment Area Two Project) by and between the District and CF GTIS, and by and between the District and Homes by West Bay, respectively, each dated as of the Closing Date, and the Declarations of Consent to Jurisdiction of the Magnolia Island Community

Development District, Imposition of Special Assessments, and Imposition of Lien of Record (Assessment Area Two Project), executed by CF GTIS and Homes by West Bay, respectively, each dated as of the Closing Date (collectively, the "Documents") constitute valid and binding obligations of the Landowners and the Development Manager, as applicable, enforceable against the Landowners and the Development Manager in accordance with their respective terms.

5. The Landowners and the Development Manager have reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA TWO PROJECT," "THE DEVELOPMENT," "THE LANDOWNERS AND THE DEVELOPMENT MANAGER," "LITIGATION – The Landowners and the Development Manager" and "CONTINUING DISCLOSURE" and with respect to the Landowners, the Development Manager and the development of the Assessment Area Two Project and Assessment Area Two of the District (as defined in the Limited Offering Memoranda) under the caption "BONDOWNERS' RISKS" and warrant and represent that such information did not as of their respective dates, and does not as of the date hereof, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, the Landowners and the Development Manager are not aware of any other information in the Limited Offering Memoranda that contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. The Landowners and the Development Manager represent and warrant that they have complied with and will continue to comply with Sections 190.009 and 190.048, Florida Statutes, as amended.

7. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of the Landowners or the Development Manager which has not been disclosed in the Limited Offering Memoranda.

8. The Landowners hereby consent to the levy of the Series 2025A Assessments on the Assessment Area Two lands owned by the Landowners. The levy of the Series 2025A Assessments on the Assessment Area Two lands owned by the Landowners will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which either of the Landowners is a party or to which any of their respective properties or assets are subject.

9. None of the Landowners nor the Development Manager has made an assignment for the benefit of creditors, filed a petition in bankruptcy, petitioned or applied to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction. None of the Landowners nor the Development Manager has indicated its consent to, or approval of, or failed to object timely to, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee.

10. To the best of our knowledge, none of the Landowners nor the Development Manager is in default under any resolution, ordinance, agreement or indenture, mortgage, lease,

deed of trust, note or other instrument to which it is subject or by which its properties are or may be bound, which would have a material adverse effect on the consummation of the transactions contemplated by the Documents or on the completion of the Assessment Area Two Project or the development of Assessment Area Two, and the Landowners and the Development Manager are not delinquent in the payment of any ad valorem, federal and state taxes associated with the development of the Assessment Area Two Project or Assessment Area Two.

11. Except as otherwise disclosed in the Limited Offering Memoranda, there is no action, suit or proceeding at law or in equity by or before any court or public board or body pending or, solely to the best of our knowledge, threatened against any of the Landowners or the Development Manager (or any basis therefor) (a) seeking to restrain or enjoin the execution or delivery of the Documents, (b) contesting or affecting the validity or enforceability of the Documents, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, or (c) contesting or affecting the establishment or existence of the Landowners or the Development Manager or their respective businesses, assets, properties or conditions, financial or otherwise, or contesting or affecting any of the powers of the Landowners or the Development Manager.

12. To the best of our knowledge after due inquiry, the Landowners and the Development Manager are in compliance in all material respects with all provisions of applicable law in all material matters relating to the completion of the Assessment Area Two Project and the development of Assessment Area Two as described in the Limited Offering Memoranda, including applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda, (a) the District Lands are zoned and properly designated for their intended use, (b) all government permits other than certain permits, which permits are expected to be received as needed, have been received, (c) neither the Landowners nor the Development Manager are aware of any default of any zoning condition, permit or development agreement which would adversely affect the ability to complete or cause the completion of the Assessment Area Two Project or the development of Assessment Area Two as described in the Limited Offering Memoranda and all appendices thereto, and (d) there is no reason to believe that any permits, consents and licenses required to complete the Assessment Area Two Project or the development of Assessment Area Two as described in the Limited Offering Memoranda will not be obtained as required.

13. The Landowners acknowledge that they will have no rights under Chapter 170, Florida Statutes, as amended, to prepay, without interest, the Series 2025A Assessments imposed on lands in Assessment Area Two owned by it within thirty (30) days following completion of the Assessment Area Two Project and acceptance thereof by the District.

14. The Landowners are not insolvent or in default of any obligations to pay special assessments.

15. The information presented in the Limited Offering Memoranda under the heading "CONTINUING DISCLOSURE" (as it relates to the Landowners and the Development Manager) accurately reflects the continuing disclosure history of each of the Landowners and the Development Manager, respectively.

Dated: [____], 2025.

HOMES BY WEST BAY, LLC, a Florida
limited liability company

By: _____
Name: _____
Title: _____

CF GTIS III MAGNOLIA ISLAND, LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____

**HBWB DEVELOPMENT SERVICES,
LLC**, a Florida limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT F

CERTIFICATE OF ENGINEERS

CLEARVIEW LAND DESIGN, P.L. (the "Engineers"), DOES HEREBY CERTIFY, that:

1. This certificate is furnished pursuant to Section 8(c)(17) of the Bond Purchase Contract dated [____], 2025 (the "Purchase Contract"), by and between Magnolia Island Community Development District (the "District") and FMSbonds, Inc. with respect to the \$[____] Magnolia Island Community Development District Capital Improvement Revenue Bonds, Series 2025A (Assessment Area Two) (the "Series 2025A Bonds"). Capitalized terms used, but not defined, herein shall have the meanings assigned thereto in the Purchase Contract or the Preliminary Limited Offering Memorandum dated [____], 2025 (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated [____], 2025 (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda"), as applicable.

2. The Engineers have been retained by the District as consulting engineers.

3. The plans and specifications for the Assessment Area Two Project (as described in the Limited Offering Memoranda and the Report (as defined below)) and the public infrastructure improvements (as described in the Report) were approved by all regulatory bodies required to approve them. All environmental and other regulatory permits or approvals required in connection with the construction of the Assessment Area Two Project were obtained or are expected to be obtained in the ordinary course.

4. The Engineers prepared the Master Engineer's Report dated July 8, 2024, as supplemented by the 2024 Supplemental Engineer's Report for the Magnolia Island Community Development District dated September 17, 2024 (together, the "Report"). The Report was prepared in accordance with generally accepted engineering principles. The Report is included as "APPENDIX A: ENGINEER'S REPORT" to the Limited Offering Memoranda and a description of the Report and certain other information relating to the Assessment Area Two Project are included in the Limited Offering Memoranda under the captions "THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA TWO PROJECT" and "THE DEVELOPMENT." The Report and said information are true and complete in all material respects, contain no untrue statement of a material fact, and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5. The Engineers hereby consent to the inclusion of the Report as "APPENDIX A: ENGINEER'S REPORT" to the Limited Offering Memoranda and to the references to the Engineers in the Limited Offering Memoranda.

6. The Assessment Area Two Project to the extent constructed has been constructed in sound workmanlike manner and in accordance with industry standards.

7. The benefits from the Assessment Area Two Project to the lands subject to the Series 2025A Assessments will be at least equal to or in excess of the amount of Series 2025A Assessments.

8. Except as otherwise described in the Limited Offering Memoranda, (a) all government permits required in connection with the construction of the Assessment Area Two Project and the development of Assessment Area Two as described in the Limited Offering Memoranda have been received or are expected to be received in the ordinary course, (b) we are not aware of any default of any zoning condition, land use permit or development agreement which would adversely affect the ability to complete the Assessment Area Two Project or development of Assessment Area Two as described in the Limited Offering Memoranda and all appendices thereto, and (c) we have no actual knowledge and are not otherwise aware of any reason to believe that any permits, consents and licenses required to complete the Assessment Area Two Project or the development of Assessment Area Two as described in the Limited Offering Memoranda and all appendices thereto will not be obtained in due course as required by the Landowners or the Development Manager.

9. There is adequate water and sewer service capacity to serve Assessment Area Two.

Date: [____], 2025

CLEARVIEW LAND DESIGN, P.L.

By: _____
Print Name: _____
Title: _____

EXHIBIT G

CERTIFICATE OF DISTRICT MANAGER, METHODOLOGY CONSULTANT AND DISSEMINATION AGENT

[____], 2025

Magnolia Island Community Development District
Pasco County, Florida

FMSbonds Inc.
North Miami Beach, Florida

GrayRobinson, P.A.
Tampa, Florida

Re: \$[____] Magnolia Island Community Development District Capital
Improvement Revenue Bonds, Series 2025A (Assessment Area Two)

Ladies and Gentlemen:

The undersigned representative of Wrathell, Hunt & Associates, LLC ("WHA"), DOES
HEREBY CERTIFY:

1. This certificate is furnished pursuant to Sections 8(c)(18) and 8(c)(28) of the Bond Purchase Contract dated [____], 2025 (the "Purchase Contract"), by and between Magnolia Island Community Development District (the "District") and FMSbonds, Inc. with respect to the \$[____] Magnolia Island Community Development District Capital Improvement Revenue Bonds, Series 2025A (Assessment Area Two) (the "Series 2025A Bonds"). Capitalized terms used, but not defined, herein shall have the meanings assigned thereto in the Purchase Contract or the Preliminary Limited Offering Memorandum dated [____], 2025 (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated [____], 2025 (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda") relating to the Series 2025A Bonds, as applicable.

2. WHA has acted as District Manager and Methodology Consultant to the District in connection with the sale and issuance by the District of the Series 2025A Bonds and has participated in the preparation of the Limited Offering Memoranda.

3. In connection with the issuance of the Series 2025A Bonds, we have been retained by the District to prepare the Master Special Assessment Methodology Report dated July 8, 2024, as supplemented by the Final Second Supplemental Special Assessment Methodology Report dated [____], 2025 (collectively, the "Assessment Methodology"), which Assessment Methodology has been included as an appendix to the Limited Offering Memoranda. We hereby consent to the use of such Assessment Methodology in the Limited Offering Memoranda and consent to the references to us therein.

4. As District Manager, nothing has come to our attention that would lead us to believe that the Limited Offering Memoranda, as they relate to the District, the District Lands, the Assessment Area Two Project, or any information provided by us, and the Assessment Methodology, as of their respective dates and as of this date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5. The information set forth in the Limited Offering Memoranda under the captions "THE DISTRICT," "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS," "LITIGATION – The District," "CONTINGENT FEES," "FINANCIAL INFORMATION," "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS," "CONTINUING DISCLOSURE," and in "APPENDIX E: ASSESSMENT METHODOLOGY" and "APPENDIX F: DISTRICT'S FINANCIAL STATEMENTS" did not as of the respective dates of the Limited Offering Memoranda and does not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6. To the best of our knowledge, there has been no change which would materially adversely affect the assumptions made or the conclusions reached in the Assessment Methodology and the considerations and assumptions used in compiling the Assessment Methodology are reasonable. The Assessment Methodology and the assessment methodology set forth therein were prepared in accordance with all applicable provisions of Florida law.

7. As District Manager and Registered Agent for the District, we are not aware of any litigation pending or, to the best of our knowledge, threatened against the District restraining or enjoining the issuance, sale, execution or delivery of the Series 2025A Bonds, or in any way contesting or affecting the validity of the Series 2025A Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Series 2025A Bonds, or the existence or powers of the District.

8. The Series 2025A Assessments, as initially levied, and as may be reallocated from time to time in a report provided by WHA as permitted by resolutions adopted by the District with respect to the Series 2025A Assessments, are supported by sufficient benefit from the Assessment Area Two Project, are fairly and reasonably allocated across the lands subject to the Series 2025A Assessments, and are sufficient to enable the District to pay the debt service on the Series 2025A Bonds through the final maturity thereof.

9. WHA does not represent the District as a Municipal Advisor or Securities Broker nor is WHA registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, WHA does not provide the District with financial advisory services or offer investment advice in any form.

10. WHA hereby acknowledges its agreement to serve as the Dissemination Agent for the District for the Series 2025A Bonds and undertake the obligations of the Dissemination Agent as set forth in the Continuing Disclosure Agreement dated [____], 2025 (the "Disclosure Agreement") by and among the District, Homes by West Bay, LLC, CF GTIS III Magnolia Island,

LLC, and WHA, as Dissemination Agent, and acknowledged by WHA, as District Manager, and U.S. Bank Trust Company, National Association, as trustee. WHA hereby represents that it is aware of the continuing disclosure requirements set forth in the Disclosure Agreement and Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, that it has policies and procedures in place to ensure its compliance with its obligations under the Disclosure Agreement, and that it will comply with its obligations under the Disclosure Agreement.

Dated: [____], 2025.

**WRATHELL, HUNT & ASSOCIATES,
LLC**, a Florida limited liability corporation

By: _____

Name: _____

Title: _____

Exhibit B – Form of Supplemental Indenture

SECOND SUPPLEMENTAL TRUST INDENTURE

BETWEEN

MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT

AND

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
AS TRUSTEE**

Dated as of September 1, 2025

**[\$[Bond Amount] Capital Improvement Revenue Bonds, Series 2025A
(Assessment Area Two)**

TABLE OF CONTENTS

This Table of Contents is incorporated herein for ease of reference only and shall not be deemed a part of this Second Supplemental Trust Indenture.

ARTICLE I DEFINITIONS

Section 101.	Definitions.....	4
--------------	------------------	---

ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2025A BONDS

Section 201.	Authorization of Series 2025A Bonds; Book-Entry Only Form	9
Section 202.	Terms	10
Section 203.	Dating; Interest Accrual.....	11
Section 204.	Denominations.....	11
Section 205.	Paying Agent.....	11
Section 206.	Bond Registrar.....	11
Section 207.	Conditions Precedent to Issuance of Series 2025A Bonds	11

ARTICLE III REDEMPTION OF SERIES 2025A BONDS

Section 301.	Bonds Subject to Redemption	12
--------------	-----------------------------------	----

ARTICLE IV DEPOSIT OF SERIES 2025A BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

Section 401.	Establishment of Accounts.....	12
Section 402.	Use of Series 2025A Bond Proceeds.....	13
Section 403.	Series 2025A Acquisition and Construction Account; Series 2025A Costs of Issuance Account.....	13
Section 404.	Series 2025A Capitalized Interest Account.....	14
Section 405.	Series 2025A Reserve Account	15
Section 406.	Amortization Installments; Selection of Bonds for Redemption	16
Section 407.	Tax Covenants	16
Section 408.	Series 2025A Revenue Account; Application of Revenues and Investment Earnings	16

ARTICLE V CONCERNING THE TRUSTEE

Section 501.	Acceptance by Trustee.....	19
Section 502.	Limitation of Trustee's Responsibility.....	19

Section 503.	Trustee's Duties	19
--------------	------------------------	----

ARTICLE VI ADDITIONAL BONDS

Section 601.	No Parity Bonds; Limitation on Parity Assessments	19
--------------	---	----

ARTICLE VII MISCELLANEOUS

Section 701.	Confirmation of Master Indenture.....	20
Section 702.	Continuing Disclosure Agreement.....	20
Section 703.	Additional Covenant Regarding Assessments.....	20
Section 704.	Collection of Assessments	20
Section 705.	Owner Direction and Consent with Respect to Series 2025A Acquisition and Construction Account Upon Occurrence of Event of Default	21
Section 706.	Assignment of District's Rights Under Collateral Assignment[s]	21
Section 707.	Enforcement of True-Up Agreement[s] and Completion Agreement	21
Section 708.	Payment of Rebate Amount	22

Exhibit A – Description of Assessment Area Two Project

Exhibit B – Form of Series 2025A Bonds

Exhibit C – Form of Requisition for Assessment Area Two Project

Exhibit D – Form of Investor Letter

SECOND SUPPLEMENTAL TRUST INDENTURE

THIS SECOND SUPPLEMENTAL TRUST INDENTURE (this "Second Supplemental Indenture") is dated as of September 1, 2025, between **MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT** (the "District") and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association, authorized to accept and execute trusts of the character herein set forth, with its designated corporate trust office located at 500 West Cypress Creek Road, Suite 460, Fort Lauderdale, Florida 33309, Attention: Corporate Trust Department.

WHEREAS, the District entered into a Master Trust Indenture, dated as of February 1, 2025 (the "Master Indenture" and together with this Second Supplemental Indenture, the "Indenture") with the Trustee to secure the issuance of its Magnolia Island Community Development District Capital Improvement Revenue Bonds (the "Bonds"), issuable in one or more Series from time to time; and

WHEREAS, pursuant to Resolution No. 2024-31, adopted by the Governing Body of the District on July 8, 2024, the District has authorized the issuance, sale and delivery of not to exceed \$44,215,000 of Bonds, to be issued in one or more Series of Bonds as authorized under the Master Indenture, which Bonds were validated by final judgment of the Sixth Judicial Circuit of Florida, in and for Pasco County on September 9, 2024, the appeal period for which expired with no appeal having been taken; and

WHEREAS, the Governing Body of the District duly adopted Resolution No. 2024-29, on July 8, 2024, providing for the acquisition, construction and installation of assessable capital improvements (the "Capital Improvement Plan"), providing estimated Costs of the Capital Improvement Plan, defining assessable property to be benefited by the Capital Improvement Plan, defining the portion of the Costs of the Capital Improvement Plan with respect to which Assessments will be imposed and the manner in which such Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll, and stating the intent of the District to issue Bonds of the District secured by such Assessments to finance the Costs of the acquisition, construction and installation of the Capital Improvement Plan and the Governing Body of the District duly adopted Resolution No. 2024-35, on September 9, 2024, following a public hearing conducted in accordance with the Act, to fix and establish the Assessments and the benefited property; and

WHEREAS, pursuant to Resolution No. 2025-[], adopted by the Governing Body of the District on August [14], 2025, the District has authorized the issuance, sale and delivery of, among other things, its \$[Bond Amount] Magnolia Island Community Development District Capital Improvement Revenue Bonds, Series 2025A (Assessment Area Two) (the "Series 2025A Bonds"), which are issued hereunder as an issue of Bonds under the Master Indenture, and has ratified and

confirmed the Master Indenture and authorized the execution and delivery of this Second Supplemental Indenture to secure the issuance of the Series 2025A Bonds and to set forth the terms of the Series 2025A Bonds; and

WHEREAS, the District will apply the proceeds of the Series 2025A Bonds to (a) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area Two Project (hereinafter defined), (b) pay certain costs associated with the issuance of the Series 2025A Bonds, (c) make a deposit into the Series 2025A Reserve Account to be held for the benefit of all of the Series 2025A Bonds, and (d) pay a portion of the interest to become due on the Series 2025A Bonds; and

WHEREAS, the Series 2025A Bonds will be payable from and secured in part by revenues derived from Assessments imposed, levied and collected by the District in accordance with the Series 2025A Assessment Proceedings (hereinafter defined) with respect to property specially benefited by the Assessment Area Two Project (the "Series 2025A Assessments"); and

WHEREAS, the execution and delivery of the Series 2025A Bonds and of this Second Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the Series 2025A Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Second Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the Series 2025A Trust Estate (hereinafter defined) have been done;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH:

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2025A Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, all Series 2025A Bonds Outstanding from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this Second Supplemental Indenture and in the Series 2025A Bonds (a) has executed and delivered this Second Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in the trusts established under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the

terms set forth in the Master Indenture, the revenues derived by the District from the Series 2025A Assessments (the "Series 2025A Pledged Revenues") and the Funds and Accounts (except for the Series 2025A Rebate Account) established hereby (the "Series 2025A Pledged Funds") which shall constitute the Series Trust Estate securing the Series 2025A Bonds (the "Series 2025A Trust Estate");

TO HAVE AND TO HOLD all the same by the Master Indenture granted, bargained, sold, conveyed, transferred, assigned and pledged, or agreed or intended so to be, to the Trustee and its successors in said trust and to it and its assigns forever;

IN TRUST NEVERTHELESS, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2025A Bonds issued or to be issued under and secured by this Second Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one Series 2025A Bond over any other Series 2025A Bond by reason of priority in their issue, sale or execution;

PROVIDED HOWEVER, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2025A Bonds or any Series 2025A Bond of a particular maturity issued, secured and Outstanding under this Second Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2025A Bonds and this Second Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this Second Supplemental Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of the Master Indenture and this Second Supplemental Indenture, then upon such final payments, this Second Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2025A Bonds or any Series 2025A Bond of a particular maturity, otherwise this Second Supplemental Indenture shall remain in full force and effect;

THIS SECOND SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Series 2025A Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as expressed in the Master Indenture (except as amended directly or by implication by this Second Supplemental Indenture) and this Second Supplemental Indenture, and the District has agreed and covenanted,

and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Series 2025A Bonds, as follows:

ARTICLE I DEFINITIONS

Section 101. Definitions. All terms used herein that are defined in the recitals hereto are used with the same meaning herein unless the context clearly requires otherwise. All terms used herein that are defined in the Master Indenture are used with the same meaning herein (including the use of such terms in the recitals hereto and the granting clauses hereof) unless (a) expressly given a different meaning herein or (b) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

"Arbitrage Certificate" shall mean the Certificate as to Arbitrage and Certain Other Tax Matters of the District dated as of [Closing Date].

"Assessment Area Two" shall mean the 44.250 gross acres constituting Phases 2A and 2B of the District, planned to include 219 residential units, as more fully described in the Engineer's Report and the Assessment Methodology.

"Assessment Area Two Project" shall mean that portion of the Capital Improvement Plan to be financed in part with the proceeds of the Series 2025A Bonds on deposit in the Series 2025A Acquisition and Construction Account, as more particularly described in the Engineer's Report.

"Assessment Methodology" shall mean the Master Special Assessment Methodology Report, dated July 8, 2024, as supplemented by the [Final Second Supplemental Special Assessment Methodology Report], dated September [___], 2025, each prepared by the Methodology Consultant.

"Authorized Denomination" shall mean, with respect to the Series 2025A Bonds, on the date of issuance, the denomination of \$5,000 and any integral multiple thereof; provided, however, if any initial Beneficial Owner does not purchase at least \$100,000 of the Series 2025A Bonds at the time of initial delivery of the Series 2025A Bonds, such Beneficial Owner must either execute and deliver to the District and the Underwriter on the date of delivery of the Series 2025A Bonds an investor letter substantially in the form attached hereto as Exhibit D or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

"Beneficial Owners" shall have the meaning given such term by DTC so long as it is the registered Owner through its Nominee, Cede & Co., of the Series 2025A Bonds as to which such reference is made to enable such Series 2025A Bonds to be held in book-entry only form, and shall otherwise mean the registered Owner on the registration books of the District maintained by the Bond Registrar.

"Bond Depository" shall mean the securities depository from time to time under Section 201 hereof, which may be the District.

"Bond Participants" shall mean those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds Series 2025A Bonds as securities depository.

"CF GTIS" shall mean CF GTIS III Magnolia Island, LLC, a Delaware limited liability company.

"Collateral Assignment[s]" shall mean[, collectively,] the [Collateral Assignment and Assumption of Development Rights Relating to the Assessment Area Two Project] among the District, CF GTIS, and the Development Manager, dated as of [Closing Date][, and the [Collateral Assignment and Assumption of Development Rights Relating to the Assessment Area Two Project] among the District, Homes by West Bay, and the Development Manager, dated as of [Closing Date]].

"Completion Agreement" shall mean the [Funding and Completion Agreement (Assessment Area Two Project)] between the District and Homes by West Bay, dated as of [Closing Date].

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement, by and among the District, [Homes by West Bay,] CF GTIS and Wrathell, Hunt & Associates, LLC, as dissemination agent, dated as of [Closing Date].

"Delinquent Assessment Interest" shall mean Series 2025A Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in which such Series 2025A Assessment Interest has, or would have, become delinquent under State law or the Series 2025A Assessment Proceedings applicable thereto.

"Delinquent Assessment Principal" shall mean Series 2025A Assessment Principal deposited by the District with the Trustee on or after May 1 of the year in which such Series 2025A Assessment Principal has, or would have, become delinquent under State law or the Series 2025A Assessment Proceedings applicable thereto.

"Delinquent Assessments" shall mean, collectively, Delinquent Assessment Principal and Delinquent Assessment Interest.

"Development Manager" shall mean HBWB Development Services, LLC, a Florida limited liability company.

"Engineer's Report" shall mean the Master Engineer's Report, dated July 8, 2024, as supplemented by the 2025 Supplemental Engineer's Report for the Magnolia Island Community Development District Assessment Area Two (Phases 2A & 2B), dated [July 29], 2025, each prepared by Clearview Land Design, P.L., copies of which are attached hereto as Exhibit A.

"Homes by West Bay" shall mean Homes by West Bay, LLC, a Florida limited liability company.

"Interest Payment Date" shall mean each May 1 and November 1, commencing November 1, 2025.

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) in principal amount of the Outstanding Series 2025A Bonds.

"Methodology Consultant" shall mean Wrathell, Hunt & Associates, LLC.

"Nominee" shall mean the nominee of the Bond Depository, which may be the Bond Depository, as determined from time to time pursuant to this Second Supplemental Indenture.

"Person" shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, governmental body, political subdivision, municipality, municipal authority or any other group or organization of individuals.

"Quarterly Redemption Date" shall mean each February 1, May 1, August 1 and November 1.

"Redemption Date" shall mean a Quarterly Redemption Date in the case of a partial redemption of Outstanding Series 2025A Bonds, or any date in the case of the redemption of all of the Outstanding Series 2025A Bonds.

