

PALM COAST

145

COMMUNITY DEVELOPMENT

DISTRICT

October 24, 2023

BOARD OF SUPERVISORS

REGULAR MEETING

AGENDA

PALM COAST 145
COMMUNITY DEVELOPMENT DISTRICT

AGENDA
LETTER

Palm Coast 145 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

October 17, 2023

Board of Supervisors
Palm Coast 145 Community Development District

Dear Board Members:

The Board of Supervisors of the Palm Coast 145 Community Development District will hold a Regular Meeting on October 24, 2023 at 2:00 p.m., at the Flagler County Government Services Building, 1769 E. Moody Blvd., Bldg. 2, 1st Floor Conference Room, Bunnell, Florida 32110. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments
3. Presentation of Amended and Restated Engineer's Report
4. Presentation of Amended and Restated Special Assessment Methodology Report
5. Consideration of Resolution 2024-01, Repealing and Replacing Resolution No. 2022-35 in its Entirety; Authorizing the Issuance of Not to Exceed \$17,500,000 Aggregate Principal Amount of Palm Coast 145 Community Development District Special Assessment Bonds, in One or More Series (the "Series 2023 Bonds"); Approving the Form of and Authorizing the Execution and Delivery of a First Supplemental Trust Indenture; Authorizing the Negotiated Sale of the Series 2023 Bonds; Appointing an Underwriter; Approving the Form of and Authorizing the Execution and Delivery of a Bond Purchase Contract With Respect to the Series 2023 Bonds and Awarding the Series 2023 Bonds to the Underwriter Named Therein Pursuant to the Parameters Set Forth in this Resolution; Approving the Form of and Authorizing the Distribution of a Preliminary Limited Offering Memorandum and its Use by the Underwriter in Connection with the Offering for Sale of the Series 2023 Bonds and Approving the Execution and Delivery of a Final Limited Offering Memorandum; Authorizing the Execution and Delivery of a Continuing Disclosure Agreement and the Appointment of a Dissemination Agent; Providing for the Application of Series 2023 Bond Proceeds; Authorizing the Proper Officials to Do All Things Deemed Necessary in Connection with the Issuance, Sale and Delivery of the Series 2023 Bonds; Appointing a Trustee, Bond Registrar and Paying Agent; Providing For the Registration of the Series 2023 Bonds Pursuant to the DTC Book-Entry System; Determining Certain Details with Respect to the Series 2023 Bonds; and Providing an Effective Date

ATTENDEES:

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

NOTE: Meeting Location

6. Consideration of Terra-Max Engineering Proposal/Work Authorization #2 [Engineer's Report Updates]
7. Consideration of Resolution 2024-02, Designating the Primary Administrative Office and Principal Headquarters of the District; Designating the Location of the Local District Records Office; and Providing an Effective Date
8. Acceptance of Unaudited Financial Statements as of September 30, 2023
9. Approval of August 22, 2023 Public Hearing and Regular Meeting Minutes
10. Staff Reports
 - A. District Counsel: *Kutak Rock LLP*
 - B. District Engineer: *Terra-Max Engineering, Inc.*
 - C. District Manager: *Wrathell, Hunt and Associates, LLC*

- NEXT MEETING DATE: November 28, 2023 at 2:00 PM

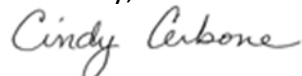
○ QUORUM CHECK

SEAT 1	MICHAEL BEEBE	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 2	ROBERT ATACK	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 3	FRANKLIN GREEN	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 4	DAVID HANSEN	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 5	CLIFTON FISCHER	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO

11. Board Members' Comments/Requests
12. Public Comments
13. Adjournment

If you should have any questions or concerns, please do not hesitate to contact me directly at (561) 346-5294.

Sincerely,



Cindy Cerbone
 District Manager

FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE

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

PARTICIPANT PASSCODE: 801 901 3513

PALM COAST 145
COMMUNITY DEVELOPMENT DISTRICT

3

Engineer's Report

PALM COAST 145

Community Development District

Issued on November 30, 2021
Amended and Restated on October 18, 2023

Prepared for:
Board of Supervisors
PALM COAST 145
Community Development District

Prepared By:



TERRA-MAX
ENGINEERING

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Exhibits

1. LOCATION MAP
2. DISTRICT BOUNDARY
3. DISTRICT IMPROVEMENT PLAN
4. WATER DISTRIBUTION SYSTEM
5. RECLAIMED WATER DISTRIBUTION SYSTEM

6. SANITARY SEWER SYSTEM
7. ROADWAY IMPROVEMENTS
8. STORM WATER PLAN
9. ZONING MAP
10. FUTURE LAND USE MAP

Appendices

1. PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT BUDGET SUMMARY



I. INTRODUCTION

Purpose

The purpose of this report is to describe the 145.5034+/- acre PALM COAST 145 development (hereinafter referred to as 'PALM COAST 145') Community Development District (hereinafter referred to as the 'District') which is located in the City of Palm Coast.

General Description of the Proposed Development

The proposed community development is located north of S US Highway 1, north of County Road 304, and south of Belle Terre Blvd. The location of the proposed development is shown in Exhibit 1.

The development will include 338 single-family residential subdivision and associated recreational spaces, storm water management systems, utility infrastructure, and landscaped roadways.

The district will encompass the entire 145.5034+/- acres shown in Exhibit 2. The district will construct, operate, and maintain portions of the infrastructure to support the proposed development.

Overview

At this time, the land use plan for PALM COAST 145 is summarized below.

The development program consists of 338 single family lots, 43