"Reserve Account Release Conditions #1" shall mean, collectively, that (a) all lots subject to the Series 2025A Assessments have been developed and platted, and (b) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2025A Bonds. The Consulting Engineer shall provide a written certification to the District and the Trustee certifying that the event in clause (a) has occurred and the District Manager shall provide a written certification to the District and the Trustee affirming clause (b), on which certifications the Trustee may conclusively rely.

"Reserve Account Release Conditions #2" shall mean, collectively, that (a) all of the Reserve Account Release Conditions #1 have been satisfied, (b) all homes

within Assessment Area Two have received a certificate of occupancy, (c) all of the principal portion of the Series 2025A Assessments has been assigned to such homes, (d) all Series 2025A Assessments are being collected pursuant to the Uniform Method, and (e) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2025A Bonds. The District Manager shall provide a written certification to the District and the Trustee certifying that the events in clauses (a) through (d) have occurred and affirming clause (e), on which certifications the Trustee may conclusively rely.

"Series 2025A Assessment Interest" shall mean the interest on the Series 2025A Assessments which is pledged to the Series 2025A Bonds.

"Series 2025A Assessment Principal" shall mean the principal amount of Series 2025A Assessments received by the District which represents a proportionate amount of the principal of and Amortization Installments of the Series 2025A Bonds, other than applicable Delinquent Assessment Principal and Series 2025A Prepayments.

"Series 2025A Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2025A Assessments which include Resolution Nos. 2024-29, 2024-30 and 2024-35, adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the District with respect to the Series 2025A Assessments and the Assessment Methodology as approved thereby.

"Series 2025A Assessment Revenues" shall mean all revenues derived by the District from the Series 2025A Assessments, including Delinquent Assessments, proceeds from any foreclosure of the lien of Delinquent Assessments and any statutory interest on the Delinquent Assessments collected by the District in excess of the rate of interest on the Series 2025A Bonds.

"Series 2025A Investment Obligations" shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District:

(a) Government Obligations that have a maturity of not more than 365 days from the date of acquisition;

(b) Both (i) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for such funds by Moody's and S&P at the time of purchase (Aaa-mf and AAAM, respectively), and (ii) shares of money market mutual funds that invest only in Government Obligations;

(c) Money market deposit accounts, time deposits, and certificates of deposits issued by commercial banks, savings and loan associations or mutual savings banks and which bank at the time of purchase has its short-term deposits rated at least "A-1" by S&P or "P-1" by Moody's; and

(d) commercial paper of any entity formed under the laws of the United States of America or any state thereof (having maturities of not more than 270 days) and which commercial paper has a short term rating at the time of purchase of at least "A-1" by S&P and "P-1" by Moody's.

Under all circumstances, the Trustee shall be entitled to conclusively rely that any investment directed in writing by an Authorized Officer of the District is permitted under the Indenture and is a legal investment for funds of the District.

"Series 2025A Prepayment Interest" shall mean the interest on the Series 2025A Prepayments received by the District.

"Series 2025A Prepayments" shall mean the excess amount of Series 2025A Assessment Principal received by the District over the Series 2025A Assessment Principal included within a Series 2025A Assessment appearing on any outstanding and unpaid tax bill or direct collect invoice, whether or not mandated to be prepaid in accordance with the Series 2025A Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2025A Prepayments shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

"Series 2025A Reserve Account Requirement" shall mean an amount equal to the Maximum Annual Debt Service Requirement for all Outstanding Series 2025A Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #1 are met, at which time and thereafter, Series 2025A Reserve Account Requirement shall mean an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2025A Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #2 are met, at which time and thereafter, Series 2025A Reserve Account Requirement shall mean an amount equal to ten percent (10%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2025A Bonds, as of the time of any such calculation. On the date of initial issuance of the Series 2025A Bonds, the Series 2025A Reserve Account Requirement shall be \$[RAR].

"Substantially Absorbed" shall mean the date on which the principal amount of the Series 2025A Assessments equaling ninety percent (90%) of the then Outstanding principal amount of the Series 2025A Bonds is levied on tax parcels within Assessment Area Two with respect to which a certificate of occupancy has been issued for a structure thereon, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

"True-Up Agreement[s]" shall mean[, collectively,] the [True-Up Agreement (Assessment Area Two Project)] between the District and CR GTIS, dated as of [Closing Date][, and the [True-Up Agreement (Assessment Area Two Project)] between the District and Homes by West Bay, dated as of [Closing Date]].

"Underwriter" shall mean FMSbonds, Inc., the underwriter of the Series 2025A Bonds.

ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2025A BONDS

Section 201. Authorization of Series 2025A Bonds; Book-Entry Only Form. The Series 2025A Bonds are hereby authorized to be issued in one Series in the aggregate principal amount of \$[Bond Amount] for the purposes enumerated in the recitals hereto to be designated "Magnolia Island Community Development District Capital Improvement Revenue Bonds, Series 2025A (Assessment Area Two)." The Series 2025A Bonds shall be substantially in the form attached hereto as Exhibit B. Each Series 2025A Bond shall bear the designation "2025R" and shall be numbered consecutively from 1 upwards.

The Series 2025A Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2025A Bond for each maturity thereof. Upon initial issuance, the ownership of each such Series 2025A Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2025A Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to Series 2025A Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Bond Participant with respect to any ownership interest in the Series 2025A Bonds, (b) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Series 2025A Bonds, including any notice of redemption, or (c) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2025A Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose

name each Series 2025A Bond is registered in the registration books kept by the Bond Registrar as the absolute Owner of such Series 2025A Bond for the purpose of payment of principal, premium and interest with respect to such Series 2025A Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2025A Bond, for the purpose of registering transfers with respect to such Series 2025A Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2025A Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2025A Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Series 2025A Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in this Second Supplemental Indenture shall refer to such new Nominee of DTC, and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, the Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC (a) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding Series 2025A Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the Beneficial Owners of the Series 2025A Bonds, or (b) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, the Series 2025A Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the Series 2025A Bonds shall designate, in accordance with the provisions hereof.

Section 202. Terms. The Series 2025A Bonds shall be issued as [___] ([___]) Term Bonds, shall be dated as of the date of their issuance and delivery to the initial purchasers thereof, shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

<u>Number</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP</u>
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Section 203. Dating; Interest Accrual. Each Series 2025A Bond shall be dated [Closing Date]. Each Series 2025A Bond shall also bear its date of authentication. Each Series 2025A Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication (a) is an Interest Payment Date to which interest on such Series 2025A Bond has been paid, in which event such Series 2025A Bond shall bear interest from its date of authentication, or (b) is prior to the first Interest Payment Date for the Series 2025A Bonds, in which event such Series 2025A Bond shall bear interest from its date. Interest on the Series 2025A Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2025, and shall be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months.

Section 204. Denominations. The Series 2025A Bonds shall be issued in Authorized Denominations.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the Series 2025A Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the Series 2025A Bonds.

Section 207. Conditions Precedent to Issuance of Series 2025A Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2025A Bonds, all the Series 2025A Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of:

- (a) certified copies of the Series 2025A Assessment Proceedings;
- (b) executed copies of the Master Indenture and this Second Supplemental Indenture;
- (c) a customary Bond Counsel opinion;
- (d) the District Counsel opinion required by the Master Indenture;
- (e) a certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2025A Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this Second Supplemental Indenture;
- (f) an Engineer's Certificate and a copy of the Engineer's Report, which sets forth the estimated Costs of the Assessment Area Two Project;

(g) a certificate of the Methodology Consultant addressing the validity of the Series 2025A Assessments;

(h) a certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal; and

(i) executed Collateral Assignment[s], Completion Agreement and True-Up Agreement[s].

Payment to the Trustee of the net proceeds of the Series 2025A Bonds in the amount of \$[NP] shall conclusively evidence that the foregoing conditions precedent have been met to the satisfaction of the District and the Underwriter.

ARTICLE III REDEMPTION OF SERIES 2025A BONDS

Section 301. Bonds Subject to Redemption. The Series 2025A Bonds are subject to redemption prior to maturity as provided in the form thereof attached hereto as Exhibit B. Interest on Series 2025A Bonds which are called for redemption shall be paid on the date of redemption from the Series 2025A Interest Account or from the Series 2025A Revenue Account to the extent moneys in the Series 2025A Interest Account are insufficient for such purpose. Moneys in the Series 2025A Optional Redemption Subaccount shall be applied in accordance with Section 506 of the Master Indenture to the optional redemption of Series 2025A Bonds.

ARTICLE IV DEPOSIT OF SERIES 2025A BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

Section 401. Establishment of Accounts. There are hereby established, as needed, the following Accounts:

(a) within the Acquisition and Construction Fund held by the Trustee, a Series 2025A Acquisition and Construction Account and a Series 2025A Costs of Issuance Account;

(b) within the Debt Service Fund held by the Trustee: (i) a Series 2025A Debt Service Account and therein a Series 2025A Sinking Fund Account, a Series 2025A Interest Account and a Series 2025A Capitalized Interest Account; and (ii) a Series 2025A Redemption Account and therein a Series 2025A Prepayment Subaccount and a Series 2025A Optional Redemption Subaccount;

(c) within the Reserve Fund held by the Trustee, a Series 2025A Reserve Account, which shall be held for the benefit of all of the Series 2025A Bonds, without distinction as to Series 2025A Bonds and without privilege or priority of one Series 2025A Bond over another;

(d) within the Revenue Fund held by the Trustee, a Series 2025A Revenue Account; and

(e) within the Rebate Fund held by the Trustee, a Series 2025A Rebate Account.

Section 402. Use of Series 2025A Bond Proceeds. The net proceeds of sale of the Series 2025A Bonds in the amount of \$[NP] (consisting of \$[Bond Amount].00 principal amount of Series 2025A Bonds [less/plus] [net] original issue [discount/premium] in the amount of \$[OID/OIP] and less underwriter's discount in the amount of \$[UD]), shall as soon as practicable upon the delivery thereof to the Trustee by the District pursuant to Section 207 of the Master Indenture, be applied as follows:

(a) \$[RAR], representing the Series 2025A Reserve Account Requirement at the time of issuance of the Series 2025A Bonds, shall be deposited to the credit of the Series 2025A Reserve Account;

(b) \$[COI], representing the costs of issuance relating to the Series 2025A Bonds, shall be deposited to the credit of the Series 2025A Costs of Issuance Account;

(c) \$[CAPI], representing Capitalized Interest on the Series 2025A Bonds through and including May 1, 2026, shall be deposited to the credit of the Series 2025A Capitalized Interest Account; and

(d) \$[CD] shall be deposited to the credit of the Series 2025A Acquisition and Construction Account.

Section 403. Series 2025A Acquisition and Construction Account; Series 2025A Costs of Issuance Account. (a) Amounts on deposit in the Series 2025A Acquisition and Construction Account shall be applied to pay Costs of the Assessment Area Two Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture and on the form attached hereto as Exhibit C. The Trustee shall have no duty to verify that any requested disbursement from the Series 2025A Acquisition and Construction Account is for a Cost of the Assessment Area Two Project. The Consulting Engineer shall establish a Date of Completion for the Assessment Area Two Project, and any balance remaining in the Series 2025A Acquisition and Construction Account after such Date of Completion (taking into account the moneys then on deposit therein to pay any accrued but unpaid Costs of the Assessment Area Two Project which are required to be reserved in the Series 2025A Acquisition and Construction Account in accordance with the

certificate of the Consulting Engineer delivered to the District and the Trustee establishing such Date of Completion), shall be transferred to the Series 2025A Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2025A Bonds in accordance with Section 301 hereof and in the manner prescribed in the form of Series 2025A Bond attached hereto as Exhibit B. Notwithstanding the foregoing, the District shall not establish a Date of Completion until after both the Reserve Account Release Conditions #1 and the Reserve Account Release Conditions #2 have been satisfied and moneys have been transferred from the Series 2025A Reserve Account to the Series 2025A Acquisition and Construction Account as a result of such satisfaction pursuant to Section 405 hereof. Such amounts deposited into the Series 2025A Acquisition and Construction Account as a result of the satisfaction of the Reserve Account Release Conditions #1 or the Reserve Account Release Conditions #2 shall be paid to the Person or Persons designated in a requisition in the form attached hereto as Exhibit C, upon compliance with the requisition provisions set forth in this section, to cover any requisitions submitted pursuant to this Section 403(a) which remain unpaid ("Unpaid Requisitions"), in full or in part, in chronological order (oldest to newest) based on the date such requisitions were submitted by the District to the Trustee. Any requisition submitted in compliance with the prior sentence shall be executed by the District and the Consulting Engineer. Such payment is authorized notwithstanding that the Date of Completion might have been declared provided such Costs of the Assessment Area Two Project were not previously paid from moneys initially deposited in the Series 2025A Acquisition and Construction Account. In the event that there are no Unpaid Requisitions to pay, such excess moneys transferred from the Series 2025A Reserve Account to the Series 2025A Acquisition and Construction Account shall be deposited into the Series 2025A Prepayment Subaccount upon direction to the Trustee by the District. At such time as there are no amounts on deposit in the Series 2025A Acquisition and Construction Account, such Account shall be closed.

(b) The amount deposited in the Series 2025A Costs of Issuance Account shall, at the written direction of an Authorized Officer to the Trustee, be used to pay the costs of issuance relating to the Series 2025A Bonds. On the earlier to occur of (x) the written direction of an Authorized Officer or (y) six (6) months from the date of issuance of the Series 2025A Bonds, any amounts deposited in the Series 2025A Costs of Issuance Account for which the Trustee has not received a requisition to pay such costs shall be transferred over and deposited into the Series 2025A Acquisition and Construction Account and used for the purposes permitted therefor. Any deficiency in the amount allocated to pay the costs of issuance relating to the Series 2025A Bonds shall be paid from excess moneys on deposit in the Series 2025A Revenue Account pursuant to Section 408(d) FOURTH hereof. When such deficiency has been satisfied and no moneys remain therein, the Series 2025A Costs of Issuance Account shall be closed.

Section 404. Series 2025A Capitalized Interest Account. Amounts on deposit in the Series 2025A Capitalized Interest Account shall, until and including

May 1, 2026, be transferred into the Series 2025A Interest Account and applied to the payment of interest first coming due on the Series 2025A Bonds in accordance with Section 408(d) hereof, and thereafter transferred into the Series 2025A Acquisition and Construction Account, whereupon the Series 2025A Capitalized Interest Account shall be closed.

Section 405. Series 2025A Reserve Account. The Series 2025A Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2025A Reserve Account Requirement. Except as otherwise provided herein or in the Master Indenture, amounts on deposit in the Series 2025A Reserve Account shall be used only for the purpose of making payments into the Series 2025A Interest Account and the Series 2025A Sinking Fund Account to pay Debt Service on the Series 2025A Bonds, when due, without distinction as to Series 2025A Bonds and without privilege or priority of one Series 2025A Bond over another, to the extent the moneys on deposit in such Accounts available therefor are insufficient and for no other purpose. The Series 2025A Reserve Account shall consist only of cash and Series 2025A Investment Obligations.

Anything herein or in the Master Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the Business Day preceding such forty-fifth (45th) day), an Authorized Officer of the District shall recalculate the Series 2025A Reserve Account Requirement and shall direct the Trustee in writing to transfer any excess on deposit in the Series 2025A Reserve Account (a) resulting from Prepayments of Series 2025A Assessments into the Series 2025A Prepayment Subaccount and applied as a credit against the Prepayment otherwise required to be made by the owner of such lot or parcel subject to such Prepayment and thereafter applied to the extraordinary mandatory redemption of the Series 2025A Bonds, (b) resulting from a reduction of the Series 2025A Reserve Account Requirement as the result of either the Reserve Account Release Conditions #1 or the Reserve Account Release Conditions #2 being met into the Series 2025A Acquisition and Construction Account and used for the purposes of such Account, or (c) resulting from investment earnings as provided in Section 408(f) herein. The Trustee is hereby authorized to make such transfers and has no duty to verify such calculations.

On the earliest date on which there is on deposit in the Series 2025A Reserve Account sufficient moneys, after taking into account other moneys available therefor, to pay and redeem all of the Outstanding Series 2025A Bonds, together with accrued interest and redemption premium, if any, on such Series 2025A Bonds to the earliest Redemption Date permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2025A Reserve Account into the Series 2025A Prepayment Subaccount to pay and redeem all of the Outstanding Series 2025A Bonds on the earliest Redemption Date permitted for redemption therein and herein.

Anything herein or in the Master Indenture to the contrary notwithstanding, amounts on deposit in the Series 2025A Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

Section 406. Amortization Installments; Selection of Bonds for Redemption. (a) The Amortization Installments established for the Series 2025A Bonds shall be as set forth in the form of Series 2025A Bonds attached hereto.

(b) Upon any redemption of Series 2025A Bonds (other than Series 2025A Bonds redeemed in accordance with scheduled Amortization Installments and other than Series 2025A Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture), the Trustee shall cause Series 2025A Bonds to be redeemed in such amounts and having such maturities so as to result in Amortization Installments recalculated, which recalculation shall be performed by the District, in such manner as shall amortize all the Outstanding Series 2025A Bonds of all of the maturities in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining terms of all of the Series 2025A Bonds.

Section 407. Tax Covenants. The District shall comply with the Arbitrage Certificate, including but not limited to the Tax Regulatory Covenants set forth as an exhibit to the Arbitrage Certificate, as amended and supplemented from time to time in accordance with their terms.

Section 408. Series 2025A Revenue Account; Application of Revenues and Investment Earnings. (a) The Trustee is hereby authorized and directed to deposit any and all amounts required to be deposited in the Series 2025A Revenue Account by this Section 408 or by any other provision of the Master Indenture or this Second Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2025A Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

(b) The Trustee shall deposit into the Series 2025A Revenue Account (i) Series 2025A Assessment Revenues other than Series 2025A Prepayments (which Series 2025A Prepayments shall be identified by the District to the Trustee as such in writing upon deposit, upon which certification the Trustee may conclusively rely, and which shall be deposited into the Series 2025A Prepayment Subaccount), (ii) Series 2025A Prepayment Interest, and (iii) any other revenues required by other provisions of the Indenture to be deposited into the Series 2025A Revenue Account.

(c) On the forty-fifth (45th) day preceding each Quarterly Redemption Date (or if such forty-fifth (45th) day is not a Business Day, on the Business Day preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the Series 2025A Prepayment Subaccount and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2025A Revenue Account for deposit into the Series 2025A Prepayment Subaccount an amount sufficient to increase the amount on deposit therein to the nearest integral multiple of \$5,000 (provided that there are sufficient funds remaining in the Series 2025A Revenue Account to pay Debt Service coming due on the Series 2025A Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2025A Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2025A Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Series 2025A Bonds set forth in the form of Series 2025A Bonds attached hereto, Section 301 hereof, and Article III of the Master Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall first transfer from the Series 2025A Capitalized Interest Account to the Series 2025A Interest Account the lesser of (x) the amount of interest coming due on the Series 2025A Bonds on such May 1 or November 1, less the amount already on deposit in the Series 2025A Interest Account, or (y) the amount remaining in the Series 2025A Capitalized Interest Account. Following the foregoing transfer, on such May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall then transfer amounts on deposit in the Series 2025A Revenue Account to the Accounts designated below in the following amounts and in the following order of priority:

FIRST, to the Series 2025A Interest Account, the amount, if any, equal to the difference between the amount of interest payable on all Series 2025A Bonds then Outstanding on such May 1 or November 1, and (i) the amount transferred from the Series 2025A Capitalized Interest Account in accordance with this Section 408(d), if any, and (ii) the amount already on deposit in the Series 2025A Interest Account not previously credited;

SECOND, on May 1, 20[___], and on each May 1 thereafter, to the Series 2025A Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2025A Bonds subject to mandatory sinking fund redemption on such May 1 and the amount already on deposit in the Series 2025A Sinking Fund Account not previously credited;

THIRD, to the Series 2025A Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2025A Reserve Account Requirement with respect to the Series 2025A Bonds; and

FOURTH, the balance shall first be deposited into the Series 2025A Costs of Issuance Account to fund any deficiencies in the amount allocated to pay the costs of issuance relating to the Series 2025A Bonds, and then the balance shall be retained in the Series 2025A Revenue Account.

(e) On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2025A Revenue Account to the Series 2025A Rebate Account the amount due and owing to the United States, which amount shall be paid to the United States when due in accordance with such Arbitrage Certificate.

(f) Anything herein or in the Master Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2025A Bonds shall be invested only in Series 2025A Investment Obligations. Earnings on investments in the Series 2025A Acquisition and Construction Account, the Series 2025A Interest Account and the Series 2025A Capitalized Interest Account shall be retained, as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the Funds and Accounts other than the Series 2025A Reserve Account, and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2025A Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2025A Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in Section 509 of the Master Indenture) in the Series 2025A Reserve Account as of the most recent date on which amounts on deposit in the Series 2025A Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2025A Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2025A Reserve Account shall be deposited into the Series 2025A Capitalized Interest Account through May 1, 2026, and thereafter shall be deposited into the Series 2025A Revenue Account and used for the purpose of such Account; or

(ii) if there was a deficiency (as defined in Section 509 of the Master Indenture) in the Series 2025A Reserve Account as of the most recent date on which amounts on deposit in the Series 2025A Reserve Account were valued by the Trustee, or if after such date withdrawals have been made from the Series 2025A Reserve Account and have created such a deficiency, then earnings on investments in the Series 2025A Reserve Account shall be retained in the Series 2025A Reserve Account until the amount on deposit therein is equal to the Series 2025A Reserve Account Requirement, and then earnings on investments in the Series 2025A Reserve Account shall be deposited into the Series 2025A Capitalized Interest Account through May 1, 2026, and thereafter shall be deposited into the Series 2025A Revenue Account and used for the purpose of such Account.

The foregoing determination and disbursement shall be made prior to any recalculation and transfer of excess amounts on deposit in the Series 2025A Reserve Account made pursuant to Section 405 hereof.

ARTICLE V CONCERNING THE TRUSTEE

Section 501. Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this Second Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth herein and in the Master Indenture.

Section 502. Limitation of Trustee's Responsibility. The Trustee shall not be responsible in any manner for the due execution of this Second Supplemental Indenture by the District or for the recitals contained herein, all of which are made solely by the District.

Section 503. Trustee's Duties. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article VI thereof.

ARTICLE VI ADDITIONAL BONDS

Section 601. No Parity Bonds; Limitation on Parity Assessments. Other than Refunding Bonds issued to refund the then Outstanding Series 2025A Bonds, the issuance of which results in net present value Debt Service savings, the District shall not, while any Series 2025A Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2025A Trust Estate. The District further covenants and agrees that so long as the Series 2025A Assessments have not been Substantially Absorbed, it will not issue Bonds or other debt obligations secured by Assessments on any lands subject to the Series 2025A Assessments without the written consent of the Majority Owners. Notwithstanding the immediately preceding sentence, the District may impose Assessments on property subject to the Series 2025A Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District without the consent of the Majority Owners.

ARTICLE VII MISCELLANEOUS

Section 701. Confirmation of Master Indenture. As supplemented by this Second Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this Second Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master Indenture, except insofar as modified herein, shall apply and remain in full force and effect with respect to this Second Supplemental Indenture and to the Series 2025A Bonds issued hereunder.

Section 702. Continuing Disclosure Agreement. Contemporaneously with the execution and delivery hereof, the District has executed and delivered the Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended. The District covenants and agrees to comply with the provisions of the Continuing Disclosure Agreement. However, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but instead shall be enforceable as provided in the Continuing Disclosure Agreement.

Section 703. Additional Covenant Regarding Assessments. In addition to, and not in limitation of, the covenants contained elsewhere in this Second Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the Series 2025A Assessment Proceedings heretofore adopted with respect to the Series 2025A Assessments, including the Assessment Methodology, and to levy the Series 2025A Assessments and collect any required true-up payments set forth in the Assessment Methodology in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2025A Bonds, when due.

Section 704. Collection of Assessments. (a) Anything herein or in the Master Indenture to the contrary notwithstanding, when permitted by law, Series 2025A Assessments levied on platted lots and pledged hereunder to secure the Series 2025A Bonds shall be collected pursuant to the Uniform Method, and Series 2025A Assessments levied on unplatted lands and pledged hereunder to secure the Series 2025A Bonds shall be collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, in each case unless otherwise directed by the Trustee acting at the direction of the Majority Owners upon the occurrence and continuance of an Event of Default.

(b) Series 2025A Assessments that are collected directly by the District and not via the Uniform Method shall be due and payable by each landowner no later than thirty (30) days prior to each respective Interest Payment Date; provided, however, that such Series 2025A Assessments shall not be deemed Delinquent Assessments unless and until such Series 2025A Assessments are not paid by the applicable Interest Payment Date with respect to which they have been billed.

Section 705. Owner Direction and Consent with Respect to Series 2025A Acquisition and Construction Account Upon Occurrence of Event of Default. In accordance with the provisions of the Indenture, the Series 2025A Bonds are payable solely from the Series 2025A Pledged Revenues and the Series 2025A Pledged Funds held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District hereby acknowledges that (a) the Series 2025A Pledged Funds include, without limitation, all amounts on deposit in the Series 2025A Acquisition and Construction Account then held by the Trustee, (b) upon the occurrence of an Event of Default with respect to the Series 2025A Bonds, the Series 2025A Pledged Funds may not be used by the District (whether to pay Costs of the Assessment Area Two Project or otherwise) without the written consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Assessment Area Two Project and payment is for such work, and (c) upon the occurrence of an Event of Default with respect to the Series 2025A Bonds, the Series 2025A Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Assessment Area Two Project that will cause the expenditure of additional funds from the Series 2025A Trust Estate after the occurrence and during the continuance of an Event of Default unless authorized in writing by the Majority Owners.

Section 706. Assignment of District's Rights Under Collateral Assignment[s]. Subject to the terms of the Collateral Assignment[s], the District hereby assigns its rights under the Collateral Assignment[s] to the Trustee for the benefit of the Owners, from time to time, of the Series 2025A Bonds. The Trustee shall not be deemed to have accepted any obligation under the Collateral Assignment[s] by virtue of such assignment.

Section 707. Enforcement of True-Up Agreement[s] and Completion Agreement. The District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the True-Up Agreement[s] and the Completion Agreement and, upon the occurrence and continuance of a default under [either or both] of such Agreements, the District covenants and agrees that the Trustee, at the direction of the Majority Owners, may, subject to the provisions of Section 912 of the Master Indenture, act on behalf of and in the District's stead to enforce the provisions of such Agreements and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the True-Up Agreement[s] and the Completion Agreement upon demand of the Majority Owners, or the Trustee at the direction of the Majority Owners, shall constitute an Event of Default under the Indenture, provided, however, that the District shall have a reasonable opportunity to cure.

Section 708. Payment of Rebate Amount. Anything herein or in the Master Indenture to the contrary notwithstanding, the District shall cause a Rebate Analyst to determine the Rebate Amount, if any, at the times and in the manner provided in the Tax Regulatory Covenants attached as an exhibit to the Arbitrage Certificate. If a Rebate Amount shall be due, the District shall deliver to the Trustee the written direction of an Authorized Officer to pay from the Series 2025A Rebate Account, or from any other available funds as shall be provided in such written direction, the Rebate Amount to the District for remittance to the Internal Revenue Service. The Trustee may conclusively rely on such written direction and shall have no responsibility for the calculation or payment of the Rebate Amount, if any. Notwithstanding Section 507(b) of the Master Indenture, the District shall not be required to provide the report of the Rebate Analyst to the Trustee.

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IN WITNESS WHEREOF, Magnolia Island Community Development District has caused this Second Supplemental Indenture to be signed in its name and on its behalf by its Chair, and its official seal to be hereunto affixed and attested by its Assistant Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this Second Supplemental Indenture to be signed in its name and on its behalf by its duly authorized Vice President.

(SEAL)

**MAGNOLIA ISLAND COMMUNITY
DEVELOPMENT DISTRICT**

Attest:

Assistant Secretary

By:_____
Chair, Board of Supervisors

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Trustee**

By:_____
Vice President

EXHIBIT A

DESCRIPTION OF ASSESSMENT AREA TWO PROJECT

[See Report of Consulting Engineer Attached Hereto]

EXHIBIT B

FORM OF SERIES 2025A BONDS

No. 2025R-

\$[]

**UNITED STATES OF AMERICA
STATE OF FLORIDA
MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2025
(ASSESSMENT AREA TWO)**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
%	May 1, 20[]	[Closing Date]	

Registered Owner: CEDE & CO.

Principal Amount:

MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT, a community development district duly established and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture hereinafter mentioned) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on November 1, 2025, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular Record Date for such interest, which shall be the fifteenth (15th) day of the calendar month preceding such Interest Payment Date or, if such day is not a Business Day, on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption

Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of this Bond. Any payment of principal, Amortization Installment or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, located in Fort Lauderdale, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"), unless the Bonds are held in the book-entry system in which case presentation shall not be required. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the Series 2025A Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months. During any period that this Bond is registered in the name of Cede & Co., as Nominee of DTC, the provisions of the Supplemental Indenture (hereinafter defined) relating to the book-entry only system shall apply, including the payment provisions thereof. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the hereinafter defined Indenture.

This Bond is one of a duly authorized issue of Bonds of the District designated "Magnolia Island Community Development District Capital Improvement Revenue Bonds, Series 2025A (Assessment Area Two)" in the aggregate principal amount of \$[Bond Amount] (the "Series 2025A Bonds") issued under a Master Trust Indenture, dated as of February 1, 2025 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Indenture, dated as of September 1, 2025 (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), between the District and the Trustee. The Series 2025A Bonds together with any other Bonds issued under and governed by the terms of the Master Indenture are hereinafter collectively referred to as the "Bonds." The District will apply the proceeds of the Series 2025A Bonds to (a) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area Two Project, (b) pay certain costs associated with the issuance of the Series 2025A Bonds, (c) make a deposit into the Series 2025A Reserve Account to be held for the benefit of all of the Series 2025A Bonds, and (d) pay a portion of the interest to become due on the Series 2025A Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES

OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE TERMS HEREOF. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE TERMS HEREOF SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2025A PLEDGED REVENUES AND THE SERIES 2025A PLEDGED FUNDS PLEDGED TO THE SERIES 2025A BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Series 2025A Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Amortization Installments and Redemption Price of, and the interest on, the Series 2025A Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Series 2025A Assessments, the terms and conditions under which the Series 2025A Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Series 2025A Bonds and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2025A Bonds are equally and ratably secured by the Series 2025A Trust Estate, without preference or priority of one Series 2025A Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on parity with the Series 2025A Bonds as to the lien and pledge of the Series 2025A Trust Estate except, under certain circumstances, Refunding Bonds, and the Supplemental Indenture contains provisions limiting the imposition of capital Assessments on property subject to the Series 2025A Assessments.

The Series 2025A Bonds are issuable only as registered bonds without coupons in current interest form in Authorized Denominations. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Fort Lauderdale, Florida, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory

to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Bond or Bonds, in the same aggregate principal amount as the Bond or Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Fort Lauderdale, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The Series 2025A Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, 20[___], at the Redemption Price of the principal amount of the Series 2025A Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

The Series 2025A Bond maturing May 1, 20[___], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2025A Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installment</u>
------------------------------	-------------------------------------	------------------------------	-------------------------------------

* Final maturity

The Series 2025A Bond maturing May 1, 20[___], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2025A Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installment</u>
------------------------------	-------------------------------------	------------------------------	-------------------------------------

* Final maturity

The Series 2025A Bond maturing May 1, 20[__], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2025A Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installment</u>
------------------------------	-------------------------------------	------------------------------	-------------------------------------

* Final maturity

As more particularly set forth in the Indenture, any Series 2025A Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2025A Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2025A Bonds other than from scheduled Amortization Installments so as to reamortize the remaining Outstanding principal balance of the Series 2025A Bonds as set forth in the Supplemental Indenture.

The Series 2025A Bonds are subject to extraordinary mandatory redemption prior to maturity in whole or in part on any Redemption Date at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Assessment Area Two Project, by application of moneys transferred from the Series 2025A Acquisition and Construction Account to the Series 2025A Prepayment Subaccount as provided for in the Indenture; or

(b) from amounts, including Series 2025A Prepayments, required by the Indenture to be deposited into the Series 2025A Prepayment Subaccount; or

(c) from amounts transferred from the Series 2025A Reserve Account to the Series 2025A Prepayment Subaccount resulting from a reduction in the Series 2025A Reserve Account Requirement as provided for in the Indenture; or

(d) on the date on which the amount on deposit in the Series 2025A Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2025A Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2025A Bonds shall be called for redemption, the particular Series 2025A Bonds or portions of Series 2025A Bonds to be redeemed shall be selected by lot by the Bond Registrar as provided in the Indenture, or as provided or directed by DTC.

Notice of each redemption of Series 2025A Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the date of redemption to each registered Owner of Series 2025A Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2025A Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2025A Bonds or such portions thereof on such date, interest on such Series 2025A Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2025A Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2025A Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Pursuant to the Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events or upon the later

deposit of moneys therefor as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute an action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2025A Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

Modifications or alterations of the Master Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Master Indenture.

Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for two (2) years after the date when such Bond has become due and payable, either at its stated maturity date or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee cash or Federal Securities sufficient to pay the principal or Redemption Price of any Series 2025A Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the Series 2025A Bonds as to the Series 2025A Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida.

This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the resolutions of the District to happen, exist and be performed

precedent to and in the issuance of this Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Magnolia Island Community Development District has caused this Bond to bear the signature of the Chair of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of the Assistant Secretary to the Board of Supervisors.

Attest:

**MAGNOLIA ISLAND COMMUNITY
DEVELOPMENT DISTRICT**

Assistant Secretary

By:_____
Chair, Board of Supervisors

(SEAL)

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Sixth Judicial Circuit of Florida, in and for Pasco County rendered on September 9, 2024.

Chair, Board of Supervisors,
Magnolia Island
Community Development District

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,**
as Trustee

Date of Authentication:

[Closing Date]

By: _____
Vice President

[FORM OF ABBREVIATIONS]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenants by the entireties

JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____ under
Uniform Transfer to Minors Act _____ (Cust.) _____ (Minor)
(State)

Additional abbreviations may also be used though not in the above list.

[FORM OF ASSIGNMENT]

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the said Bond on the books of the District, with full power of substitution in the premises.

Dated:

Social Security Number or Employer:

Identification Number of Transferee:

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatsoever.

EXHIBIT C

FORM OF REQUISITION FOR ASSESSMENT AREA TWO PROJECT

The undersigned, an Authorized Officer of Magnolia Island Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), dated as of February 1, 2025 (the "Master Indenture"), as supplemented by the Second Supplemental Trust Indenture between the District and the Trustee, dated as of September 1, 2025 (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

(A) Requisition Number:

(B) Name of Payee:

(C) Amount Payable:

(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments or state costs of issuance, if applicable):

(E) Fund or Account and subaccount, if any, from which disbursement to be made:

The undersigned hereby certifies that:

☐ obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the Series 2025A Acquisition and Construction Account referenced above, that each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Assessment Area Two Project and each represents a Cost of the Assessment Area Two Project that has not previously been paid out of such Account;

OR

☐ this requisition is for costs of issuance payable from the Series 2025A Costs of Issuance Account that has not previously been paid out of such Account.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set

forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Originals or copies of the invoice(s) from the vendor of the property acquired or services rendered with respect to which disbursement is hereby requested are on file with the District.

**MAGNOLIA ISLAND COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Authorized Officer

**CONSULTING ENGINEER'S APPROVAL FOR
NON-COST OF ISSUANCE REQUESTS ONLY**

If this requisition is for a disbursement from other than the Series 2025A Costs of Issuance Account, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Assessment Area Two Project and is consistent with (a) the applicable acquisition or construction contract, (b) the plans and specifications for the portion of the Assessment Area Two Project with respect to which such disbursement is being made, and (c) the report of the Consulting Engineer attached as an exhibit to the Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

Consulting Engineer

EXHIBIT D
FORM OF INVESTOR LETTER

[Date]

FMSbonds, Inc.
The FMSbonds Building
4775 Technology Way
Boca Raton, Florida 33431

Re: FMSbonds Account Number _____

To Whom it May Concern:

By signing this letter, I confirm that I have the authority to act on behalf of the above referenced account and this account meets the definition of an accredited investor based upon one or more of the criteria listed below. Federal securities laws define an accredited investor in Rule 501 of Regulation D as:

1. A bank, insurance company, registered investment company, business development company, or small business investment company;
2. An employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;
3. A charitable organization, corporation, or partnership with assets exceeding \$5 million;
4. A director, executive officer, or general partner of the company selling the securities;
5. A business in which all the equity owners are accredited investors;
6. A natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person;
7. A natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or
8. A trust with assets in excess of \$5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes.

I represent the following securities to be suitable for my investment objectives. A Copy of the offering document for the following security has been provided to me and I am aware that additional copies and other information may be found online at www.fmsbonds.com and www.emma.msrb.org.

Description _____
CUSIP _____
Rate _____
Maturity _____
Rating _____

Thank you,

Signature

Date

Signature

Date

Exhibit C – Form of Preliminary Limited Offering Memorandum

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED [____], 2025

NEW ISSUE - BOOK-ENTRY ONLY
LIMITED OFFERING

NOT RATED

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Series 2025A Bonds is (a) excludable from gross income of the owners thereof for federal income tax purposes, except as otherwise described herein under the caption "TAX MATTERS" and (b) not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Series 2025A Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. See "TAX MATTERS" herein for a general discussion of Bond Counsel's opinion and other tax considerations.

\$[12,500,000]*
MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT
(PASCO COUNTY, FLORIDA)
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2025A
(ASSESSMENT AREA TWO)

Dated: Date of Issuance

Due: As set forth below

The Magnolia Island Community Development District Capital Improvement Revenue Bonds, Series 2025A (Assessment Area Two) (the "Series 2025A Bonds") are being issued by the Magnolia Island Community Development District (the "District") only in fully registered form, without coupons, in denominations of \$5,000 and any integral multiple thereof.

The Series 2025A Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on each May 1 and November 1, commencing [November 1, 2025]. The Series 2025A Bonds, when issued, will be registered in the name of Cede & Co., as Nominee for The Depository Trust Company ("DTC"). Purchases of beneficial interests in the Series 2025A Bonds will be made only in book-entry form. Accordingly, principal of and interest on the Series 2025A Bonds will be paid from the Series 2025A Trust Estate (as hereinafter defined) by U.S. Bank Trust Company, National Association, as trustee (the "Trustee") directly to Cede & Co. as the registered Owner thereof. Disbursements of such payments to the Direct Participants (as hereinafter defined) is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of Direct Participants and the Indirect Participants (as hereinafter defined), as more fully described herein. Any purchaser of a beneficial interest of a Series 2025A Bond must maintain an account with a broker or dealer who is, or acts through, a Direct Participant to receive payment of the principal of and interest on such Series 2025A Bond. See "DESCRIPTION OF THE SERIES 2025A BONDS - Book-Entry Only System" herein.

Proceeds of the Series 2025A Bonds will be applied to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area Two Project (as defined herein), (ii) pay certain costs associated with the issuance of the Series 2025A Bonds, (iii) make a deposit into the Series 2025A Reserve Account to be held for the benefit of all of the Series 2025A Bonds, and (iv) pay a portion of the interest to become due on the Series 2025A Bonds. See "ESTIMATED SOURCES AND USES OF SERIES 2025A BOND PROCEEDS" herein.

The District, which is the issuer of the Series 2025A Bonds, is a local unit of special purpose government of the State of Florida (the "State"), created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance No. 24-24 of the Board of County Commissioners of Pasco County, Florida (the "County"), enacted on May 21, 2024 and effective on May 23, 2024 (the "Ordinance"). The Series 2025A Bonds are being issued pursuant to the Act, Resolution Nos. 2024-31 and 2025-[] adopted by the Board of Supervisors of the District (the "Board") on July 8, 2024 and [August 14], 2025, respectively, and a Master Trust Indenture dated as of February 1, 2025 (the "Master Indenture"), as supplemented by a Second Supplemental Trust Indenture dated as of [] 1, 2025 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the District and the Trustee. The Series 2025A Bonds are equally and ratably secured by the Series 2025A Trust Estate, without preference or priority of one Series 2025A Bond over another. The Series 2025A Pledged Revenues consist of all right, title and interest of the District in, to and under, subject to the terms and conditions of the Indenture, the revenues derived by the District from the Series 2025A Assessments (the "Series 2025A Pledged Revenues") and the Series 2025A Pledged Funds consist of all of the Funds and Accounts (except for the Series 2025A Rebate Account) established under the Second Supplemental Indenture (the "Series 2025A Pledged Funds") which together shall constitute the Trust Estate securing the Series 2025A Bonds (the "Series 2025A Trust Estate"). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025A BONDS" herein.

The Series 2025A Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2025A BONDS – Redemption Provisions" herein.

NEITHER THE SERIES 2025A BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE STATE. THE SERIES 2025A BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2025A BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2025A BONDS, SHALL BE PAYABLE SOLELY FROM,

AND SHALL BE SECURED SOLELY BY, THE SERIES 2025A PLEDGED REVENUES AND THE SERIES 2025A PLEDGED FUNDS PLEDGED TO THE SERIES 2025A BONDS, ALL AS PROVIDED IN THE SERIES 2025A BONDS AND IN THE INDENTURE.

The Series 2025A Bonds involve a degree of risk (see "BONDOWNERS' RISKS" herein) and are not suitable for all investors (see "SUITABILITY FOR INVESTMENT" herein). The Underwriter named below is limiting this offering to "accredited investors" within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to accredited investors does not denote restrictions on transfers in any secondary market for the Series 2025A Bonds. The Series 2025A Bonds are not credit enhanced or rated and no application has been made for credit enhancement or a rating with respect to the Series 2025A Bonds.

This cover page contains information for quick reference only. It is not a summary of the Series 2025A Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

\$ _____	–	_____ % Series 2025A Term Bond due May 1, 20__	, Yield _____ %	, Price _____	CUSIP # _____	**
\$ _____	–	_____ % Series 2025A Term Bond due May 1, 20__	, Yield _____ %	, Price _____	CUSIP # _____	**
\$ _____	–	_____ % Series 2025A Term Bond due May 1, 20__	, Yield _____ %	, Price _____	CUSIP # _____	**

The Series 2025A Bonds are offered for delivery when, as and if issued by the District and subject to the receipt of the approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Straley Robin Vericker P.A., Tampa, Florida, for the Landowners and the Development Manager (each as defined herein) by their counsel, Dean, Mead, Egerton, Bloodworth, Capouano & Bozarth, P.A., Orlando, Florida, and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida. It is expected that the Series 2025A Bonds will be delivered in book-entry form through the facilities of DTC on or about _____, 2025.

Dated: _____, 2025.

FMSbonds, Inc.

* Preliminary, subject to change.

**The District is not responsible for the CUSIP numbers, nor is any representation made as to their correctness. The CUSIP numbers are included solely for the convenience of the readers of this Limited Offering Memorandum.

MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS

Grant Striepling,* Chairperson
Allison Martin,* Vice-Chairperson
Paula Roberts,* Assistant Secretary
Carmen Perry,* Assistant Secretary
Benjamin Viola,* Assistant Secretary

* Employee of, or affiliated with, Homes by West Bay (as defined herein)

DISTRICT MANAGER/METHODOLOGY CONSULTANT

Wrathell, Hunt & Associates, LLC
Boca Raton, Florida

DISTRICT COUNSEL

Straley Robin Vericker P.A.
Tampa, Florida

BOND COUNSEL

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

DISTRICT ENGINEER

Clearview Land Design, P.L.
Tampa, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SERIES 2025A BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF THE SERIES 2025A BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE LANDOWNERS AND THE DEVELOPMENT MANAGER (AS HEREINAFTER DEFINED), THE DISTRICT, PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, WHICH SOURCES ARE BELIEVED TO BE RELIABLE BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE UNDERWRITER NAMED ON THE COVER PAGE OF THIS LIMITED OFFERING MEMORANDUM. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT, THE LANDOWNERS OR THE DEVELOPMENT MANAGER, OR IN THE STATUS OF THE DEVELOPMENT, ASSESSMENT AREA TWO OR THE ASSESSMENT AREA TWO PROJECT (AS SUCH TERMS ARE HEREINAFTER DEFINED) SINCE THE DATE HEREOF.

THE SERIES 2025A BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2025A BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE COUNTY, THE STATE, NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2025A BONDS, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

"FORWARD-LOOKING STATEMENTS" ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS "MAY," "SHOULD," "INTENDS," "EXPECTS," "BELIEVES," "ANTICIPATES," OR "ESTIMATES." THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS AND REAL ESTATE MARKET, THE DISTRICT'S COLLECTION OF ASSESSMENTS, AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S, THE LANDOWNERS' AND THE DEVELOPMENT MANAGER'S CONTROL. BECAUSE THE DISTRICT, THE LANDOWNERS AND THE DEVELOPMENT MANAGER CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT AND THE LANDOWNERS DO NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF THEIR EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

THIS LIMITED OFFERING MEMORANDUM IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS LIMITED OFFERING MEMORANDUM MAY BE RELIED UPON ONLY IF IT IS PRINTED IN ITS ENTIRETY DIRECTLY FROM EITHER OF SUCH WEBSITES.

THIS PRELIMINARY LIMITED OFFERING MEMORANDUM IS IN A FORM DEEMED FINAL BY THE DISTRICT FOR PURPOSES OF RULE 15C2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15C2-12(B)(1).

TABLE OF CONTENTS

	PAGE
INTRODUCTION	1
DESCRIPTION OF THE SERIES 2025A BONDS	3
General Description.....	3
Redemption Provisions.....	4
Notice of Redemption	6
Book-Entry Only System	6
SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025A BONDS	8
General	8
Additional Obligations	9
Covenant Against Sale or Encumbrance	9
Acquisition and Construction Account	10
Reserve Account.....	11
Revenue Account	12
Investments.....	14
Prepayment of the Series 2025A Assessments.....	14
Provisions Relating to Bankruptcy or Insolvency of Landowner.....	15
Events of Default and Remedies	16
ENFORCEMENT OF ASSESSMENT COLLECTIONS	18
General	18
Direct Billing & Foreclosure Procedure.....	18
Uniform Method Procedure.....	19
BONDOWNERS' RISKS	22
Concentration of Land Ownership	22
Bankruptcy and Related Risks.....	22
Series 2025A Assessments Are Non-Recourse	23
Regulatory and Environmental Risks.....	23
Economic Conditions and Changes in Development Plans.....	24
Other Taxes and Assessments	24
Limited Secondary Market for Series 2025A Bonds.....	25
Inadequacy of Reserve Account.....	25
Legal Delays.....	25
IRS Examination and Audit Risk	26
Loss of Exemption from Securities Registration.....	27
Federal Tax Reform.....	28
State Tax Reform.....	28
Insufficient Resources or Other Factors Causing Failure to Complete Development.....	28
Pandemics and Other Public Health Emergencies	29
Cybersecurity.....	29
Prepayment and Redemption Risk	29
Payment of Series 2025A Assessments after Bank Foreclosure	29
ESTIMATED SOURCES AND USES OF SERIES 2025A BOND PROCEEDS.....	30
DEBT SERVICE REQUIREMENTS.....	31
THE DISTRICT.....	32
General Information	32

Legal Powers and Authority	32
Board of Supervisors	33
The District Manager and Other Consultants	34
Outstanding Bond Indebtedness	34
THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA TWO PROJECT.....	35
ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS	37
THE DEVELOPMENT	38
General	38
Land Acquisition and Joint Development Agreement	39
Development Finance Plan.....	40
Development Plan and Status.....	40
Residential Product Offerings	41
Development Approvals.....	41
Environmental	42
Amenities.....	42
Utilities	42
Taxes, Fees and Assessments	42
Education.....	43
Competition.....	43
Landowner Agreements.....	44
THE LANDOWNERS AND THE DEVELOPMENT MANAGER.....	44
Homes by West Bay and the Development Manager.....	44
CF GTIS	45
TAX MATTERS.....	46
Opinion of Bond Counsel.....	46
Internal Revenue Code of 1986	46
Collateral Tax Consequences	46
Florida Taxes	47
Other Tax Matters	47
Original Issue Discount	47
Bond Premium.....	48
AGREEMENT BY THE STATE	48
LEGALITY FOR INVESTMENT.....	48
SUITABILITY FOR INVESTMENT	49
ENFORCEABILITY OF REMEDIES	49
LITIGATION.....	49
The District.....	49
The Landowners and the Development Manager.....	49
CONTINGENT FEES	49
NO RATING.....	50
EXPERTS	50
FINANCIAL INFORMATION	50
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS.....	50

CONTINUING DISCLOSURE	50
UNDERWRITING	51
VALIDATION.....	51
LEGAL MATTERS.....	52
MISCELLANEOUS	52
AUTHORIZATION AND APPROVAL	53
APPENDIX A: ENGINEER'S REPORT	A-1
APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORM OF SECOND SUPPLEMENTAL INDENTURE	B-1
APPENDIX C: PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL	C-1
APPENDIX D: PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT	D-1
APPENDIX E: ASSESSMENT METHODOLOGY	E-1
APPENDIX F: DISTRICT'S FINANCIAL STATEMENTS	F-1

LIMITED OFFERING MEMORANDUM

[\$12,500,000]*
MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT
(PASCO COUNTY, FLORIDA)
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2025
(ASSESSMENT AREA TWO)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices attached hereto, is to set forth certain information in connection with the offering for sale by the Magnolia Island Community Development District (the "District") of its \$[12,500,000]* Capital Improvement Revenue Bonds, Series 2025A (Assessment Area Two) (the "Series 2025A Bonds").

THE SERIES 2025A BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. PURSUANT TO APPLICABLE STATE LAW, THE UNDERWRITER IS LIMITING THIS INITIAL OFFERING OF THE SERIES 2025A BONDS TO ONLY ACCREDITED INVESTORS WITHIN THE MEANING OF CHAPTER 517, FLORIDA STATUTES, AND THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. THE LIMITATION OF THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE SERIES 2025A BONDS. POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2025A BONDS. SEE "BONDOWNERS' RISKS" AND "SUITABILITY FOR INVESTMENT" HEREIN.

The District, which is the issuer of the Series 2025A Bonds, is a local unit of special purpose government of the State of Florida (the "State"), created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance No. 24-24 of the Board of County Commissioners of Pasco County, Florida, enacted on May 21, 2024 and effective on May 23, 2024 (the "Ordinance"). The District was created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands (as hereinafter defined) and has previously determined to undertake, in one or more stages, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of the District Lands. The Act authorizes the District to issue bonds for the purposes of, among others, financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, or equipping water management, water supply, sewer and wastewater management, bridges or culverts, public roads, street lights and other basic infrastructure projects within or without the boundaries of the District as provided in the Act.

The District encompasses approximately 202 gross acres located in an unincorporated portion of the County (the "District Lands"). For more information regarding the District, its Board of Supervisors and the District Manager, see "THE DISTRICT" herein. The District Lands are being developed as a 389-unit residential community to be known as "Magnolia Island" (the "Development").

The Development is generally located north of Kiefer Road, south of Prospect Road, east of Curley Road, and west of Handcart Road, approximately five miles east of Interstate-75. Nearby communities

* Preliminary, subject to change.

include Epperson and Mirada to the west and WaterGrass to the south. See "THE DEVELOPMENT" herein for more information.

Land development associated with the Development is scheduled to occur in phases. Two assessment areas have been created to facilitate the District's financing plans. The first assessment area consists of approximately 127 acres of land planned to contain 170 units ("Assessment Area One"). The second assessment area consists of approximately 75 acres of land planned to contain 219 units ("Assessment Area Two").

The Series 2025A Bonds are being issued to finance a portion of the public infrastructure improvements associated with the development of Assessment Area Two (as further described herein, the "Assessment Area Two Project"). See "THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA TWO PROJECT" herein for more information. The Series 2025A Bonds will be secured by the Series 2025A Assessments (as defined herein), which will initially be levied on the approximately 75 gross acres within Assessment Area Two. As platting of the planned 219 lots within Assessment Area Two occurs, the Series 2025A Assessments will be assigned to the platted lots in Assessment Area Two on a first platted, first assigned basis. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein for more information.

Homes by West Bay, LLC, a Florida limited liability company ("Homes by West Bay"), acquired all of the land within the Development (together with certain adjacent lands) in February 2024. In December 2024, Homes by West Bay conveyed to CF GTIS III Magnolia Island, LLC, a Delaware limited liability company ("CF GTIS" and, together with Homes by West Bay, the "Landowners"), approximately 27.767 acres of land within the Development. At the time of the acquisition, Homes by West Bay and CF GTIS entered into the Joint Development Agreement (as defined herein), which obligates Homes by West Bay to coordinate completion of the Development Work (as defined herein) for the Development. See "THE DEVELOPMENT – Land Acquisition and Joint Development Agreement" below for more information. See also "THE LANDOWNERS AND THE DEVELOPMENT MANAGER" herein. The Landowners are expected to serve as the homebuilders for the Development, including Assessment Area Two, constructing homes under the Homes by West Bay and Casa Fresca Homes brands.

The Series 2025A Bonds are being issued pursuant to the Act, Resolution Nos. 2024-31 and 2025-[] adopted by the Board of Supervisors of the District (the "Board") on July 8, 2024 and [August 14], 2025, respectively, and a Master Trust Indenture dated as of February 1, 2025 (the "Master Indenture"), as supplemented by a Second Supplemental Trust Indenture dated as of [] 1, 2025 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the Indenture. See "APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORM OF SECOND SUPPLEMENTAL INDENTURE" attached hereto.

The Series 2025A Bonds are equally and ratably secured by the Series 2025A Trust Estate, without preference or priority of one Series 2025A Bond over another. The Series 2025A Pledged Revenues consist of all right, title and interest of the District in, to and under, subject to the terms and conditions of the Indenture, the revenues derived by the District from the Series 2025A Assessments (the "Series 2025A Pledged Revenues") and the Series 2025A Pledged Funds consist of all of the Funds and Accounts (except for the Series 2025A Rebate Account) established under the Second Supplemental Indenture (the "Series 2025A Pledged Funds") which together shall constitute the Trust Estate securing the Series 2025A Bonds (the "Series 2025A Trust Estate"). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025A BONDS" herein.

Proceeds of the Series 2025A Bonds will be applied to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area Two Project, (ii) pay certain costs associated with the issuance of the Series 2025A Bonds, (iii) make a deposit into the Series 2025A Reserve Account to be held for the benefit of all of the Series 2025A Bonds, and (iv) pay a portion of the interest to become due on the Series 2025A Bonds. See "ESTIMATED SOURCES AND USES OF SERIES 2025A BOND PROCEEDS" herein.

There follows in this Limited Offering Memorandum a brief description of the District, the Assessment Area Two Project, the Development, Assessment Area Two, the Landowners, the Development Manager and summaries of the terms of the Series 2025A Bonds, the Indenture and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such document and statute, and all references to the Series 2025A Bonds are qualified by reference to the form thereof and the information with respect thereto contained in the Indenture. A copy of the Master Indenture and the proposed form of the Second Supplemental Indenture appear as APPENDIX B attached hereto.

This Limited Offering Memorandum speaks only as of its date and the information contained herein is subject to change.

DESCRIPTION OF THE SERIES 2025A BONDS

General Description

The Series 2025A Bonds are issuable as fully registered bonds, without coupons, in denominations of \$5,000 and any integral multiple thereof; provided, however, if any initial Beneficial Owner does not purchase at least \$100,000 of the Series 2025A Bonds at the time of initial delivery of the Series 2025A Bonds, such Beneficial Owner must either execute and deliver to the District and the Underwriter on the date of delivery of the Series 2025A Bonds an investor letter substantially in the form attached as an exhibit to the Second Supplemental Indenture or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

The Series 2025A Bonds will be dated their date of issuance and delivery to the initial purchasers thereof and will bear interest payable on each May 1 and November 1, commencing [November 1, 2025] (each, an "Interest Payment Date"), which shall be computed on the basis of a 360-day year comprised of twelve 30-day months. The Series 2025A Bonds will mature on May 1 of such years, in such amounts and at such rates as set forth on the cover page of this Limited Offering Memorandum.

Interest on the Series 2025A Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Each Series 2025A Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication (a) is an Interest Payment Date to which interest on such Series 2025A Bond has been paid, in which event such Series 2025A Bond shall bear interest from its date of authentication, or (b) is prior to the first Interest Payment Date for the Series 2025A Bonds, in which event such Series 2025A Bond shall bear interest from its date.

Debt Service on the Series 2025A Bonds shall be payable in any coin or currency of the United States of America which, at the date of payment thereof, is legal tender for the payment of public and private debts. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the registered Owner of a Series 2025A Bond at the close of business on the regular Record Date for such interest, which shall be the fifteenth (15th) day of the calendar month preceding such Interest Payment Date or, if such day is not a Business Day, on the Business Day

immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture, the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of a Series 2025A Bond. Any payment of principal, Amortization Installment or Redemption Price shall be made only upon presentation thereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, located in Fort Lauderdale, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"), unless the Series 2025A Bonds are held in the book-entry system in which case presentation shall not be required. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner if such Owner requests such method of payment in writing on or prior to the regular Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner owns not less than \$1,000,000 in aggregate principal amount of the Series 2025A Bonds).

The Series 2025A Bonds will initially be registered in the name of Cede & Co. as Nominee for The Depository Trust Company ("DTC"), which will act initially as securities depository for the Series 2025A Bonds and, so long as the Series 2025A Bonds are held in book-entry only form, Cede & Co. will be considered the registered Owner for all purposes hereof. See "– Book-Entry Only System" below for more information about DTC and its book-entry system.

Redemption Provisions

Optional Redemption

The Series 2025A Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date, on or after May 1, 20[], at the Redemption Price of the principal amount of the Series 2025A Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption

The Series 2025A Bond maturing May 1, 20[], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2025A Sinking Fund Account established under the Second Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
	\$		\$

*

* Final maturity

[Remainder of page intentionally left blank.]

The Series 2025A Bond maturing May 1, 20[], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2025A Sinking Fund Account established under the Second Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
	\$		\$

*

* Final maturity

The Series 2025A Bond maturing May 1, 20[], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2025A Sinking Fund Account established under the Second Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
	\$		\$

*

* Final maturity

As more particularly set forth in the Indenture, any Series 2025A Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2025A Bonds. Amortization Installments are also subject to recalculation, as provided in the Second Supplemental Indenture, as the result of the redemption of Series 2025A Bonds other than from scheduled Amortization Installments so as to reamortize the remaining Outstanding principal balance of the Series 2025A Bonds as set forth in the Second Supplemental Indenture.

Extraordinary Mandatory Redemption

The Series 2025A Bonds are subject to extraordinary mandatory redemption prior to maturity in whole or in part on any Redemption Date at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Assessment Area Two Project, by application of moneys transferred from the Series 2025A Acquisition and Construction Account to the Series 2025A Prepayment Subaccount as provided for in the Indenture; or

(b) from amounts, including Series 2025A Prepayments, required by the Indenture to be deposited into the Series 2025A Prepayment Subaccount; or

(c) from amounts transferred from the Series 2025A Reserve Account to the Series 2025A Prepayment Subaccount resulting from a reduction in the Series 2025A Reserve Account Requirement as provided for in the Indenture; or

(d) on the date on which the amount on deposit in the Series 2025A Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2025A Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2025A Bonds shall be called for redemption, the particular Series 2025A Bonds or portions of Series 2025A Bonds to be redeemed shall be selected by lot by the Bond Registrar as provided in the Indenture, or as provided or directed by DTC.

Notice of Redemption

Notice of each redemption of Series 2025A Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the date of redemption to each registered Owner of Series 2025A Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2025A Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2025A Bonds or such portions thereof on such date, interest on such Series 2025A Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2025A Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2025A Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Pursuant to the Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events or upon the later deposit of moneys therefor as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

Book-Entry Only System

THE INFORMATION IN THIS CAPTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND NEITHER THE DISTRICT NOR THE UNDERWRITER MAKES ANY REPRESENTATION OR WARRANTY OR TAKES ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

DTC will act as securities depository for the Series 2025A Bonds. The Series 2025A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2025A Bonds and will be deposited with DTC. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New

York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard and Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2025A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2025A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025A Bonds, except in the event that use of the book-entry system for the Series 2025A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2025A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2025A Bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2025A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Bond Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent for the Series 2025A Bonds. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2025A Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2025A Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2025A Bond certificates will be printed and delivered to DTC.

NEITHER THE DISTRICT NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2025A BONDS. THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2025A BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM.

SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025A BONDS

General

The Series 2025A Bonds are payable from and secured by the revenues derived by the District from the Series 2025A Assessments and amounts in the Funds and Accounts (except for the Series 2025A Rebate Account) established by the Indenture. Series 2025A Assessments will be levied and collected on the lands within the District that receive a special benefit from the Assessment Area Two Project, and shall not include Assessments imposed, levied and collected by the District with respect to property within the

District not so specially benefited. The Series 2025A Assessments represent an allocation of the costs of the Assessment Area Two Project, including bond financing costs, to such benefited land within the District in accordance with the Assessment Methodology, attached hereto as composite APPENDIX E.

NEITHER THE SERIES 2025A BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE STATE. THE SERIES 2025A BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2025A BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2025A BONDS SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2025A PLEDGED REVENUES AND THE SERIES 2025A PLEDGED FUNDS PLEDGED TO THE SERIES 2025A BONDS, ALL AS PROVIDED IN THE SERIES 2025A BONDS AND IN THE INDENTURE.

Additional Obligations

Pursuant to the Second Supplemental Indenture, other than Refunding Bonds issued to refund the then Outstanding Series 2025A Bonds, the issuance of which results in net present value Debt Service savings, the District shall not, while any Series 2025A Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2025A Trust Estate. The District will further covenant and agree that so long as the Series 2025A Assessments have not been Substantially Absorbed, it will not issue Bonds or other debt obligations secured by Assessments on any lands subject to the Series 2025A Assessments without the written consent of the Majority Owners. Notwithstanding the immediately preceding sentence, the District may impose Assessments on property subject to the Series 2025A Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District without the consent of the Majority Owners. "Substantially Absorbed" is defined in the Second Supplemental Indenture to mean the date on which the principal amount of the Series 2025A Assessments equaling ninety percent (90%) of the then Outstanding principal amount of the Series 2025A Bonds is levied on tax parcels within Assessment Area Two with respect to which a certificate of occupancy has been issued for a structure thereon, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

The District and/or other public entities may impose taxes or other special assessments on the same properties encumbered by the Series 2025A Assessments without the consent of the Owners of the Series 2025A Bonds. The District will continue to impose certain non-ad valorem special assessments called maintenance assessments, which are of equal dignity with the Series 2025A Assessments, on the same lands upon which the Series 2025A Assessments are imposed, to fund the maintenance and operation of the District. See "THE DEVELOPMENT – Taxes, Fees and Assessments" and "BONDOWNERS' RISKS" herein for more information.

Covenant Against Sale or Encumbrance

In the Indenture, the District covenants that, until such time as there are no Series 2025A Bonds Outstanding, it will not sell, lease or otherwise dispose of or encumber the Assessment Area Two Project

or any part thereof other than as provided in the Indenture. Pursuant to the Indenture, the District may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments, or other movable property acquired by the District in connection with the Assessment Area Two Project, or any materials used in connection therewith, if the District shall determine that such articles are no longer needed or are no longer useful in connection with the acquisition, construction, operation or maintenance of the Assessment Area Two Project, and the proceeds thereof may be applied to the replacement of the properties so sold or disposed of and, if not so applied, shall be deposited to the credit of the Series 2025A Acquisition and Construction Account or, after the Date of Completion of the Assessment Area Two Project, shall be applied as provided in the Indenture. The District may from time to time sell or lease such other property forming part of the Assessment Area Two Project which it may determine is not needed or serves no useful purpose in connection with the maintenance and operation of the Assessment Area Two Project, if the District Engineer (as defined herein) shall in writing approve such sale or lease, and the proceeds of any such sale shall be disposed of as provided in the Indenture for the proceeds of the sale or disposal of movable property. The proceeds of any lease as described above shall be applied as provided in the Indenture. See "APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORM OF SECOND SUPPLEMENTAL INDENTURE" attached hereto.

Acquisition and Construction Account

The Second Supplemental Indenture establishes a separate account within the Acquisition and Construction Fund designated as the "Series 2025A Acquisition and Construction Account." Amounts on deposit in the Series 2025A Acquisition and Construction Account shall be applied to pay Costs of the Assessment Area Two Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture and on the form attached to the Second Supplemental Indenture. The Trustee shall have no duty to verify that any requested disbursement from the Series 2025A Acquisition and Construction Account is for a Cost of the Assessment Area Two Project. The District Engineer shall establish a Date of Completion for the Assessment Area Two Project, and any balance remaining in the Series 2025A Acquisition and Construction Account after such Date of Completion (taking into account the moneys then on deposit therein to pay any accrued but unpaid Costs of the Assessment Area Two Project which are required to be reserved in the Series 2025A Acquisition and Construction Account in accordance with the certificate of the District Engineer delivered to the District and the Trustee establishing such Date of Completion), shall be transferred to the Series 2025A Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2025A Bonds in accordance with the Second Supplemental Indenture and in the manner prescribed in the form of Series 2025A Bond attached to the Second Supplemental Indenture. Notwithstanding the foregoing, the District shall not establish a Date of Completion until after both the Reserve Account Release Conditions #1 and the Reserve Account Release Conditions #2 (each as defined herein) have been satisfied and moneys have been transferred from the Series 2025A Reserve Account to the Series 2025A Acquisition and Construction Account as a result of such satisfaction pursuant to Section 405 of the Second Supplemental Indenture. Such amounts deposited into the Series 2025A Acquisition and Construction Account as a result of the satisfaction of the Reserve Account Release Conditions #1 or the Reserve Account Release Conditions #2 shall be paid to the Person or Persons designated in a requisition in the form attached as an exhibit to the Second Supplemental Indenture upon compliance with the requisition provisions set forth in the Second Supplemental Indenture to cover any requisitions submitted which remain unpaid ("Unpaid Requisitions"), in full or in part, in chronological order (oldest to newest) based on the date such requisitions were submitted by the District to the Trustee. Any requisition submitted in compliance with the prior sentence shall be executed by the District and the Consulting Engineer. Such payment is authorized notwithstanding that the Date of Completion might have been declared provided such Costs of the Assessment Area Two Project were not previously paid from moneys initially deposited in the Series 2025A Acquisition and Construction Account. In the event that there are no Unpaid Requisitions to pay, such excess moneys transferred from the Series 2025A Reserve Account to the Series 2025A Acquisition and Construction account shall be deposited into

the Series 2025A Prepayment Subaccount upon direction to the Trustee by the District. At such time as there are no amounts on deposit in the Series 2025A Acquisition and Construction Account, such Account shall be closed.

In accordance with the provisions of the Indenture, the Series 2025A Bonds are payable solely from the Series 2025A Pledged Revenues and the Series 2025A Pledged Funds held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District will acknowledge that (a) the Series 2025A Pledged Funds includes, without limitation, all amounts on deposit in the Series 2025A Acquisition and Construction Account then held by the Trustee, (b) upon the occurrence of an Event of Default with respect to the Series 2025A Bonds, the Series 2025A Pledged Funds may not be used by the District (whether to pay Costs of the Assessment Area Two Project or otherwise) without the written consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Assessment Area Two Project and payment is for such work, and (c) upon the occurrence of an Event of Default with respect to the Series 2025A Bonds, the Series 2025A Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Assessment Area Two Project that will cause the expenditure of additional funds from the Series 2025A Trust Estate after the occurrence and during the continuance of an Event of Default unless authorized in writing by the Majority Owners.

Reserve Account

The Second Supplemental Indenture establishes a Series 2025A Reserve Account within the Reserve Fund for the Series 2025A Bonds, which shall be held for the benefit of all of the Series 2025A Bonds, without distinction as to Series 2025A Bonds and without privilege or priority of one Series 2025A Bond over another. The Series 2025A Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2025A Reserve Account Requirement. "Series 2025A Reserve Account Requirement" is defined in the Second Supplemental Indenture to mean an amount equal to the Maximum Annual Debt Service Requirement for all Outstanding Series 2025A Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #1 are met, at which time and thereafter, Series 2025A Reserve Account Requirement shall mean an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2025A Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #2 are met, at which time and thereafter, Series 2025A Reserve Account Requirement shall mean an amount equal to ten percent (10%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2025A Bonds, as of the time of any such calculation. On the date of initial issuance of the Series 2025A Bonds, the Series 2025A Reserve Account Requirement shall be \$_____.

"Reserve Account Release Conditions #1" is defined in the Second Supplemental Indenture to mean, collectively, that (a) all lots subject to the Series 2025A Assessments have been developed and platted, and (b) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2025A Bonds. The District Engineer shall provide a written certification to the District and the Trustee certifying that the event in clause (a) has occurred and the District Manager shall provide a written certification to the District and the Trustee affirming clause (b) on which certifications the Trustee may conclusively rely.

"Reserve Account Release Conditions #2" is defined in the Second Supplemental Indenture to mean, collectively, that (a) all of the Reserve Account Release Conditions #1 have been satisfied, (b) all homes within Assessment Area Two have received a certificate of occupancy, (c) all of the principal portion of the Series 2025A Assessments has been assigned to such homes, (d) all Series 2025A Assessments are

being collected pursuant to the Uniform Method, and (e) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2025A Bonds. The District Manager shall provide a written certification to the District and the Trustee certifying that the events in clauses (a) through (d) have occurred and affirming clause (e), on which certifications the Trustee may conclusively rely.

Except as otherwise provided in the Indenture, amounts on deposit in the Series 2025A Reserve Account shall be used only for the purpose of making payments into the Series 2025A Interest Account and the Series 2025A Sinking Fund Account to pay Debt Service on the Series 2025A Bonds, when due, without distinction as to Series 2025A Bonds and without privilege or priority of one Series 2025A Bond over another, to the extent the moneys on deposit in such Accounts available therefor are insufficient and for no other purpose. The Series 2025A Reserve Account shall consist only of cash and Series 2025A Investment Obligations.

Anything in the Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the Business Day preceding such forty-fifth (45th) day), an Authorized Officer of the District shall recalculate the Series 2025A Reserve Account Requirement and shall direct the Trustee in writing to transfer any excess on deposit in the Series 2025A Reserve Account (a) resulting from Prepayments of Series 2025A Assessments into the Series 2025A Prepayment Subaccount and applied as a credit against the Prepayment otherwise required to be made by the owner of such lot or parcel subject to such Prepayment and thereafter applied to the extraordinary mandatory redemption of the Series 2025A Bonds, (b) resulting from a reduction of the Series 2025A Reserve Account Requirement as the result of either the Reserve Account Release Conditions #1 or the Reserve Account Release Conditions #2 being met into the Series 2025A Acquisition and Construction Account and used for the purposes of such Account, or (c) resulting from investment earnings as provided in the Second Supplemental Indenture. The Trustee is hereby authorized to make such transfers and has no duty to verify such calculations.

On the earliest date on which there is on deposit in the Series 2025A Reserve Account sufficient moneys, after taking into account other moneys available therefor, to pay and redeem all of the Outstanding Series 2025A Bonds, together with accrued interest and redemption premium, if any, on such Series 2025A Bonds to the earliest Redemption Date permitted therein and in the Second Supplemental Indenture, then the Trustee shall transfer the amount on deposit in the Series 2025A Reserve Account into the Series 2025A Prepayment Subaccount to pay and redeem all of the Outstanding Series 2025A Bonds on the earliest Redemption Date permitted for redemption therein and in the Second Supplemental Indenture.

Anything in the Indenture to the contrary notwithstanding, amounts on deposit in the Series 2025A Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

Revenue Account

(a) Pursuant to the Second Supplemental Indenture, the Trustee is authorized and directed to deposit any and all amounts required to be deposited in the Series 2025A Revenue Account by Section 408 of the Second Supplemental Indenture or by any other provision of the Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2025A Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

(b) The Trustee shall deposit into the Series 2025A Revenue Account (i) Series 2025A Assessment Revenues other than Series 2025A Prepayments (which Series 2025A Prepayments shall be

identified by the District to the Trustee as such in writing upon deposit, upon which certification the Trustee may conclusively rely, and which shall be deposited into the Series 2025A Prepayment Subaccount), (ii) Series 2025A Prepayment Interest, and (iii) any other revenues required by other provisions of the Indenture to be deposited into the Series 2025A Revenue Account.

(c) On the forty-fifth (45th) day preceding each Quarterly Redemption Date (or if such forty-fifth (45th) day is not a Business Day, on the Business Day preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the Series 2025A Prepayment Subaccount and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2025A Revenue Account for deposit into the Series 2025A Prepayment Subaccount an amount sufficient to increase the amount on deposit therein to the nearest integral multiple of \$5,000 (provided that there are sufficient funds remaining in the Series 2025A Revenue Account to pay Debt Service coming due on the Series 2025A Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2025A Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2025A Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Series 2025A Bonds set forth in the form of Series 2025A Bonds attached to the Second Supplemental Indenture, Section 301 of the Second Supplemental Indenture, and Article III of the Master Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall first transfer from the Series 2025A Capitalized Interest Account to the Series 2025A Interest Account the lesser of (x) the amount of interest coming due on the Series 2025A Bonds on such May 1 or November 1, less the amount already on deposit in the Series 2025A Interest Account, or (y) the amount remaining in the Series 2025A Capitalized Interest Account. Following the foregoing transfer, on such May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall then transfer amounts on deposit in the Series 2025A Revenue Account to the Accounts designated below in the following amounts and in the following order of priority:

FIRST, to the Series 2025A Interest Account, the amount, if any, equal to the difference between the amount of interest payable on all Series 2025A Bonds then Outstanding on such May 1 or November 1, and (i) the amount transferred from the Series 2025A Capitalized Interest Account in accordance with the Second Supplemental Indenture and (ii) the amount already on deposit in the Series 2025A Interest Account not previously credited;

SECOND, on May 1, 20[___], and on each May 1 thereafter, to the Series 2025A Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2025A Bonds subject to mandatory sinking fund redemption on such May 1 and the amount already on deposit in the Series 2025A Sinking Fund Account not previously credited;

THIRD, to the Series 2025A Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2025A Reserve Account Requirement with respect to the Series 2025A Bonds; and

FOURTH, the balance shall first be deposited into the Series 2025A Costs of Issuance Account to fund any deficiencies in the amount allocated to pay the costs of issuance relating to the Series 2025A Bonds, and then the balance shall be retained in the Series 2025A Revenue Account.

(e) On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2025A Revenue Account to the Series 2025A

Rebate Account the amount due and owing to the United States, which amount shall be paid to the United States when due in accordance with such Arbitrage Certificate.

Investments

Anything in the Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2025A Bonds shall be invested only in Series 2025A Investment Obligations. Earnings on investments in the Series 2025A Acquisition and Construction Account, the Series 2025A Interest Account and the Series 2025A Capitalized Interest Account shall be retained, as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the Funds and Accounts other than the Series 2025A Reserve Account, and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2025A Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2025A Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in Section 509 of the Master Indenture) in the Series 2025A Reserve Account as of the most recent date on which amounts on deposit in the Series 2025A Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2025A Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2025A Reserve Account shall be deposited into the Series 2025A Capitalized Interest Account through [May 1, 2026], and thereafter shall be deposited into the Series 2025A Revenue Account and used for the purpose of such Account; or

(ii) if there was a deficiency (as defined in Section 509 of the Master Indenture) in the Series 2025A Reserve Account as of the most recent date on which amounts on deposit in the Series 2025A Reserve Account were valued by the Trustee, or if after such date withdrawals have been made from the Series 2025A Reserve Account and have created such a deficiency, then earnings on investments in the Series 2025A Reserve Account shall be retained in the Series 2025A Reserve Account until the amount on deposit therein is equal to the Series 2025A Reserve Account Requirement, and then earnings on investments in the Series 2025A Reserve Account shall be deposited into the Series 2025A Capitalized Interest Account through [May 1, 2026], and thereafter shall be deposited into the Series 2025A Revenue Account and used for the purpose of such Account

The foregoing determination and disbursement shall be made prior to any recalculation and transfer of excess amounts on deposit in the Series 2025A Reserve Account made pursuant to Section 405 of the Second Supplemental Indenture.

Prepayment of the Series 2025A Assessments

Pursuant to the Series 2025A Assessment Proceedings, an owner of land against which the Series 2025A Assessments have been levied may pay the principal balance of such Series 2025A Assessment, in whole or in part at any time, if there is also paid an amount equal to the interest that would otherwise be due on such balance to the earlier of the next succeeding Bond payment date which is at least forty-five (45) days after the date of payment. See "BONDOWNERS' RISKS – Prepayment and Redemption Risk" herein.

Pursuant to the Act, an owner of property subject to the levy of Series 2025A Assessments may pay the entire balance of the Series 2025A Assessments remaining due, without interest, within thirty (30) days after the Assessment Area Two Project has been completed or acquired by the District, and the Board has adopted a resolution accepting the project pursuant to Chapter 170.09, Florida Statutes. The

Landowners will covenant to waive this prepayment without interest right in connection with the issuance of the Series 2025A Bonds pursuant to Declarations of Consent. Such declarations will be recorded in the public records of the County, and the covenants contained therein will be binding on the Landowners' respective successors in interest. See "BONDOWNERS' RISKS – Prepayment and Redemption Risk" herein.

The Series 2025A Bonds are subject to extraordinary mandatory redemption as indicated under "DESCRIPTION OF THE SERIES 2025A BONDS – Redemption Provisions – Extraordinary Mandatory Redemption" from optional prepayments of Series 2025A Assessments by property owners. See "APPENDIX E: ASSESSMENT METHODOLOGY" attached hereto.

Provisions Relating to Bankruptcy or Insolvency of Landowner

The following provisions of the Master Indenture shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel, or tax parcels which are in the aggregate, subject to at least five percent (5%) of the Series 2025A Assessments pledged to the Series 2025A Bonds then Outstanding (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding").

The District will acknowledge and agree in the Indenture that, although the Series 2025A Bonds were issued by the District, the Owners of the Series 2025A Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving an Insolvent Taxpayer:

(a) the District will agree that it shall make a reasonable attempt to timely seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2025A Bonds then Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2025A Assessments relating to the Series 2025A Bonds then Outstanding, the Series 2025A Bonds then Outstanding or any rights of the Trustee under the Indenture (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2025A Bonds then Outstanding, to the proposed action if the District does not receive a written response from the Trustee within sixty (60) days following delivery to the Trustee and the Majority Owners of a written request for consent);

(b) the District will agree that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2025A Assessments relating to the Series 2025A Bonds then Outstanding, the Series 2025A Bonds then Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee;

(c) the District will agree that it shall make a reasonable attempt to timely seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2025A Bonds then Outstanding, to the proposed action if the District does not receive a written response from the Trustee within sixty (60) days following delivery to the Trustee and the Majority Owners of a written request for consent);

(d) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Series 2025A Assessments relating to the Series 2025A Bonds then Outstanding would have the right to pursue and, if the Trustee chooses to exercise any such rights, the District shall not oppose the Trustee in seeking to exercise any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Series 2025A Assessments relating to the Series 2025A Bonds then Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and

(e) the District shall not challenge the validity or amount of any claim submitted in good faith by the Trustee in such Proceeding or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceeding or take any other action in such Proceeding, which is adverse to the Trustee's enforcement of the District's claim and rights with respect to the Series 2025A Assessments relating to the Series 2025A Bonds then Outstanding or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District will agree that the Trustee shall have the right to (i) file a proof of claim with respect to the Series 2025A Assessments pledged to the Series 2025A Bonds then Outstanding, (ii) deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) defend any objection filed to said proof of claim.

The District will acknowledge and agree in the Indenture that it shall not be a defense to a breach of the foregoing covenants that it has acted on advice of counsel in not complying with the foregoing covenants.

Nothing in the Master Indenture shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for Operation and Maintenance Assessments, and the District shall be free to pursue such a claim for Operation and Maintenance Assessments in such manner as it shall deem appropriate in its sole and absolute discretion; provided, however, that such claim shall not seek to reduce the amount or receipt of Series 2025A Assessments. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Series 2025A Assessments relating to the Series 2025A Bonds then Outstanding whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (d) above.

Events of Default and Remedies

The Master Indenture provides that each of the following shall be an "Event of Default" under the Master Indenture with respect to the Series 2025A Bonds, but no other Series of Bonds unless otherwise provided in the Supplemental Indenture relating to such Series:

- (a) any payment of Debt Service on the Series 2025A Bonds is not made when due;
- (b) the District shall for any reason be rendered incapable of fulfilling its obligations under the Indenture;

(c) the District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of the Assessment Area Two Project;

(d) the District is adjudged insolvent by a court of competent jurisdiction, or is adjudged bankrupt on a petition in bankruptcy filed against the District, or an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the District, a receiver or trustee of the District or of the whole or any part of its property and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof;

(e) the District shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;

(f) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District's assets or any part thereof, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control;

(g) any portion of the Series 2025A Assessments shall have become Delinquent Assessments and, as the result thereof, the Indenture provides for the Trustee to withdraw funds in an amount greater than ten percent (10%) of the amount on deposit in the Series 2025A Reserve Account to pay Debt Service on the Series 2025A Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners, actually withdraw such funds from the Series 2025A Reserve Account to pay Debt Service on the Series 2025A Bonds)];

(h) the District shall default in the due and punctual performance of any of the material covenants, conditions, agreements and provisions contained in the Series 2025A Bonds or in the Indenture on the part of the District to be performed (other than a default in the payment of Debt Service on the Series 2025A Bonds when due, which is an Event of Default under subsection (a) above) and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the District by the Trustee or, if the Trustee is unwilling or unable to act, by Owners of not less than ten percent (10%) in aggregate principal amount of the Series 2025A Bonds then Outstanding and affected by such default; and

(i) more than twenty percent (20%) of the Operation and Maintenance Assessments levied by the District on tax parcels subject to the Series 2025A Assessments are not paid by the date such are due and payable.

The District will covenant and agree in the Indenture that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, including delinquent Direct Billed Operation and Maintenance Assessments, the provisions for the foreclosure of liens of Delinquent Assessments, including delinquent Direct Billed Operation and Maintenance Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, the Majority Owners, from time to time, of the Series 2025A Bonds. Notwithstanding anything to the contrary in the Indenture, and unless otherwise directed by the Majority Owners of the Series 2025A Bonds and allowed pursuant to federal or State law, the District will acknowledge and agree that (a) upon failure of any property owner to pay an installment of Series 2025A Assessments collected directly by the District when due, that the entire Series 2025A Assessment on the tax parcel as to which such Delinquent Assessment appertains,

with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and the District shall promptly, but in any event within 120 days, cause to be brought the necessary legal proceedings for the foreclosure of liens of Delinquent Assessments, including interest and penalties with respect to such tax parcel, and (b) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages.

ENFORCEMENT OF ASSESSMENT COLLECTIONS

General

The primary source of payment for the Series 2025A Bonds is the collection of the Series 2025A Assessments imposed on certain lands in Assessment Area Two of the District that are specially benefited by the Assessment Area Two Project pursuant to the Series 2025A Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein and "APPENDIX E: ASSESSMENT METHODOLOGY" attached hereto.

The imposition, levy, and collection of Series 2025A Assessments must be done in compliance with the provisions of State law. Failure by the District, the Pasco County Tax Collector ("Tax Collector") or the Pasco County Property Appraiser ("Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, the Series 2025A Assessments during any year. Such delays in the collection of the Series 2025A Assessments would have a material adverse effect on the ability of the District to make full or punctual payment of Debt Service on the Series 2025A Bonds. See "BONDOWNERS' RISKS" herein. To the extent that landowners fail to pay the Series 2025A Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2025A Bonds. For the Series 2025A Assessments to be valid, the Series 2025A Assessments must meet two requirements: (1) the benefit from the Assessment Area Two Project to the lands subject to the Series 2025A Assessments must exceed or equal the amount of the Series 2025A Assessments, and (2) the Series 2025A Assessments must be fairly and reasonably allocated across all such benefitted properties.

Pursuant to the Act and the Series 2025A Assessment Proceedings, the District may collect the Series 2025A Assessments through a variety of methods. See "BONDOWNERS' RISKS" herein. Initially, and for any unplatted lands, the District will directly issue annual bills to landowners requiring payment of the Series 2025A Assessments, and will enforce that bill through foreclosure proceedings. Series 2025A Assessments levied on platted lots are expected to be added to the County tax roll and collected pursuant to the Uniform Method. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein and "APPENDIX E: ASSESSMENT METHODOLOGY" attached hereto. The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

Direct Billing & Foreclosure Procedure

As noted above, and pursuant to Chapters 170 and 190 of the Florida Statutes, the District may directly levy, collect and enforce the Series 2025A Assessments. In this context, Section 170.10 of the Florida Statutes provides that upon the failure of any property owner to timely pay all or any part of the annual installment of principal and/or interest of a special assessment due, including the Series 2025A Assessments, the whole assessment, with the interest and penalties thereon, shall immediately become due and payable and subject to foreclosure. Generally stated, the governing body of the entity levying the special assessment, in this case the District, may foreclose by commencing a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or, alternatively, by commencing an action under

Chapter 173, Florida Statutes, which relates to foreclosure of municipal tax and special assessment liens. Such proceedings are in rem, meaning that the action would be brought against the land, and not against the landowner. In light of the one year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay Series 2025A Assessments and the ability to foreclose the lien of such Series 2025A Assessments upon the failure to pay such Series 2025A Assessments may not be readily available or may be limited because enforcement is dependent upon judicial action which is often subject to discretion and delay. Additionally, there is no guarantee that there will be demand for any foreclosed lands sufficient to repay the Series 2025A Assessments. See "BONDOWNERS' RISKS" herein.

Uniform Method Procedure

Subject to certain conditions, and for developed lands, the District may alternatively elect to collect the Series 2025A Assessments using the Uniform Method. The Uniform Method of collection is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Series 2025A Assessments to be levied and then collected in this manner.

If the Uniform Method of collection is used, the Series 2025A Assessments will be collected together with County, school, special district, and other ad valorem taxes and non-ad valorem assessments (together, "Taxes and Assessments"), all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of Taxes and Assessments provide that such Taxes and Assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such Taxes and Assessments – including the Series 2025A Assessments – are to be billed, and landowners in the District are required to pay, all Taxes and Assessments without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2025A Assessments. In other words, any partial prepayment by a landowner must be distributed in equal proportion to all taxing districts and levying authorities.

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by State law such as Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Therefore, in the event the Series 2025A Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Series 2025A Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of Debt Service on the Series 2025A Bonds.

Under the Uniform Method, if the Series 2025A Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. All unpaid Taxes and Assessments become delinquent on April 1 of the year following assessment.

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and

Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to the holders of the Series 2025A Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2025A Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2025A Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Series 2025A Assessment Proceedings to discharge the lien of the Series 2025A Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2025A Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Series 2025A Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax certificate process by paying the total amount of delinquent Taxes and Assessments plus all applicable interest, costs and charges. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates by public bid to the person who pays the delinquent Taxes and Assessments owing, and any applicable interest, costs and charges, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%).

If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest, which is currently 18%. The Tax Collector does not collect any money if tax certificates are issued, or struck off, to the County. The County may sell such certificates to the public at any time after issuance, but before a tax deed application is made, at the face amount thereof plus interest at the rate of not more than 18% per annum, costs and charges. Proceeds from the sale of tax certificates are required to be used to pay Taxes and Assessments (including the Series 2025A Assessments), interest, costs and charges on the real property described in the certificate.

Unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees, any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued, and at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, and charges due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 5%, unless the rate borne by the certificates is zero percent. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described above.

For any holder other than the County, a tax certificate expires seven (7) years after the date of issuance if a tax deed has not been applied for and no other administrative or legal proceeding, including a bankruptcy, has existed of record. After an initial period ending two years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates, and before the expiration of seven years from the date of issuance, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector at the time of application all amounts required to redeem or purchase all other outstanding tax certificates covering the land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due (as well as any costs of resale, if applicable). If the County holds a tax certificate on property valued at \$5,000 or more and has not succeeded in selling it, the County must apply for a tax deed two years after April 1 of the year of issuance of the certificate or as soon thereafter as is reasonable. The

County pays costs and fees to the Tax Collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale.

In any such public sale conducted by the Clerk of the Circuit Court, the private holder of the tax certificate who is seeking a tax deed for non-homestead property is deemed to submit a minimum bid equal to the amount required to redeem the tax certificate, charges for the cost of sale, including costs incurred for the service of notice required by statute, redemption of other tax certificates on the land, and all other costs to the applicant for the tax deed, plus interest thereon. In the case of homestead property, the minimum bid is also deemed to include, in addition to the amount of money required for the minimum bid on non-homestead property, an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bids, the holder receives title to the land, and the amounts paid for the certificate and in applying for a tax deed are credited toward the purchase price. The holder is also responsible for payment of any amounts included in the bid not already paid, including but not limited to, documentary stamp tax, recording fees, and, if property is homestead property, the moneys to cover the one-half value of the homestead. If there are other bids, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate, together with all subsequent unpaid taxes plus the costs and expenses of the application for deed, with interest on the total of such sums, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholder of record, mortgagees of record, vendees of recorded contracts for deeds, and other lienholders and any other person to whom the land was last assessed on the tax roll for the year in which the land was assessed, all as their interest may appear.

Except for certain governmental liens, certain easements, and certain restrictive covenants and restrictions, no right, interest, restriction or other covenant survives the issuance of a tax deed. Thus, for example, outstanding mortgages on property subject to a tax deed would be extinguished.

If there are no bidders at the public sale, the clerk shall enter the land on a list entitled "lands available for taxes" and shall immediately notify the County Commission that the property is available. At any time within ninety (90) days from the date the property is placed on the list, the County may purchase the land for the opening bid, or may waive its rights to purchase the property. Thereafter, and without further notice or advertising, any person, the County or any other governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three years from the date the property was offered for sale, unsold lands escheat to the County in which they are located, free and clear, and all tax certificates, accrued taxes, and liens of any nature against the property are canceled and a deed is executed vesting title in the governing board of such County.

There can be no guarantee that the Uniform Method will result in the payment of Series 2025A Assessments. For example, the demand for tax certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful collection of the Series 2025A Assessments, which are the primary source of payment of the Series 2025A Bonds. Additionally, legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates. See "BONDOWNERS' RISKS" herein.

BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other headings of this Limited Offering Memorandum. Certain additional risks are associated with the Series 2025A Bonds offered hereby and are set forth below. Prospective investors in the Series 2025A Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2025A Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. This heading does not purport to summarize all risks that may be associated with purchasing or owning the Series 2025A Bonds, and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the Series 2025A Bonds.

Concentration of Land Ownership

As of the date hereof, the Landowners own all of the assessable lands within Assessment Area Two, which are the lands that will be subject to the Series 2025A Assessments securing the Series 2025A Bonds. Payment of the Series 2025A Assessments is primarily dependent upon their timely payment by the Landowners and the other future landowners in Assessment Area Two. Non-payment of the Series 2025A Assessments by any of the landowners could have a substantial adverse impact upon the District's ability to pay debt service on the Series 2025A Bonds. See "THE LANDOWNERS" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025A BONDS" herein.

Bankruptcy and Related Risks

In the event of the institution of bankruptcy or similar proceedings with respect to the Landowners or any other owner of benefited property, delays could occur in the payment of debt service on the Series 2025A Bonds, as such bankruptcy could negatively impact the ability of: (i) the Landowners and any other landowner to pay the Series 2025A Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2025A Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Series 2025A Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2025A Bonds under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, state and local law and in the Indenture and the Series 2025A Bonds, including, without limitation, enforcement of the obligation to pay Series 2025A Assessments and the ability of the District to foreclose the lien of the Series 2025A Assessments if not being collected pursuant to the Uniform Method, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025A Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to the Series 2025A Bonds could have a material adverse impact on the interest of the Owners thereof.

A 2011 bankruptcy court decision in Florida held that the governing body of a community development district, and not the bondholders or indenture trustee, was the creditor of the landowners/debtors in bankruptcy with respect to claims for special assessments, and thus only the district could vote to approve or disapprove a reorganization plan submitted by the debtors in the case. The district voted in favor of the plan. The governing body of the district was at that time elected by the landowners rather than qualified electors. Under the reorganization plan that was approved, a two-year moratorium was placed on the debtor landowners' payment of special assessments. As a result of this non-payment of

assessments, debt service payments on the district's bonds were delayed for two years or longer. The Master Indenture provides for the delegation of certain rights from the District to the Trustee in the event of a bankruptcy or similar proceeding with respect to an "Insolvent Taxpayer" (as previously defined). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025A BONDS – Provisions Relating to Bankruptcy or Insolvency of Landowner" herein. The District cannot express any view whether such delegation would be enforceable.

Series 2025A Assessments Are Non-Recourse

The principal security for the payment of the principal and interest on the Series 2025A Bonds is the timely collection of the Series 2025A Assessments. The Series 2025A Assessments do not constitute a personal indebtedness of the landowners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the Landowners or subsequent landowners will be able to pay the Series 2025A Assessments or that they will pay such Series 2025A Assessments even though financially able to do so. Neither the Landowners nor any other subsequent landowners have any personal obligation to pay the Series 2025A Assessments. Neither the Landowners nor any subsequent landowners are guarantors of payment of any Series 2025A Assessments, and the recourse for the failure of the Landowners or any subsequent landowner to pay the Series 2025A Assessments is limited to the collection proceedings against the land subject to such unpaid Series 2025A Assessments, as described herein. Therefore the likelihood of collection of the Series 2025A Assessments may ultimately depend on the market value of the land subject to the Series 2025A Assessments. While the ability of the Landowners or subsequent landowners to pay the Series 2025A Assessments is a relevant factor, the willingness of the Landowners or subsequent landowners to pay the Series 2025A Assessments, which may also be affected by the value of the land subject to the Series 2025A Assessments, is also an important factor in the collection of Series 2025A Assessments. The failure of the Landowners or subsequent landowners to pay the Series 2025A Assessments could render the District unable to collect delinquent Series 2025A Assessments and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of Debt Service on the Series 2025A Bonds.

Regulatory and Environmental Risks

The development of the District Lands is subject to comprehensive federal, state and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of planned improvements, both public and private, and construction of the infrastructure in accordance with applicable zoning, land use and environmental regulations. Although all such approvals required to date have been received and any further approvals are anticipated to be received as needed, failure to obtain any such approvals in a timely manner could delay or adversely affect the completion of the development of the District Lands. See "THE DEVELOPMENT – Development Approvals" herein for more information.

The value of the land within the District, the success of the Development, the development of Assessment Area Two and the likelihood of timely payment of principal and interest on the Series 2025A Bonds could be affected by environmental factors with respect to the land in the District. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the District, which could materially and adversely affect the success of the development of the lands within the District and the likelihood of the timely payment of the Series 2025A Bonds. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the District. See "THE DEVELOPMENT – Environmental" for information on environmental site assessments obtained or received. Such information is being provided solely for informational purposes, and nothing herein or in such assessments grants any legal rights or remedies in favor of the Series 2025A Bondholders in the event any recognized environmental conditions

are later found to be present on District Lands. Nevertheless, it is possible that hazardous environmental conditions could exist within the District or in the vicinity of the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future, whether originating within the District or from surrounding property, and what effect such may have on the development or sale of the lands in Assessment Area Two.

The value of the lands subject to the Series 2025A Assessments could also be adversely impacted by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the District Lands unable to support future development. The occurrence of any such events could materially adversely impact the District's ability to pay principal and interest on the Series 2025A Bonds. The Series 2025A Bonds are not insured, and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

Economic Conditions and Changes in Development Plans

The successful development of Assessment Area Two and the sale of residential units therein, once such homes are built, may be affected by unforeseen changes in general economic conditions, changes in federal economic or trade policies, fluctuations in the real estate market and other factors beyond the control of the Landowners. Moreover, the Landowners have the right to modify or change plans for development of the Development from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed, and may seek in the future, in accordance with and subject to the provisions of the Act, to contract or expand the boundaries of the District.

Other Taxes and Assessments

The willingness and/or ability of an owner of benefited land to pay the Series 2025A Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the County or any other local special purpose or general purpose governmental entities. County, school, special district taxes and special assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, including the Series 2025A Assessments, collected pursuant to the Uniform Method are payable at one time. Public entities whose boundaries overlap those of the District could, without the consent of the owners of the land within the District, impose additional taxes on the property within the District. The District anticipates imposing operation and maintenance assessments encumbering the same property encumbered by the Series 2025A Assessments. In addition, lands within the District may also be subject to assessments by property owners' and homeowners' associations. See "THE DEVELOPMENT – Taxes, Fees and Assessments" herein for additional information.

Under Florida law, a landowner may contest the assessed valuation determined for its property that forms the basis of ad-valorem taxes such landowner must pay. During this contest period, the sale of a tax certificate under the Uniform Method will be suspended. If the Series 2025A Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to such Series 2025A Assessment, even though the landowner is not contesting the amount of the Series 2025A Assessment. However, Section 194.014, Florida Statutes, requires taxpayers challenging the assessed value of their property to pay all non-ad valorem assessments and at least 75% of their ad valorem taxes before they become delinquent. Likewise, taxpayers who challenge the denial of an exemption or classification or a determination that their improvements were substantially complete must pay all non-ad valorem assessments and the amount of ad valorem taxes that they admit in good faith to be owing. If a

taxpayer fails to pay property taxes as set forth above, the Value Adjustment Board considering the taxpayer's challenge is required to deny such petition by written decision by April 20 of such year.

Limited Secondary Market for Series 2025A Bonds

The Series 2025A Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2025A Bonds in the event an Owner thereof determines to solicit purchasers for the Series 2025A Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2025A Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2025A Bonds, depending on the progress of development of the Development and the lands within Assessment Area Two, as applicable, existing real estate and financial market conditions and other factors.

Inadequacy of Reserve Account

Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Series 2025A Assessments, may not adversely affect the timely payment of Debt Service on the Series 2025A Bonds because of the moneys on deposit in the Series 2025A Reserve Account. The ability of moneys on deposit in the Series 2025A Reserve Account to fund deficiencies caused by delinquencies in the payment of the Series 2025A Assessments is dependent on the amount, duration and frequency of such deficiencies, as well as the amount of money then on deposit in the Series 2025A Reserve Account, which is subject to release and recalculation based on parameters set forth in the Indenture. Moneys on deposit in the Series 2025A Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys in the Series 2025A Reserve Account to make up deficiencies. If the District has difficulty in collecting the Series 2025A Assessments, the moneys on deposit in the Series 2025A Reserve Account would be rapidly depleted and the ability of the District to pay Debt Service on the Series 2025A Bonds could be materially adversely affected. In addition, during an Event of Default under the Indenture, the Trustee may withdraw moneys from the Series 2025A Reserve Account and such other Funds, Accounts and subaccounts created under the Master Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If in fact the Series 2025A Reserve Account is accessed for any purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2025A Assessments in order to provide for the replenishment of the Series 2025A Reserve Account. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025A BONDS – Series 2025A Reserve Account" herein for more information about the Series 2025A Reserve Account.

Legal Delays

If the District should commence a foreclosure action against a landowner for nonpayment of Series 2025A Assessments that are not being collected pursuant to the Uniform Method, such landowner and/or its mortgagee(s) may raise affirmative defenses to such foreclosure action. Although the District expects that such affirmative defenses would likely be proven to be without merit, they could result in delays in completing the foreclosure action. In addition, the District is required under the Indenture to fund the costs of such foreclosure. It is possible that the District will not have sufficient funds and will be compelled to request the Holders of the Series 2025A Bonds to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Code (as defined herein), there are limitations on the amounts of proceeds from the Series 2025A Bonds that can be used for such purpose.

IRS Examination and Audit Risk

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. In 2016, the IRS concluded its lengthy examination of certain issues of bonds (for purposes of this subsection, the "Audited Bonds") issued by Village Center Community Development District (the "Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015, which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements were closed without change to the tax exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in the Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS letter to the Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that the Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption. Although the TAMs and the letters to the Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to the Village Center CDD.

On February 23, 2016, the IRS published proposed regulations designed to provide prospective guidance with respect to potential private business control of issuers by providing a new definition of political subdivision for purposes of determining whether an entity is an appropriate issuer of bonds the interest on which is excluded from gross income for federal tax purposes. The proposed regulations required that a political subdivision (i) have the power to exercise at least one sovereign power, (ii) be formed and operated for a governmental purpose, and (iii) have a governing body controlled by or have significant uses of its funds or assets otherwise controlled by a government unit with all three sovereign powers or by an electorate that is not controlled by an unreasonably small number of unrelated electors. On October 4, 2017, the Treasury Department ("Treasury") announced that it would withdraw the proposed regulations, stating that, "while Treasury and the IRS continue to study the legal issues relating to political subdivisions, Treasury and the IRS currently believe that these proposed regulations should be withdrawn in their entirety, and plan to publish a withdrawal of the proposed regulations shortly in the Federal Register. Treasury and the IRS may propose more targeted guidance in the future after further study of the relevant legal issues." Notice of withdrawal of the proposed regulations was published in the Federal Register on October 20, 2017.

It has been reported that the IRS has closed audits of other community development districts in the State with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within the timeframe established by the applicable state law or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general

elections are not held until the later of six years from the date of establishment of the community development district or the time at which there are at least 250 qualified electors in the district. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. Currently, all of the members of the Board of the District were elected by the landowners and none were elected by qualified electors. The [Development Manager/Landowners] will certify as to [its/their] expectations as to the timing of the transition of control of the Board of the District to qualified electors pursuant to the Act. Such certification by the [Development Manager/Landowners] does not ensure that such certification shall be determinative of, or may influence the outcome of any audit by the IRS, or any appeal from such audit, that may result in an adverse ruling that the District is not a political subdivision for purposes of Section 103(a) of the Code. Further, there can be no assurance that an audit by the IRS of the Series 2025A Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable State or federal law.

Owners of the Series 2025A Bonds are advised that, if the IRS does audit the Series 2025A Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Series 2025A Bonds may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Series 2025A Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2025A Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2025A Bonds would adversely affect the availability of any secondary market for the Series 2025A Bonds. Should interest on the Series 2025A Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2025A Bonds be required to pay income taxes on the interest received on such Series 2025A Bonds and related penalties, but because the interest rate on such Series 2025A Bonds will not be adequate to compensate Owners of the Series 2025A Bonds for the income taxes due on such interest, the value of the Series 2025A Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATES ON THE SERIES 2025A BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2025A BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2025A BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2025A BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2025A BONDS BECOMES TAXABLE AND/OR THE DISTRICT IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

Loss of Exemption from Securities Registration

The Series 2025A Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, because of the exemption for securities issued by political subdivisions. It is possible that federal or state regulatory authorities could in the future determine that the District is not a political subdivision for purposes of federal and state securities laws, including without limitation as the result of a determination by the IRS, judicial or otherwise, of the District's status for purposes of the Code. In such event, the District and purchasers of Series 2025A Bonds may not be able to rely on the exemption from registration under the Securities Act relating to securities issued by political subdivisions. In that event, the Owners of the Series 2025A Bonds would need to ensure that subsequent transfers of the Series 2025A Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act and applicable state securities laws.

Federal Tax Reform

Various legislative proposals are mentioned from time to time by members of Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the IRS may, in the future, issue rulings that have the effect of challenging the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2025A Bonds, by eliminating or changing the tax-exempt status of interest on such bonds. Whether any such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the Series 2025A Bonds cannot be predicted. However, it is possible that any such law or interpretation could have a material and adverse effect upon the availability of a liquid secondary market and/or the value of the Series 2025A Bonds. Prospective purchasers of the Series 2025A Bonds should consult their tax advisors as to the impact of any proposed or pending legislation. See also "TAX MATTERS" herein.

State Tax Reform

It is impossible to predict what new proposals may be presented regarding tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the Series 2025A Bonds. It should be noted that Section 190.016(14) of the Act provides in pertinent part that "[t]he state pledges to the holders of any bonds issued under this act that it will not limit or alter the rights of the district to ... levy and collect the ... assessments ... and to fulfill the terms of any agreement made with the holders of such bonds ... and that it will not in any way impair the rights or remedies of such holders."

Insufficient Resources or Other Factors Causing Failure to Complete Development

The cost to finish the Assessment Area Two Project [may/will] exceed the net proceeds from the Series 2025A Bonds. There can be no assurance, in the event the District does not have sufficient moneys on hand to complete the Assessment Area Two Project, that the District will be able to raise, through the issuance of additional bonds or otherwise, the moneys necessary to complete the Assessment Area Two Project. Further, the Indenture sets forth certain limitations on the issuance of additional bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025A BONDS – Additional Obligations" for more information.

Although Homes by West Bay will agree to fund or cause to be funded the completion of the Assessment Area Two Project regardless of the insufficiency of proceeds from the Series 2025A Bonds and will enter into a completion agreement with the District as evidence thereof, there can be no assurance that Homes by West Bay will have sufficient resources to do so. Such obligation of Homes by West Bay is an unsecured obligation. See "THE LANDOWNERS" herein for more information.

There are no assurances that the Assessment Area Two Project and any other remaining development work associated with the Assessment Area Two will be completed. Further, even if development of Assessment Area Two is completed, there are no assurances that all of the planned homes will be constructed and sold within Assessment Area Two. See "THE DEVELOPER" herein for more information.

Pandemics and Other Public Health Emergencies

The COVID-19 pandemic severely impacted global financial markets, unemployment levels and commerce generally. It is possible that, in the future, the spread of epidemic or pandemic diseases and/or government health and public safety restrictions imposed in response thereto could adversely impact the District, the Landowners, the timely and successful completion of the Development, and the construction and sale to purchasers of residential units therein. Such impacts could include delays in obtaining development approvals, construction delays, supply chain delays, or increased costs. See also "Economic Conditions and Changes in Development Plans" and "Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

Cybersecurity

The District relies on a technological environment to conduct its operations. The District, its agents and other third parties the District does business with or otherwise relies upon are subject to cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to such parties' digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. No assurances can be given that any such attack(s) will not materially impact the operations or finances of the District, which could impact the timely payment of debt service on the Series 2025A Bonds.

Prepayment and Redemption Risk

In addition to being subject to optional and mandatory sinking fund redemptions, the Series 2025A Bonds are subject to extraordinary mandatory redemption, including, without limitation, as a result of prepayments of the Series 2025A Assessments by the Landowners or subsequent owners of the property within Assessment Area two. Any such redemptions of the Series 2025A Bonds would be at the principal amount of such Series 2025A Bonds being redeemed plus accrued interest to the date of redemption. In such event, owners of the Series 2025A Bonds may not realize their anticipated rate of return on the Series 2025A Bonds and owners of any Premium Bonds (as defined herein) may receive less than the price they paid for the Series 2025A Bonds. See "DESCRIPTION OF THE SERIES 2025A BONDS – Redemption Provisions," "– Purchase of Series 2025A Bonds" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025A BONDS – Prepayment of Series 2025A Assessments" herein for more information.

Payment of Series 2025A Assessments after Bank Foreclosure

In the event a bank forecloses on property because of a default on a mortgage in favor of such bank on any of the assessable lands within Assessment Area Two of the District, and then the bank itself fails, the Federal Deposit Insurance Corporation (the "FDIC"), as receiver, will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Series 2025A Assessments levied on such property. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

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ESTIMATED SOURCES AND USES OF SERIES 2025A BOND PROCEEDS

Source of Funds

Principal Amount of Series 2025A Bonds	\$ _____
[Plus/Less: Net Original Issue Premium/Discount]	_____
Total Sources	\$ _____

Use of Funds

Deposit to Series 2025A Acquisition and Construction Account	\$ _____
Deposit to Series 2025A Reserve Account	_____
Deposit to Series 2025A Capitalized Interest Account ⁽¹⁾	_____
Costs of Issuance, including Underwriter's Discount ⁽²⁾	_____
Total Uses	\$ _____

(1) Represents capitalized interest on the Series 2025A Bonds through [May 1, 2026].

(2) Costs of issuance includes, without limitation, legal fees and other costs associated with the issuance of the Series 2025A Bonds.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled Debt Service on the Series 2025A Bonds:

Period Ending <u>November 1</u>	Principal (<u>Amortization</u>)	<u>Interest</u>	<u>Total Debt Service</u>
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TOTALS

* The final maturity of the Series 2025A Bonds.

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THE DISTRICT

General Information

The District, which is the issuer of the Series 2025A Bonds, is a local unit of special purpose government of the State, created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance No. 24-24 of the Board of County Commissioners of Pasco County, Florida, enacted on May 21, 2024 and effective on May 23, 2024 (the "Ordinance"). The District encompasses approximately 202.314 gross acres of land and is located in unincorporated Pasco County, approximately 5 miles east of Interstate 75.

Legal Powers and Authority

The District is an independent unit of local government created pursuant to, and established in accordance with, the Act. The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State. The Act provides legal authority for community development districts (such as the District) to finance the acquisition, construction, operation and maintenance of the major infrastructure for community development pursuant to its general law charter.

Among other provisions, the Act gives the District's Board of Supervisors the authority to, among other things, (a) finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems, facilities, and basic infrastructure for, among other things: (i) water management and control for lands within the District and to connect any of such facilities with roads and bridges; (ii) water supply, sewer and waste-water management, reclamation and reuse systems or any combination thereof and to construct and operate connecting intercept or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue, or other byproducts of such system or sewer system; (iii) District roads equal to or exceeding the specifications of the county in which such District roads are located and street lights, landscaping, hardscaping and undergrounding of electric utility lines; (iv) conservation areas, mitigation areas, and wildlife habitat; (v) any other project, facility, or service required by a development approval, interlocal agreement, zoning condition, or permit issued by a governmental authority with jurisdiction in the District; and (vi) with the consent of the local general-purpose government within the jurisdiction of which the power is to be exercised, parks and facilities for indoor and outdoor recreational uses, and security; (b) borrow money and issue bonds of the District; (c) impose and foreclose special assessment liens as provided in the Act; and (d) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District stated in the Act.

The Act does not empower the District to adopt and enforce any land use plans or zoning ordinances and the Act does not empower the District to grant building permits. These functions are to be performed by general purpose local governments having jurisdiction over the lands within the District.

The Act exempts all property owned by the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any bondholders to pursue any remedy for enforcement of any lien or pledge of the District in connection with its bonds, including the Series 2025A Bonds.

Board of Supervisors

The Act provides that a five-member Board of Supervisors (the "Board") serves as the governing body of the District. Members of the Board (the "Supervisors") must be residents of the State and citizens of the United States. Initially, the Supervisors were appointed in the Ordinance. Within 90 days after formation of the District, an election was held pursuant to which new Supervisors were elected on an at-large basis by the owners of the property within the District. Ownership of land within the District entitles the owner to one vote per acre (with fractions thereof rounded upward to the nearest whole number). A Supervisor serves until expiration of his or her term and until his or her successor is chosen and qualified. If, during a term of office, a vacancy occurs, the remaining Supervisors may fill the vacancy by an appointment of an interim Supervisor for the remainder of the unexpired term.

At the initial election held within 90 days after formation of the District, the landowners in the District elected two Supervisors to four-year terms and three Supervisors to two-year terms. Thereafter, the elections take place every two years, with the first such election being held on the first Tuesday in November, and subsequent elections being held on a date in November established by the Board. Upon the later of six years after the initial appointment of Supervisors and the year when the District next attains at least 250 qualified electors, Supervisors whose terms are expiring will begin to be elected (as their terms expire) by qualified electors of the District. A qualified elector is a registered voter who is at least eighteen years of age, a resident of the District and the State and a citizen of the United States. At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors, each elected to four-year terms. The seat of the remaining Supervisor whose term is expiring at such election shall be filled by a Supervisor who is elected by the landowners for a four-year term and who is not required to be a qualified elector. Thereafter, as terms expire, all Supervisors must be qualified electors and must be elected by qualified electors to serve staggered four-year terms.

Notwithstanding the foregoing, if at any time the Board proposes to exercise its ad valorem taxing power, prior to the exercise of such power, it shall call an election at which all Supervisors shall be qualified electors and be elected by qualified electors in the District. Elections subsequent to such decision shall be held in a manner such that the Supervisors will serve four-year terms with staggered expiration dates in the manner set forth in the Act.

The Act provides that it shall not be an impermissible conflict of interest under State law governing public officials for a Supervisor to be a stockholder, officer or employee of a landowner or of any entity affiliated with a landowner.

The current members of the Board and the expiration of the term of each member are set forth below:

Name	Title	Term Expires
Grant Striepling*	Chairperson	November 2028
Allison Martin*	Vice-Chairperson	November 2028
Paula Roberts*	Assistant Secretary	November 2026
Carmen Perry*	Assistant Secretary	November 2026
Ben Viola*	Assistant Secretary	November 2026

* Employee of, or affiliated with, Homes by West Bay.

A majority of the members of the Board constitutes a quorum for the purposes of conducting its business and exercising its powers and for all other purposes. Action taken by the District shall be upon a vote of a majority of the members present unless general law or a rule of the District requires a greater number. All meetings of the Board are open to the public under the State's open meeting or "Sunshine" law.

The District Manager and Other Consultants

The chief administrative official of the District is the District Manager (as hereinafter defined). The Act provides that a district manager has charge and supervision of the works of the District and is responsible for preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, for maintaining and operating the equipment owned by the District, and for performing such other duties as may be prescribed by the Board.

The District has retained Wrathell, Hunt & Associates, LLC, Boca Raton, Florida, to serve as its district manager ("District Manager"). The District Manager's office is located at 2300 Glades Rd., Ste. #410W, Boca Raton, Florida 33431.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Bond Counsel; Clearview Land Design, P.L., Tampa, Florida, as District Engineer; and Straley Robin Vericker P.A., Tampa, Florida, as District Counsel. The Board has also retained Wrathell, Hunt & Associates, LLC, to serve as Methodology Consultant (as defined herein) for the Series 2025A Bonds.

Outstanding Bond Indebtedness

The District previously issued its Capital Improvement Revenue Bonds, Series 2025 (Assessment Area One) (the "Series 2025 Bonds") on February 5, 2025, in the original aggregate principal amount of \$12,500,000, of which [\$_____ was outstanding as of _____, 2025]. The Series 2025 Bonds are secured by the special assessments assigned to the lands within Assessment Area One of the District, which lands are separate and distinct from the lands within Assessment Area Two that are subject to the Series 2025A Assessments securing the Series 2025A Bonds.

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THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA TWO PROJECT

Clearview Land Design, P.L. (the "District Engineer") prepared the Master Engineer's Report for the Magnolia Island Community Development District, dated July 8, 2024 (the "Master Report"), as supplemented by the 2024 Supplemental Engineer's Report for the Magnolia Island Community Development District, dated September 17, 2024 (the "Supplemental Report" and together with the Master Report, the "Engineer's Report"). The Engineer's Report sets forth certain public infrastructure improvements for the development of the 389 residential lots planned for the District (the "Capital Improvement Plan").

Land development associated with the District is being phased. Two assessment areas have been created to facilitate the District's financing plans. The first assessment area consists of approximately 127 acres of land planned to contain 170 units ("Assessment Area One"). The second assessment area consists of approximately 75 acres of land planned to contain 219 units ("Assessment Area Two").

The portion of the Capital Improvement Plan associated with Assessment Area One is referred to herein as the "Assessment Area One Project." The portion of the Capital Improvement Plan associated with Assessment Area Two is referred to herein as the "Assessment Area Two Project."

The District previously issued its Assessment Area One Bonds to finance a portion of the Assessment Area One Project. The Assessment Area One Project is substantially complete with final completion expected by [_____] 2025]. See "THE DEVELOPMENT – Update on Assessment Area One" herein for more information.

The Series 2025A Bonds are being issued to finance a portion of the Assessment Area Two Project. The District Engineer, in the Supplemental Report, estimated the total cost of the Assessment Area Two Project to be approximately \$_____, as more particularly described below.

Assessment Area Two Project Description	Assessment Area Two Costs*
Stormwater Management System	\$1,450,000
Local Residential Roadways	970,000
Residential Water & Wastewater Systems	1,350,000
Undergrounding of Electric Utility Lines	300,000
Professional Fees	550,000
Contingency (10%)	<u>462,000</u>
Total	\$5,082,000

* See "THE DEVELOPMENT – Development Finance Plan" and "–Amenities" herein for the Development Manager's current cost estimates.

Clearing and mass grading of all of the Development, including Assessment Area Two was completed in connection with the commencement of land development for Assessment Area One. Parcel specific infrastructure installation associated with Assessment Area Two is expected to commence in _____ 2025 and is expected to be completed by _____ 202_. See "THE DEVELOPMENT – Development Plan and Status" herein for more information.

The Development Manager anticipates the total cost to develop Assessment Area Two will be approximately \$_____. As of _____, 2025, approximately \$_____ million in hard and soft costs associated with Assessment Area Two had been spent or incurred [please include the proportionate cost of mass grading AA2 and any soft costs (and hard costs if parcel infra has started) associated with just AA2]. Net proceeds of the Series 2025A Bonds will be deposited in the Series 2025A Acquisition and

Construction Account in the amount of approximately \$6.54 million* and will be available to be used by the District towards the construction and/or acquisition from the Landowners and/or the Development Manager of a portion of the Assessment Area Two Project. The remaining development costs are expected to be funded by Homes by West Bay. Homes by West Bay will enter into a completion agreement that will obligate Homes by West Bay to complete the Assessment Area Two Project. See "THE DEVELOPMENT – Development Finance Plan" herein. See also "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

The District Engineer has indicated that all engineering permits necessary to construct the Assessment Area Two Project that are set forth in the Engineer's Report have been obtained or will be obtained in the ordinary course of business. In addition to the Engineer's Report, please refer to "THE DEVELOPMENT – Development Approvals" for a more detailed description of the zoning and permitting status of the District. See "APPENDIX A: ENGINEER'S REPORT" attached hereto for more information regarding the above improvements.

[Remainder of page intentionally left blank.]

* Preliminary, subject to change.

ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS

Wrathell, Hunt & Associates, LLC, Boca Raton, Florida (the "Methodology Consultant"), has prepared the Master Special Assessment Methodology Report dated July 8, 2024 (the "Master Assessment Methodology"), as supplemented by the Preliminary Second Supplemental Special Assessment Methodology Report dated [August 14, 2025], both of which are attached hereto as APPENDIX E (the "Supplemental Assessment Methodology" and together with the Master Assessment Methodology, the "Assessment Methodology"). The Assessment Methodology sets forth an overall method for allocating the Series 2025A Assessments to be levied against the lands within Assessment Area Two of the District benefited by the Assessment Area Two Project and collected by the District as a result thereof. Once the final terms of the Series 2025A Bonds are determined, the Supplemental Assessment Methodology will be revised to reflect such final terms. Once levied and imposed, the Series 2025A Assessments are a first lien on the land against which assessed until paid or barred by operation of law, co-equal with other taxes and assessments levied by the District, including the operation and maintenance assessments, and other units of government. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

As set forth in the Assessment Methodology, the Series 2025A Assessments are initially levied on approximately 75 gross acres within Assessment Area Two until such time as lots in Assessment Area Two are platted. As platting of the planned 219 lots within Assessment Area Two occurs, the Series 2025A Assessments will be assigned to platted lots in Assessment Area Two on a first platted, first assigned basis, in accordance with the Assessment Methodology. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein.

Assuming that all of the 219 planned residential units within Assessment Area Two are developed and platted, then the estimated annual Series 2025A Assessments and the estimated Series 2025A Bond par per unit are anticipated to be as follows:

Product Type	No. of Units	Annual Series 2025A Assessments Per Unit*	Series 2025A Bonds
			Par Debt Per Unit*
Townhome 20'	120	\$1,816	\$25,000
Single-Family 40'	99	\$3,632	\$50,000
Total	219		

* Preliminary, subject to change. Annual Series 2025A Assessment levels shown assume collection via the Uniform Method and include a gross up to include County collection costs (currently at 2%) and an early collection discount allowance (currently at 4%), which amounts are subject to change. The Landowners expect, but are not obligated, to prepay a portion of the Series 2025A Assessments on each of their respective lots lot to reach target net annual assessment levels of \$650 per 20' lot and \$1,300 per 40' lot.. The total expected prepayment is approximately \$5,105,000 (preliminary, subject to change).

The District anticipates levying assessments to cover its operation and maintenance costs that will initially be approximately \$[1,500] per unit annually, which amount may vary by unit type and is subject to change in future years. The land within the District has been and is expected to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate imposed on taxable properties in the District for 2024 was approximately 16.9431 mills, which millage rate is subject to change in future tax years. These taxes would be payable in addition to the Series 2025A Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Pasco County, Florida may each levy ad valorem taxes and/or special assessments upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year.

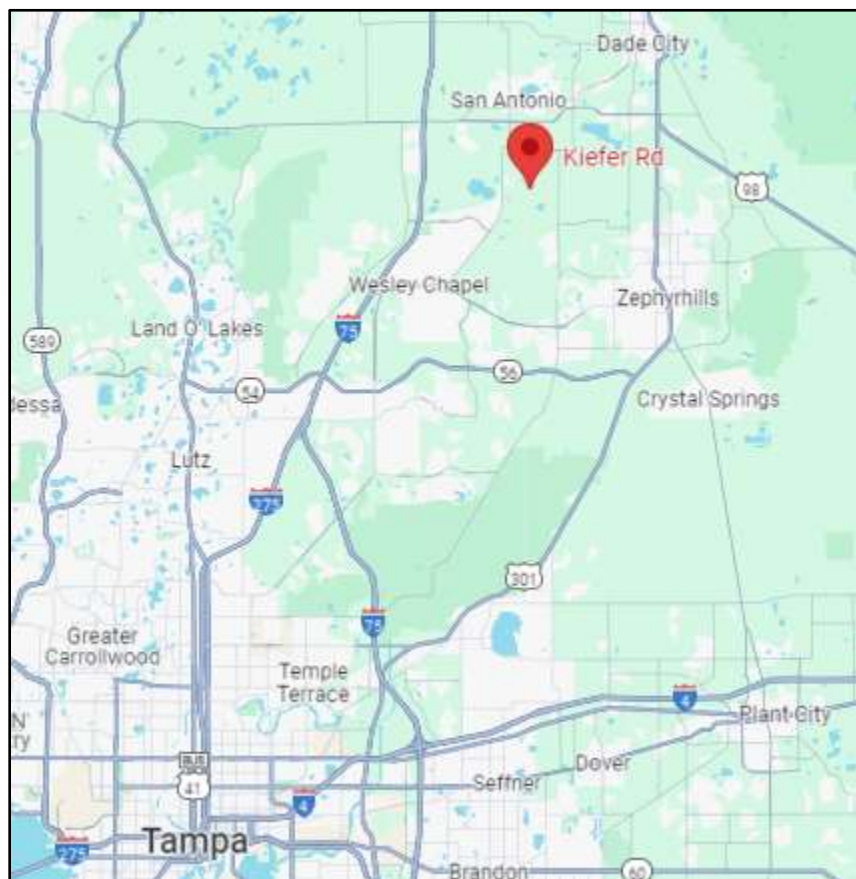
. See "THE DEVELOPMENT – Taxes, Fees and Assessments" herein for more information, including proposed homeowners associations' fees.

The information appearing below under the captions "THE DEVELOPMENT" and "THE LANDOWNERS AND THE DEVELOPMENT MANAGER" has been furnished by the Landowners and the Development Manager for inclusion in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by Bond Counsel, the District or its counsel, or the Underwriter or its counsel, and no persons other than the Landowners and the Development Manager make any representation or warranty as to the accuracy or completeness of such information supplied by them. The following information is provided by the Landowners and the Development Manager as a means for the prospective bondholders to understand the anticipated development plan and risks associated with the Development. Neither the Landowners nor the Development Manager are guaranteeing payment of the Series 2025A Bonds or the Series 2025A Assessments.

THE DEVELOPMENT

General

The District Lands encompass approximately 202 gross acres located in unincorporated Pasco County and are being developed as a 389-unit residential community to be known as "Magnolia Island" (the "Development"). The Development is generally located north of Kiefer Road, south of Prospect Road, east of Curley Road, and west of Handcart Road. Interstate-75 is located approximately five miles to the west of the Development. Nearby communities include Epperson and Mirada to the west and WaterGrass to the south. The general location of the Development is shown below.



Land development associated with the Development is scheduled to occur in phases. Two assessment areas have been created to facilitate the District's financing plans. The first assessment area consists of approximately 127 acres of land planned to contain 170 units ("Assessment Area One"). The second assessment area consists of approximately 75 acres of land planned to contain 219 units ("Assessment Area Two").

The District previously issued its Assessment Area One Bonds to finance a portion of the Assessment Area One Project. The Assessment Area One Project is substantially complete with final completion expected by [_____] 2025]. See "– Update on Assessment Area One" below for more information.

The Series 2025A Bonds are being issued to finance a portion of the Assessment Area Two Project. See "THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA TWO PROJECT" herein for more information. The Series 2025A Bonds will be secured by the Series 2025A Assessments, which will initially be levied on the approximately 75 gross acres within Assessment Area Two. As platting of the planned 219 lots within Assessment Area Two occurs, the Series 2025A Assessments will be assigned to the platted lots in Assessment Area Two on a first platted, first assigned basis. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein for more information.

Homes by West Bay, LLC, a Florida limited liability company ("Homes by West Bay") acquired all of the land within the Development (together with certain adjacent lands) in February 2024. In December 2024, Homes by West Bay conveyed to CF GTIS III Magnolia Island, LLC, a Delaware limited liability company ("CF GTIS" and, together with Homes by West Bay, the "Landowners"), approximately 27.767 acres of land within the Development. At the time of the acquisition, Homes by West Bay and CF GTIS entered into the Joint Development Agreement (as defined herein), which obligates Homes by West Bay to coordinate completion of the Development Work (as defined herein) for the Development. An affiliate of Homes by West Bay, HBWB Development Services, LLC, a Florida limited liability company (the "Development Manager"), is serving as the development manager for the development of Assessment Area Two. See "– Land Acquisition and Joint Development Agreement" below for more information. See also "THE LANDOWNERS AND THE DEVELOPMENT MANAGER" herein.

At buildout, Assessment Area Two is planned to contain approximately 219 units, consisting of (i) 120 townhomes on 20'-wide lots and (ii) 99 single-family homes on 40'-wide lots. Townhomes will range in size from approximately _____ square feet to approximately _____ square feet, and starting price points are expected to range from approximately \$ _____ to \$ _____. Single-family homes will range in size from approximately _____ square feet to approximately _____ square feet, and starting price points are expected to range from approximately \$ _____ to \$ _____. See "–Residential Product Offerings" herein for more information.

Land Acquisition and Joint Development Agreement

Homes by West Bay acquired all of the land within the Development on February 29, 2024, for approximately \$17,000,000. On December 27, 2024, Homes by West Bay conveyed approximately 27.767 acres of land within the Development, including approximately [_____] acres within Assessment Area Two, to CF GTIS, for a purchase price of approximately \$10,293,500.

At the time of the acquisition, Homes by West Bay and CF GTIS entered into a Joint Development Agreement dated as of December 2024 (the "Joint Development Agreement"). The Joint Development Agreement provides that Homes by West Bay will coordinate completion of the Development Work (as defined herein) for all of the Development, including Assessment Area Two, and will pay invoices for such work as they become due. Homes by West Bay will then invoice CF GTIS for its allocated share of such

costs, which payment is due within fifteen (15) days of invoice. The Joint Development Agreement provides that CF GTIS is responsible for 60.55% of the overall costs of the Development Work, and Homes by West Bay is responsible for the remaining 39.45%.

"Development Work" is defined in the Joint Development Agreement to include the planning, design, engineering, sitework, offsite improvements and landscaping and hardscaping costs of developing the Development. Homes by West Bay's property includes lands planned to contain sixty-six (66) 60'-wide lots and forty-one (41) 70'-wide lots, all of which are located within Assessment Area One. CF GTIS's property includes lands planned to contain sixty-three (63) 50'-foot wide lots, which are located within Assessment Area One, as well as ninety-nine (99) 40'-wide lots and one hundred twenty (120) townhome lots located within Assessment Area Two.

The Development Manager, which is an affiliate of Homes by West Bay, is serving as the development manager for the development of Assessment Area Two. Homes by West Bay and CF GTIS will serve as the homebuilders within Assessment Area Two, under the Homes by West Bay and Casa Fresca home brands, respectively. See "THE LANDOWNERS AND THE DEVELOPMENT MANAGER" herein for more information.

Development Finance Plan

The Development Manager estimates the total land development cost associated with the 219 lots planned for Assessment Area Two will be approximately \$_____ million, including costs of the Assessment Area Two Project [proportionate cost of mass grading/master/offsites for AA2 + all hard and soft costs for parcel infra for AA2]. As of _____, 2025, approximately \$_____ million in hard and soft costs associated with Assessment Area Two had been spent or incurred. Net proceeds of the Series 2025A Bonds will be deposited in the Series 2025A Acquisition and Construction Account in the amount of approximate \$6.54 million* and will be available to be used by the District towards the construction and/or acquisition from the Landowners of a portion of the Assessment Area Two Project. Remaining development costs are expected to be funded by Homes by West Bay. Homes by West Bay will enter into a completion agreement that will obligate Homes by West Bay to complete the Assessment Area Two Project. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

Development Plan and Status

Clearing and mass grading of all of the Development, including Assessment Area Two, is complete. Parcel specific infrastructure installation associated with Assessment Area Two is expected to commence in _____ 2025 and is expected to be completed by _____ 202_. The Landowners expect to commence home sales and vertical construction in the _____ quarter of 202_.

The Development Manager anticipates that approximately 175 units per annum will be closed with homebuyers within Assessment Area Two, commencing in the _____ quarter of 202_ until buildout. This anticipated absorption is based upon estimates and assumptions made by the Development Manager that are inherently uncertain, though considered reasonable by the Development Manager, and are subject to significant business, economic, and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Development Manager. As a result, there can be no assurance such absorption rate will occur or be realized in the time frame anticipated.

[Remainder of page intentionally left blank.]

* Preliminary, subject to change.

Set forth below is an aerial showing the Development, with Assessment Area Two in the _____, as of _____, 2025. [update aerial]



Residential Product Offerings

The target customers for units within the Development range from first-time homebuyers to luxury buyers. Below is a summary of the expected types of units and price points for units in the District:

Product Type	Square Footage	Beds/Baths	Starting Price Point
Townhome 20'	_____ – _____	___/___ – ___/___	\$____,000 – \$____,000
Single-Family 40'	_____ – _____	___/___ – ___/___	\$____,000 – \$____,000

Development Approvals

[any material development obligations?]

[Please confirm transportation and school concurrency and utility access.]

[any outstanding permits?]

The land within the District, including, without limitation, the land therein subject to the Series 2025A Assessments, is zoned as a Master Planned Unit Development (MPUD) to allow for the contemplated residential uses described herein. The zoning approval requires, among other things, the

construction of (i) a new two-lane roadway from the project entrance to Kiefer Road, (ii) a 205-foot southbound left turn lane and a 555-foot eastbound turn lane at the intersection of such roadway with Kiefer Road, and (iii) an extension of Kiefer Road from Curley Road to the new roadway as a two-lane undivided roadway (the "Roadway Improvements"). The cost of Roadway Improvements is included in the Assessment Area Two Project. [any additional costs of the same in AA2 project? Total cost? Status? Spent to date? Any other obligations to pull COs for AA2?]

All permits have been received by jurisdictional agencies to allow for the development contemplated herein or are reasonably expected to be received in the ordinary course. See "BONDOWNERS' RISK – Regulatory and Environmental Risks" herein for more information regarding permitting and approval risks.

Environmental

A Phase I Environmental Site Assessment dated December 9, 2024 (the "ESA"), was prepared covering the Development. The ESA revealed no recognized environmental conditions in connection with the Development. See "BONDOWNERS' RISK – Regulatory and Environmental Risks" herein for more information regarding potential environmental risks.

Amenities

The District Lands are planned to contain an approximately 6.75-acre community site with an approximately 1,300-square foot clubhouse, a resort-style swimming pool, tot lot, walking trails, various recreation fields, dog park and sport courts (collectively, the "Amenity"). Construction of the Amenity is expected to commence in the [third] quarter of 2025 and is expected to be completed in the [fourth] quarter of 2026 at a total cost of approximately \$[2.5] million. Upon completion, the Amenities will be owned by the District.

Utilities

Potable water and wastewater treatment for the Development are expected to be provided by Pasco County Utilities. Electric power is expected to be provided by Withlacoochee Rural Electric Co-Op (WREC). All utility services are available to the property or are expected in the ordinary course.

Taxes, Fees and Assessments

As set forth in the Assessment Methodology, the Series 2025A Assessments are initially levied on approximately 75 gross acres within Assessment Area Two until such time as lots in Assessment Area Two are platted. As platting of the planned 219 lots within Assessment Area Two occurs, the Series 2025A Assessments will be assigned to platted lots in Assessment Area Two on a first platted, first assigned basis, in accordance with the Assessment Methodology. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein.

Assuming that all of the 219 planned residential units within Assessment Area Two are developed and platted, then the estimated annual Series 2025A Assessments and the estimated Series 2025A Bond par per unit are anticipated to be as follows:

Product Type	No. of Units	Annual Series 2025A Assessments Per Unit*	Series 2025A Bonds
			Par Debt Per Unit*
Townhome 20'	120	\$1,816	\$25,000
Single-Family 40'	99	\$3,632	\$50,000
Total	219		

* Preliminary, subject to change. Annual Series 2025A Assessment levels shown assume collection via the Uniform Method and include a gross up to include County collection costs (currently at 2%) and an early collection discount allowance (currently at 4%), which amounts are subject to change. The Landowners expect, but are not obligated, to prepay a portion of the Series 2025A Assessments on each of their respective lots lot to reach target net annual assessment levels of \$650 per 20' lot and \$1,300 per 40' lot.. The total expected prepayment is approximately \$5,105,000 (preliminary, subject to change).

The District anticipates levying assessments to cover its operation and maintenance costs that will initially be approximately \$[1,500] per unit annually, which amount may vary by unit type and is subject to change in future years. In addition, residents will be required to pay homeowners association fees, which are currently estimated to be \$[250] per year per unit in the aggregate. The land within the District has been and is expected to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate imposed on taxable properties in the District for 2024 was approximately 16.9431 mills, which millage rate is subject to change in future tax years. These taxes would be payable in addition to the Series 2025A Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Pasco County, Florida may each levy ad valorem taxes and/or special assessments upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year.

Education

The public schools for children residing in the Development are expected to be Watergrass Elementary School, Thomas Weightman Middle School, and Wesley Chapel High School which are located approximately 5 miles, 7 miles, and 7 miles from the Development, respectively, and which were each rated "B" by the Florida Department of Education in 2024. The Pasco County School Board may change school boundaries from time to time and there is no requirement that students residing in the Development be permitted to attend the schools which are closest to the Development.

Competition

The following communities have been identified by the Development Manager as being competitive with the Development, because of their proximity to the Development, price ranges and product types. Those communities include Epperson, Mirada and Watergrass.

The information under this heading does not purport to list all of the existing or planned communities in the area of the Development, but rather provide a list of those that the Development Manager feels pose primary competition to the Development.

Landowner Agreements

Homes by West Bay will enter into a completion agreement that will obligate Homes by West Bay to complete the Assessment Area Two Project.

In addition, each of the Landowners and the Development Manager will execute and deliver to the District a Collateral Assignment and Assumption of Development Rights (the "Collateral Assignments"), pursuant to which each of the Landowners and the Development Manager will collaterally assign to the District, to the extent assignable and to the extent that they are solely owned or controlled by the respective Landowners and the Development Manager, development rights relating to the Assessment Area Two Project. That said, the similar rights were granted in connection with the issuance of the Series 2025 Bonds ("Prior Collateral Assignments") and such rights under such Prior Collateral Assignments are superior to and may take priority over the rights granted under the Collateral Assignments. Notwithstanding such Collateral Assignments, in the event the District forecloses on the lands subject to the Series 2025A Assessments as a result of a Landowner's or subsequent landowner's failure to pay such assessments, there is a risk that the District, or its designee, if any, will not have all of the permits and entitlements necessary to complete the Assessment Area Two Project or the development of Assessment Area Two.

Finally, the Landowners will also each enter into a True-Up Agreement in connection with their respective obligations to pay true-up payments in the event that debt levels remaining on unplatted lands in Assessment Area Two increase above the maximum debt levels set forth in the Assessment Methodology. See "APPENDIX E: ASSESSMENT METHODOLOGY" herein for additional information regarding the "true-up mechanism."

Such obligations of the Landowners and the Development Manager are unsecured obligations. CF GTIS is a special-purpose entity whose assets consist primarily of its interests in the District Lands. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" and "THE LANDOWNERS AND THE DEVELOPMENT MANAGER" herein for more information regarding the Landowners.

THE LANDOWNERS AND THE DEVELOPMENT MANAGER

Homes by West Bay and the Development Manager

Homes by West Bay, LLC ("Homes by West Bay"), is a Florida limited liability company organized on October 1, 2009. HBWB Development Services, LLC, a Florida limited liability company (the "Development Manager"), which is a wholly owned affiliate of Homes by West Bay, is serving as the development manager for Assessment Area Two.

Wilhelm Nunn has served as President of Homes by West Bay since the company was founded in 2009. Mark Metheny is the Vice President of Homes by West Bay and President of the Development Manager. Matt Suggs is the Development Manager for the Development Manager. Elizabeth Bradburn serves as the Vice President and Chief Financial Officer of Homes by West Bay. Brief biographies of these individuals are set forth below:

Wilhelm Nunn. Willy Nunn has served as President of Homes by West Bay since the company was founded in 2009. The company has become a top five builder in Tampa and is the largest builder based in Tampa. At the end of 2019, Homes by West Bay launched a new venture, Casa Fresca Homes, with a mission to empower homeownership through smart, stylish, yet attainable homes. In 2023, Homes by West Bay's and Casa Fresca's combined revenues totaled \$680 million on deliveries of 1,213 homes in Hillsborough, Pasco and Manatee Counties.

Prior to Homes by West Bay, Mr. Nunn held senior positions with Centex Homes and Taylor Woodrow in the Tampa Bay area. Previously, Mr. Nunn worked for Bank of America for over ten years in various markets as a senior real estate banker. Mr. Nunn is a past president of the Tampa Bay Builders Association and was named "Builder of the Year" by the association in 2014. Mr. Nunn is a graduate of the Wharton School at the University of Pennsylvania.

Mark Metheny. Mark Metheny joined Homes by West Bay as Land President in July 2021, following a twenty-year career with Lennar Homes. For fifteen of those years, he was Division President for Tampa Bay. He was also President of the Orlando/Space Coast divisions for five years. As President, he oversaw all aspects of land and homebuilding operations, as well as the overall strategic direction of Lennar's largest division. Prior to joining Lennar, Mark was with KPMG Peat Marwick as an auditor for five years. Mark was born and raised on the West Coast of Florida and comes from a long line of Citrus and Cattle farmers. He graduated from Florida State University. He has served more than 25 years on the board of AMI Kids and is currently the AMI Kids Foundation Board Chair. He also volunteers with Metropolitan Ministries, Hyde Park United Methodist Church and various organizations in support of his two daughters.

Matt Suggs. Matt Suggs is the Development Manager for the Development Manager. He has over 9 years of experience in coordinating all aspects of development. Prior to working at the Development Manager, Matt oversaw the development of several master planned residential communities for one of the largest private development companies in the State of Florida. Matt managed all processes including due diligence analysis, acquisition, engineering design and entitlement processes, all-inclusive budget projections and construction management processes. Matt has delivered thousands of finished lots to multiple local and national homebuilders throughout his career. Matt graduated from University of South Florida with a B.S. in Finance.

Elizabeth Bradburn. Elizabeth Bradburn has served as Vice President and Chief Financial Officer of Homes by West Bay since 2011. Prior to working at Homes by West Bay, Ms. Bradburn held senior positions with Centex Homes and Taylor Morrison in the Tampa Bay area for over 18 years. In addition to holding the position of Controller for Centex, Ms. Bradburn was also Vice President of Financing for the State of Florida for Centex Homes, as well as Controller for Taylor Woodrow. Previously, Ms. Bradburn served in the United States Air Force for over nine years in various markets in Finance. Ms. Bradburn is a Magna Cum Laude graduate of Eckerd College in St. Petersburg, Florida with a B.S. degree.

CF GTIS

CF GTIS III Magnolia Island, LLC ("CF GTIS") is a Delaware limited liability company organized on December 4, 2024. The sole member of CF GTIS is CF GTIS III TRANCHE 2, LLC, a Delaware limited liability company ("Tranche 2"). Wilhelm A. Nunn, Elizabeth Bradburn and Marvin Metheny each serve as Managers of CF GTIS.

Tranche 2 is a joint venture formed to invest in residential assets throughout the greater Tampa Bay Area between CF GTIS Investment, LLC, a Florida limited liability company, which is a wholly owned subsidiary of Homes by West Bay, and GTISCAL Casa Fresca III LLC, a Delaware limited liability company, which is a subsidiary of GTIS Partners ("GTIS"). According to its website, GTIS has expertise in investing, structuring, design, development and asset management and is a leading investor in the U.S. residential sector, with a portfolio footprint in more than 45 major markets located predominantly in the Sunbelt. As of the second quarter of 2024, GTIS had committed over \$6 billion of equity capital or approximately \$20 billion in total project costs across the U.S. and Brazil.

Neither the Landowners nor any of the other entities or individuals listed above are guaranteeing payment of the Series 2025A Bonds or the Series 2025A Assessments. None of the entities listed herein, other than the Landowners, has entered into any agreements in connection with the issuance of the Series 2025A Bonds.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, the form of which is attached hereto as APPENDIX C, the interest on the Series 2025A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax under existing statutes, regulations, rulings and court decisions; provided, however, with respect to certain corporations, interest on the Series 2025A Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. Failure by the District to comply subsequent to the issuance of the Series 2025A Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), including but not limited to requirements regarding the use, expenditure and investment of Series 2025A Bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2025A Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance. The District has covenanted to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2025A Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2025A Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the Series 2025A Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2025A Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2025A Bonds being included in gross income for federal income tax purposes retroactive to their date of issuance.

Collateral Tax Consequences

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2025A Bonds. Prospective purchasers of the Series 2025A Bonds should be aware that the ownership of the Series 2025A Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2025A Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2025A Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2025A Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2025A Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2025A BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES REFERRED TO ABOVE. PROSPECTIVE SERIES 2025A BONDHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR INFORMATION IN THAT REGARD.

Florida Taxes

In the opinion of Bond Counsel, the Series 2025A Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

Other Tax Matters

Interest on the Series 2025A Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2025A Bonds should consult their tax advisors as to the income tax status of interest on the Series 2025A Bonds in their particular state or local jurisdictions.

The Inflation Reduction Act, H.R. 5376 (the "IRA"), was passed by both houses of the U.S. Congress and was signed by the President on August 16, 2022. As enacted, the IRA includes a 15 percent alternative minimum tax to be imposed on the "adjusted financial statement income", as defined in the IRA, of certain corporations. Interest on the Series 2025A Bonds will be included in the "adjusted financial statement income" of such corporations for purposes of computing the corporate alternative minimum tax. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential tax consequences of owning the Series 2025A Bonds.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2025A Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the Series 2025A Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2025A Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2025A Bonds.

On February 23, 2016, the Internal Revenue Service issued a notice of proposed rulemaking (the "Proposed Regulations") and notice of public hearing containing proposed regulations that provided guidance regarding the definition of political subdivision for purposes of the rules for tax-exempt bonds, including determinations of entities that are valid issuers of tax-exempt bonds. On October 4, 2017, the Treasury Department ("Treasury") announced that it would withdraw the proposed regulations, stating that, "while Treasury and the IRS continue to study the legal issues relating to political subdivisions, Treasury and the IRS currently believe that these proposed regulations should be withdrawn in their entirety, and plan to publish a withdrawal of the proposed regulations shortly in the Federal Register. Treasury and the IRS may propose more targeted guidance in the future after further study of the relevant legal issues." The Proposed Regulations were officially withdrawn on October 20, 2017. See also "BONDOWNERS' RISKS – IRS Examination and Audit Risk" herein.

Original Issue Discount

Certain of the Series 2025A Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount, which is the excess of the principal amount of the Discount Bonds over the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity was sold. Original issue discount represents interest which is excluded from gross

income for federal income tax purposes to the same extent as interest on the Discount Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded semi-annually. An initial purchaser who acquires a Discount Bond at the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Bond and will increase its adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond. The federal income tax consequences of the purchase, ownership and prepayment, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of such Discount Bonds and with respect to the state and local tax consequences of owning and disposing of such Discount Bonds.

Bond Premium

Certain of the Series 2025A Bonds (the "Premium Bonds") may be offered and sold to the public at a price in excess of the principal amount of such Premium Bond, which excess constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Premium Bonds which term ends on the earlier of the maturity or call date for each Premium Bond which minimizes the yield on said Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

AGREEMENT BY THE STATE

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2025A Bonds, that it will not limit or alter the rights of the District to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

LEGALITY FOR INVESTMENT

The Act provides that the bonds issued by community development districts are legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State, and constitute securities which may be deposited by banks or trust companies as security for deposits of state, county, municipal or other public funds, or by insurance companies as required or voluntary statutory deposits.

SUITABILITY FOR INVESTMENT

In accordance with applicable provisions of State law, the Series 2025A Bonds may initially be sold by the District only to "accredited investors" within the meaning of Chapter 517, Florida Statutes and the rules promulgated thereunder. The limitation of the initial offering to "accredited investors" does not denote restrictions on transfers in any secondary market for the Series 2025A Bonds. Investment in the Series 2025A Bonds poses certain economic risks. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum.

ENFORCEABILITY OF REMEDIES

The remedies available to the Owners of the Series 2025A Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Series 2025A Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025A Bonds will be qualified as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

LITIGATION

The District

There is no litigation of any nature now pending or, to the knowledge of the District, threatened against the District, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2025A Bonds, or in any way contesting or affecting (i) the validity of the Series 2025A Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge or application of any moneys or security provided for the payment of the Series 2025A Bonds, (iii) the existence or powers of the District or (iv) the validity of the Series 2025A Assessment Proceedings.

The Landowners and the Development Manager

Each entity constituting the Landowners and the Development Manager will represent that there is no litigation of any nature now pending or, to the knowledge of such entity, threatened, which could reasonably be expected to have a material and adverse effect upon, as applicable, the ability of such entity to complete the development of Assessment Area Two or to complete the Assessment Area Two Project as described herein, or materially and adversely affect the ability of such entity to pay the Series 2025A Assessments imposed against the land within the District owned by such entity.

CONTINGENT FEES

The District has retained Bond Counsel, District Counsel, the District Engineer, the District Manager/Methodology Consultant, the Underwriter (which has retained Underwriter's Counsel) and the Trustee (which has retained Trustee's counsel), with respect to the authorization, sale, execution and delivery of the Series 2025A Bonds. Except for the payment of certain fees to District Counsel, the District Engineer and the District Manager, the payment of fees of the other professionals is each contingent upon the issuance of the Series 2025A Bonds.

NO RATING

No application for a rating for the Series 2025A Bonds has been made to any rating agency, nor is there any reason to believe that an investment grade rating for the Series 2025A Bonds would have been obtained if application had been made.

EXPERTS

The Engineer's Report included in APPENDIX A to this Limited Offering Memorandum has been prepared by Clearview Land Design, P.L., Tampa, Florida, the District Engineer. APPENDIX A should be read in its entirety for complete information with respect to the subjects discussed therein. Wrathell, Hunt & Associates, LLC, Boca Raton, Florida, as Methodology Consultant, has prepared the Assessment Methodology set forth as APPENDIX E hereto. APPENDIX E should be read in its entirety for complete information with respect to the subjects discussed therein.

FINANCIAL INFORMATION

This District will covenant in the Disclosure Agreement (as defined herein), the proposed form of which is set forth in APPENDIX D hereto, to provide its annual audited financial statements to certain information repositories as described in APPENDIX D, commencing with the audit for the District Fiscal Year ending September 30, 2025. Attached hereto as APPENDIX F are the District's unaudited financial statements for the period ended May 31, 2025. The District does not have audited financial statements because the District has not yet met the threshold under State law requiring an audit. The Series 2025A Bonds are not general obligation bonds of the District and are payable solely from the Series 2025A Trust Estate.

By the end of the first full fiscal year after its creation, each community development district in Florida must have a separate website with certain information as set forth in Section 189.069, F.S., including, without limitation, the district's proposed and final budgets and audit. Additional information regarding the District's website is available from the District Manager at the address set forth under "THE DISTRICT – The District Manager and Other Consultants."

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or private activity bonds issued on behalf of private business). The District is not and has never been in default as to principal and interest on its bonds or other debt obligations.

CONTINUING DISCLOSURE

The District and the Landowners will enter into the Continuing Disclosure Agreement (the "Disclosure Agreement") in the proposed form of APPENDIX D, for the benefit of the Series 2025A Bondholders (including owners of beneficial interests in such Series 2025A Bonds), to provide certain financial information and operating data relating to the District and the District Lands by certain dates prescribed in the Disclosure Agreement (the "Reports") with the Municipal Securities Rulemaking Board through EMMA (as defined in the Disclosure Agreement). The specific nature of the information to be contained in the Reports is set forth in "APPENDIX D: PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto. Under certain circumstances, the failure of the District or

the Landowners to comply with their respective obligations under the Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement would allow the Series 2025A Bondholders (including owners of beneficial interests in such Series 2025A Bonds) to bring an action for specific performance.

The District has previously entered into a continuing disclosure undertaking pursuant to Rule 15c2-12, promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), with respect to its Series 2025 Bonds. A review of filings made pursuant to such prior undertaking indicates that the District has not materially failed to comply with its requirements thereunder within the last five years. The District will appoint the District Manager as the dissemination agent in the Disclosure Agreement and anticipates satisfying all future disclosure obligations required pursuant to the Disclosure Agreement. The District will appoint the District Manager as the dissemination agent in the Disclosure Agreement.

Homes by West Bay has entered into previous written agreements in connection with the Rule with respect to the District's Series 2025 Bonds and bonds issued by other community development districts. A review of filings made pursuant to such prior undertakings indicates that certain filings required to be made by Homes by West Bay were not timely filed and that notice of such late filings was not always provided. Homes by West Bay anticipates satisfying all future disclosure obligations required pursuant to the Disclosure Agreement.

CF GTIS has previously entered into continuing disclosure obligations pursuant to the Rule, with respect to the District's Series 2025 Bonds. A review of filings made pursuant to such prior undertaking indicates that CF GTIS has not materially failed to comply with the requirements thereunder within the last five years. CF GTIS anticipates satisfying all future disclosure obligations required pursuant to the Disclosure Agreement.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed, pursuant to a contract with the District, subject to certain conditions, to purchase the Series 2025A Bonds from the District at a purchase price of \$_____ (representing the par amount of the Series 2025A Bonds [plus/less net original issue premium discount of \$_____ and] less an Underwriter's discount of \$_____). The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the Series 2025A Bonds if any are purchased.

The Underwriter intends to offer the Series 2025A Bonds to accredited investors at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Series 2025A Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

VALIDATION

Bonds issued pursuant to the terms of the Master Indenture have been validated by a judgment of the Circuit Court of the Sixth Judicial Circuit Court of Florida in and for Pasco County, Florida, entered on September 9, 2024. The period of time during which an appeal can be taken from such judgment has expired without an appeal having been taken.

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the Series 2025A Bonds are subject to the approval of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel Straley Robin Vericker P.A., Tampa, Florida, for the Landowners and the Development Manager by their counsel, Dean, Mead, Egerton, Bloodworth, Capouano & Bozarth, P.A., Orlando, Florida and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida.

The legal opinions of Bond Counsel to be delivered concurrently with the delivery of the Series 2025A Bonds are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date of such opinions. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

MISCELLANEOUS

Any statements made in this Limited Offering Memorandum involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representations are made that any of the estimates will be realized.

The references herein to the Series 2025A Bonds and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions.

This Limited Offering Memorandum is submitted in connection with the limited offering of the Series 2025A Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. This Limited Offering Memorandum is not to be construed as a contract with the purchaser or the Beneficial Owners of any of the Series 2025A Bonds.

[Remainder of page intentionally left blank.]

AUTHORIZATION AND APPROVAL

The execution and delivery of this Limited Offering Memorandum has been duly authorized by the Board of Supervisors of the District.

MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT

By: _____
Chairperson, Board of Supervisors

APPENDIX A
ENGINEER'S REPORT

APPENDIX B

COPY OF MASTER INDENTURE AND PROPOSED FORM OF SECOND SUPPLEMENTAL INDENTURE

APPENDIX C

PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL

APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E
ASSESSMENT METHODOLOGY

APPENDIX F
DISTRICT'S FINANCIAL STATEMENTS

Exhibit D – Form of Continuing Disclosure Agreement

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") dated as of [____], 2025 is executed and delivered by the Magnolia Island Community Development District (the "Issuer" or the "District"), Homes by West Bay, LLC, a Florida limited liability company ("Homes by West Bay") and CF GTIS III Magnolia Island, LLC, a Delaware limited liability company ("CF GTIS" and, together with Homes by West Bay, the "Landowners"), and Wrathell, Hunt & Associates, LLC, a Florida limited liability company, as Dissemination Agent (as defined herein) in connection with the Issuer's Capital Improvement Revenue Bonds, Series 2025A (Assessment Area Two) (the "Bonds"). The Bonds are secured pursuant to a Master Trust Indenture dated as of February 1, 2025 (the "Master Indenture") and a Second Supplemental Trust Indenture dated as of [____] 1, 2025 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each entered into by and between the Issuer and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Fort Lauderdale, Florida, as trustee (the "Trustee"). The Issuer, the Landowners and the Dissemination Agent covenant and agree as follows:

1. **Purpose of this Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Issuer, the Landowners and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the Bonds and to assist the Participating Underwriter (as defined herein) of the Bonds in complying with the Rule (as defined herein). The Issuer has no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule and the execution and delivery of this Disclosure Agreement is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction, a governmental regulatory agency, or an attorney specializing in federal securities law, that the Rule requires the Issuer or other Obligated Person (as defined herein) to provide additional information, the Issuer and each Obligated Person agree to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the Issuer, the Trustee or any other person of any covenant, agreement or obligation under the Indenture (or remove any of the benefits thereof) nor shall anything herein prohibit the Issuer, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

2. **Definitions.** Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Indenture. The following capitalized terms as used in this Disclosure Agreement shall have the following meanings:

"Annual Filing Date" means the date set forth in Section 3(a) hereof by which the Annual Report is to be filed with each Repository.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i)(A) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Assessment Area" shall mean that portion of the District lands subject to the Assessments.

"Assessments" shall mean the non-ad valorem Series 2025A Assessments pledged to the payment of the Bonds pursuant to the Indenture.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior Fiscal Year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Audited Financial Statements Filing Date" means the date set forth in Section 3(a) hereof by which the Audited Financial Statements are to be filed with each Repository if the same are not included as part of the Annual Report.

"Beneficial Owner" shall mean any person which, (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bond Year" means the annual period beginning on the second day of November of each year and ending on the first day of November of the following year.

"Business Day" means any day other than (a) a Saturday, Sunday or a day on which banks located in the city in which the designated corporate trust office of the Trustee is located are required or authorized by law or executive order to close for business, and (b) a day on which the New York Stock Exchange is closed.

"Disclosure Representative" shall mean (i) as to the Issuer, the District Manager or its designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent; and (ii) as to each entity comprising an Obligated Person (other than the Issuer), the individuals executing this Disclosure Agreement on behalf of such entity or such person(s) as such entity shall designate in writing to the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

"Dissemination Agent" shall mean the Issuer or an entity appointed by the Issuer to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer pursuant to Section 8 hereof. Wrathell, Hunt & Associates, LLC has been designated as the initial Dissemination Agent hereunder.

"District Manager" shall mean Wrathell, Hunt & Associates, LLC, and its successors and assigns.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures located at <http://emma.msrb.org/>.

"EMMA Compliant Format" shall mean a format for any document provided to the MSRB (as hereinafter defined) which is in an electronic format and is accompanied by identifying information, all as prescribed by the MSRB.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

"Limited Offering Memorandum" shall mean that Limited Offering Memorandum dated [____], 2025, prepared in connection with the issuance of the Bonds.

"Listed Events" shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board.

"Obligated Person(s)" shall mean, with respect to the Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the Issuer, and for the purposes of this Disclosure Agreement, the Landowners for so long as such Landowners or their affiliates, successors or assigns (excluding residential homebuyers who are end users) are the owners of District Lands responsible for payment of [any] of the Assessments.

"Participating Underwriter" shall mean FMSbonds, Inc.

"Quarterly Filing Date" shall mean for the quarter ending: (i) March 31, each May 1; (ii) June 30, each August 1; (iii) September 30, each November 1; and (iv) December 31, each February 1 of the following year. The first Quarterly Filing Date shall be [February 1, 2026].

"Quarterly Report" shall mean any Quarterly Report provided by any Obligated Person (other than the Issuer) pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Repository" shall mean each entity authorized and approved by the SEC (as hereinafter defined) from time to time to act as a repository for purposes of complying with the Rule. The Repositories approved by the SEC may be found by visiting the SEC's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure submissions through its EMMA web portal. As used herein, "Repository" shall include the State Repository, if any.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same has and may be amended from time to time.

"SEC" means the Securities and Exchange Commission.

"State" shall mean the State of Florida.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purposes of the Rule.

3. **Provision of Annual Reports.**

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than March 31st following the close of the Issuer's Fiscal Year (the "Annual Filing Date"), commencing with the Annual Report for the Fiscal Year ending [September 30, 2026 which shall be due no later than March 31, 2027]. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; *provided that* the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such Audited Financial Statements to be provided up to, but no later than, nine (9) months after the close of the Issuer's Fiscal Year (the "Audited Financial Statements Filing Date"). [The Issuer shall file its Audited Financial Statements for the Fiscal Year ended September 30, 2025 on or before June 30, 2026.] The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, if applicable. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.

(b) If on the fifteenth (15th) day prior to each Annual Filing Date or the Audited Financial Statements Filing Date, as applicable, the Dissemination Agent has not received a copy of the Annual Report or Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be via email) to remind the Issuer of its obligation to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or the Audited Financial Statements, as applicable, in accordance with Section 3(a) above, or (ii) advise the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the times required under this Disclosure Agreement, state the date by which the Annual Report or the Audited Financial Statements for such year, as applicable, will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 6(a)(xvii) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

(c) If the Dissemination Agent has not received an Annual Report by 12:00 noon on the first (1st) Business Day following the Annual Filing Date for the Annual Report or the Audited Financial Statements by 12:00 noon on the first (1st) Business Day following the Audited Financial Statements Filing Date for the Audited Financial Statements, then a Listed Event as described in Section 6(a)(xvii) shall have occurred and the Dissemination Agent shall immediately send a notice to the Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the Annual Filing Date the name, address and filing requirements of the Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Issuer stating that the Annual Report or Audited Financial Statements has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing all Repositories with which it was filed.

(e) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an EMMA Compliant Format.

4. Content of Annual Reports.

(a) Each Annual Report shall be in the form set in Schedule A attached hereto and shall contain the following Annual Financial Information with respect to the Issuer:

(i) All fund balances in all Funds, Accounts and subaccounts for the Bonds and the total amount of Bonds Outstanding, in each case as of September 30th of the most recent prior Fiscal Year.

(ii) The method by which Assessments are being levied (whether on-roll or off-roll) and the amounts being levied by each method in the Assessment Area for the current Fiscal Year, and a copy of the assessment roll (on roll and off roll) for the Assessments certified for collection in the Assessment Area for the current Fiscal Year.

(iii) The method by which Assessments were levied (whether on-roll or off-roll) and the amounts levied by each method in the Assessment Area for the most recent prior Fiscal Year.

(iv) The amount of Assessments collected in the Assessment Area from the property owners during the most recent prior Fiscal Year.

(v) If available, the amount of delinquencies in the Assessment Area greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of the Assessments due in any year, a list of delinquent property owners.

(vi) If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year.

(vii) The amount of principal and interest to be paid on the Bonds in the current Fiscal Year.

(viii) The most recent Audited Financial Statements of the Issuer.

(ix) In the event of any amendment or waiver of a provision of this Disclosure Agreement, a description of such amendment or waiver in the next Annual Report, and in each case shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(b); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth (unless Audited Financial Statements are being delivered later than March 31st after the close of the Issuer's Fiscal Year pursuant to Section 3(a) hereof). Any or all of the items listed above may be incorporated by reference from other documents, including limited offering memorandums and official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final limited offering memorandum or official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(b) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

5. Quarterly Reports.

(a) Each Obligated Person (other than the Issuer), or the Landowners on behalf of any other Obligated Person that fails to execute an Assignment (as hereinafter defined), shall provide an electronic copy of the Quarterly Report to the Dissemination Agent no later than five (5) days prior to the Quarterly Filing Date. Promptly upon receipt of an electronic copy of the Quarterly Report, but in any event no later than the applicable Quarterly Filing Date, the Dissemination Agent shall provide a Quarterly Report to the Repository.

(b) Each Quarterly Report shall contain an update of the following information to the extent available with respect to the Assessment Area only:

(i) The number of lots planned.

Lot Ownership Information

- (ii) The number of lots owned by the Landowners.
- (iii) The number of lots owned by the homebuilders. (Note: if the Developer and the homebuilder are the same entity, then only report the info in (ii).)
- (iv) The number of lots owned by homebuyers.

Lot Status Information

- (v) The number of lots developed.
- (vi) The number of lots platted.

Home Sales Status Information

- (vii) The number of homes sold (but not closed) with homebuyers during quarter.
- (viii) The number of homes sold (and closed) with homebuyers during quarter.
- (ix) The total number of homes sold and closed with homebuyers (cumulative).

Material Changes/Transfers

(x) Material changes to any of the following: (1) builder contracts, if applicable, (2) the number of lots planned to be developed, (3) permits/approvals, and (4) existing mortgage debt of the Obligated Person or the incurrence of new mortgage debt by the Obligated Person since the date hereof.

(xi) Any sale, assignment or transfer of ownership of lands by the Obligated Person to a third party which will in turn become an Obligated Person hereunder.

(c) If an Obligated Person sells, assigns or otherwise transfers ownership of real property in the Assessment Area (a "Transferor Obligated Person") to a third party (a "Transferee"), which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "Transfer"), the Transferor Obligated Person hereby agrees to use its best efforts to contractually obligate such Transferee to agree to comply with the disclosure obligations of an Obligated Person hereunder for so long as such Transferee is an Obligated Person hereunder, to the same extent as if such Transferee were a party to this Disclosure Agreement (an "Assignment"). The Transferor Obligated Person shall notify the District and the Dissemination Agent in writing of any Transfer within five (5) Business Days of the occurrence thereof. Nothing herein shall be construed to relieve the Landowners from their respective obligations hereunder except to the extent a written Assignment from a Transferee is obtained and delivered to the Dissemination Agent and then only to the extent of such Assignment.

6. **Reporting of Listed Events.**

(a) This Section 6 shall govern the giving of notices of the occurrence of any of the following Listed Events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on the Series 2025A Reserve Account reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;*
- (v) Substitution of credit or liquidity providers, or their failure to perform;*
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;*
- (xii) Bankruptcy, insolvency, receivership or similar event of the Issuer or any Obligated Person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer or any Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person);

* Not applicable to the Bonds at their date of issuance.

(xiii) Consummation of a merger, consolidation, or acquisition involving the Issuer or any Obligated Person or the sale of all or substantially all of the assets of the Issuer or any Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material;

(xv) Incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties;

(xvii) Failure to provide (A) any Annual Report or Audited Financial Statements as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 4(a) of this Disclosure Agreement, or (B) any Quarterly Report that contains, in all material respects, the information required to be included therein under Section 5(b) of this Disclosure Agreement, which failure shall, in all cases, be deemed material under federal securities laws; and

(xviii) Any amendment to the accounting principles to be followed in preparing financial statements as required pursuant to Section 4(a)(ix) hereof.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the above subsection (a) Listed Events to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after its occurrence, with the exception of the Listed Events described in Section 6(a)(xvii) and (xviii), which notice will be given in a timely manner. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below. Such notice by the Issuer to the Dissemination Agent shall identify the Listed Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Dissemination Agent to disseminate the information (provided that such date is in compliance within the filing dates provided within this Section 6(b)).

(c) Notwithstanding anything contained in Section 6(b) above, each Obligated Person other than the Issuer shall notify the Issuer and the Dissemination Agent of the occurrence of a Listed Event described in subsections (a)(x), (xii), (xiii), (xv), (xvi), or (xvii) that has occurred with respect to such Obligated Person in compliance with the notification and filing requirements provided in Section 6(b).

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with each Repository.

7. **Termination of Disclosure Agreement.** This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

8. **Dissemination Agent.** Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the Issuer or the Dissemination Agent, the Issuer agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. The initial Dissemination Agent shall be Wrathell, Hunt & Associates, LLC. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Wrathell, Hunt & Associates, LLC. Wrathell, Hunt & Associates, LLC, may terminate its role as Dissemination Agent at any time upon delivery of sixty (60) days prior written notice to the District and each Obligated Person. The District may terminate the agreement hereunder with the Dissemination Agent at any time upon delivery of sixty (60) days prior written notice to the Dissemination Agent and each Obligated Person.

9. **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Notwithstanding the above provisions of this Section 9, no amendment to the provisions of Section 5(b) hereof may be made without the consent of each Obligated Person, if any.

10. **Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

11. **Default.** In the event of a failure of the Issuer, the Disclosure Representative, any Obligated Person or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Beneficial Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any beneficial owner of a Bond may

take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer, the Disclosure Representative, any Obligated Person or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement by any Obligated Person shall not be deemed a default by the Issuer hereunder and no default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Disclosure Representative, any Obligated Person, or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

12. **Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District, the Landowners and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative covenant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District, each Obligated Person and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, Obligated Person(s), the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA Compliant Format.

13. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Landowners, the Dissemination Agent, the Trustee, the Participating Underwriter and the Owners of the Bonds (the Dissemination Agent, the Trustee, Participating Underwriter and Owners of the Bonds being hereby deemed express third party beneficiaries of this Disclosure Agreement), and shall create no rights in any other person or entity.

14. **Tax Roll and Budget.** Upon the request of the Dissemination Agent, the Trustee or any Bondholder, the Issuer, through its District Manager, if applicable, agrees to provide such party with a certified copy of its most recent tax roll provided to the Pasco County Tax Collector and the Issuer's most recent adopted budget.

15. **Governing Law.** The laws of the State of Florida and Federal law shall govern this Disclosure Agreement and venue shall be any state or federal court having jurisdiction in Pasco County, Florida.

16. **Counterparts.** This Disclosure Agreement may be executed in several counterparts and each of which shall be considered an original and all of which shall constitute but one and the same instrument. A scanned copy of the signatures delivered in a PDF format may be relied upon as if the original had been received.

17. **Trustee Cooperation.** The Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer and the Issuer instructs the Trustee to deliver to the Dissemination Agent at the expense of the Issuer, any information or reports readily available to and in the possession of the Trustee that the Dissemination Agent requests in writing.

18. **Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to the Landowners or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successors or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

**MAGNOLIA ISLAND COMMUNITY
DEVELOPMENT DISTRICT, AS ISSUER AND
OBLIGATED PERSON**

[SEAL]

By: _____
Grant Striepling, Chairperson
Board of Supervisors

ATTEST:

By: _____
_____, Secretary

**HOMES BY WEST BAY, LLC, AS
OBLIGATED PERSON**

By: _____
Wilhelm A. Nunn, President

**CF GTIS III MAGNOLIA ISLAND, LLC, AS
OBLIGATED PERSON**

By: _____
Wilhelm A. Nunn, Manager

WRATHELL, HUNT & ASSOCIATES, LLC,
and its successors and assigns, AS
DISSEMINATION AGENT

By: _____
Name: _____
Title: _____

CONSENTED TO AND AGREED TO BY:

DISTRICT MANAGER

WRATHELL, HUNT & ASSOCIATES,
LLC, AS DISTRICT MANAGER

By: _____
Name: _____
Title: _____

Acknowledged and agreed to for purposes of
Sections 11, 13 and 17 only:

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, AS TRUSTEE**

By: _____

Name: _____

Title: _____

EXHIBIT A

**FORM OF NOTICE TO REPOSITORIES OF FAILURE
TO FILE [ANNUAL REPORT]
[AUDITED FINANCIAL STATEMENTS][QUARTERLY REPORT]**

Name of Issuer: Magnolia Island Community Development District

Name of Bond Issue: \$[] original aggregate principal amount of Capital Improvement Revenue Bonds, Series 2025A (Assessment Area Two)

Obligated Person(s): Magnolia Island Community Development District;
_____.

Original Date of Issuance: [], 2025

CUSIP Numbers: _____

NOTICE IS HEREBY GIVEN that the [Issuer][Obligated Person] has not provided an [Annual Report] [Audited Financial Statements] [Quarterly Report] with respect to the above-named Bonds as required by [Section 3] [Section 5] of the Continuing Disclosure Agreement dated [], 2025, by and between the Issuer, the Landowners and the Dissemination Agent named therein. The [Issuer][Obligated Person] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by _____, 20____.

Dated: _____

_____, as Dissemination Agent

By: _____

Name: _____

Title: _____

cc: Issuer
Trustee

SCHEDULE A

FORM OF DISTRICT'S ANNUAL REPORT (Due 3/31)

1. Fund Balances

Combined Trust Estate Assets	<u>Quarter Ended – 12/31</u>
Acquisition and Construction Fund	
Revenue Fund	
Reserve Fund	
Prepayment Fund	
Other	
Total Bonds Outstanding	
TOTAL	

2. Assessment Certification and Collection Information

1. For the Current District Fiscal Year – Manner in which Assessments are collected (On Roll vs. Off Roll)

	<u>\$ Certified</u>
On Roll	\$ _____
Off Roll	\$ _____
TOTAL	\$ _____

2. Attach to Report the following:
 - A. On Roll – Copy of certified assessment roll for the District's current Fiscal Year
 - B. Off Roll – List of folios for all off roll Assessments, together with annual Assessment assigned to each folio

3. For the immediately ended Bond Year, provide the levy and collection information

<u>Total Levy</u>	<u>\$ Levied</u>	<u>\$ Collected</u>
On Roll	\$ _____	\$ _____
Off Roll	\$ _____	\$ _____
TOTAL		

4. If available, the amount of delinquencies in the Assessment Area greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amount of the Assessments due in any year, a list of delinquent property owners

5. If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year

6. The amount of principal and interest to be paid on the Bonds in the current Fiscal Year

MAGNOLIA ISLAND

COMMUNITY DEVELOPMENT DISTRICT

6



August 11, 2025

Magnolia Island Community Development District
c/o Wrathell Hunt & Associates, LLC
2300 Glades Road, Suite # 410W
Boca Raton, Florida 33431
Attn: Mr. Craig Wrathell

Re: Magnolia Island CDD, Series 2025 Bonds

Dear Mr. Wrathell:

We are writing to provide you, as the Magnolia Island Community Development District (the "Issuer"), with certain disclosures relating to the captioned bond issue (the "Bonds"), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 Disclosure, as set forth in the amended and restated MSRB Notice 2019-20 (November 8, 2019)¹ (the "Notice"). We ask that you provide this letter to the appropriate person at the Issuer.

The Issuer recognizes that FMSbonds, Inc. will serve as the underwriter (the "Underwriter") and not as a financial advisor or municipal advisor, in connection with the issuance of the bonds relating to this financing (herein, the "Bonds"). As part of our services as Underwriter, FMSbonds, Inc. may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds. Any such advice, if given, will be provided by FMSbonds, Inc. as Underwriter and not as your financial advisor or municipal advisor in this transaction. The Issuer may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the Issuer's interest in this transaction.

The specific parameters under which FMS will underwrite the Bonds will be set forth in a Bond Resolution adopted by the Board.

Pursuant to the Notice, we are required by the MSRB to advise you that:

- MSRB Rule G-17 requires a broker to deal fairly at all times with both municipal issuers and investors.

¹ Interpretive Notice Concerning the Application of MSRB Rule G-17 to underwriters and Underwriters of Municipal Securities (effective March 31, 2021).

- The Underwriter's primary role is to purchase the Bonds in an arm's-length commercial transaction with the Issuer. As such, the Underwriter has financial and other interests that differ from those of the Issuer.
- Unlike a municipal advisor, the Underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
- The Underwriter has a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with its duty to use its best efforts to resell the Bonds with purchases at prices that are fair and reasonable.
- The Bonds may be sold into a trust either at the time of issuance or subsequent to issuance. In such instance FMSbonds, Inc., not in its capacity of Underwriter, may participate in such trust arrangement by performing certain administrative roles. Any compensation paid to FMSbonds, Inc. would not be derived from the proceeds of the Bonds or from the revenues pledged thereunder.

The Underwriter will be compensated in accordance with the terms of a bond purchase contract by and between the Underwriter and Issuer. Payment or receipt of the Underwriter's compensation will be contingent on the closing of the transaction. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since an Underwriter may have an incentive to recommend a transaction that is unnecessary or to recommend that the size of a transaction be larger than is necessary. The Issuer acknowledges no such recommendation has been made by the Underwriter.

Please note nothing in this letter is an expressed or an implied commitment by us to provide financing or to place or purchase the Bonds. Any such commitment shall only be set forth in a bond purchase contract or other appropriate form of agreement for the type of transaction undertaken by you.

Further, our participation in any transaction (contemplated herein or otherwise) remains subject to, among other things, the execution of a bond purchase contract (or other appropriate form of agreement), further internal review and approvals, satisfactory completion of our due diligence investigation and market conditions.

FMSbonds, Inc. is acting independently in seeking to act as Underwriter in the transaction contemplated herein and shall not be deemed for any purpose to be acting as an agent, joint venturer or partner of any other principal involved in the proposed financing. FMSbonds, Inc. assumes no responsibility, express or implied, for any actions or omissions of, or the performance of services by, the purchasers or any other brokers in connection with the transactions contemplated herein or otherwise.

If you or any other representative of the Issuer have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with your own financial, municipal, legal,

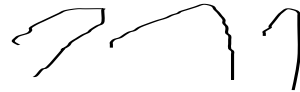
accounting, tax and other advisors, as applicable, to the extent deemed appropriate.

The MSRB requires that we seek the Issuer's acknowledgement that it has received this letter. We request that the person at the Issuer who has the authority to bind the Issuer (herein, "Authorized Issuer Representative") acknowledge this letter as soon as practicable and by nature of such acknowledgment that such person is not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

Depending on the structure of the transaction that the Issuer decides to pursue, or if additional actual or perceived material conflicts are identified, we may be required to send you additional disclosures. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

We look forward to working with you in connection with the issuance of the Bonds, and we appreciate the opportunity to assist you in this transaction. Thank you.

FMSbonds, Inc.

By: 

Name: Jon Kessler

Title: Executive Director

MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT

By: _____

MAGNOLIA ISLAND

COMMUNITY DEVELOPMENT DISTRICT

7

RESOLUTION 2025-09

**A RESOLUTION BY THE BOARD OF SUPERVISORS OF THE MAGNOLIA ISLAND
COMMUNITY DEVELOPMENT DISTRICT DESIGNATING THE LOCATION OF THE
LOCAL DISTRICT RECORDS OFFICE AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Magnolia Island Community Development District (“District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated within Pasco County, Florida; and

WHEREAS, the District is statutorily required to designate a local district records office location for the purposes of affording citizens the ability to access the District’s records, promoting the disclosure of matters undertaken by the District, and ensuring that the public is informed of the activities of the District in accordance with Chapter 119 and Section 190.006(7), *Florida Statutes*.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE
MAGNOLIA ISLAND COMMUNITY DEVELOPMENT DISTRICT:**

SECTION 1. The District’s local records office shall be located at: _____

_____.

SECTION 2. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this _____ day of _____, 2025.

ATTEST:

**MAGNOLIA ISLAND
COMMUNITY DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors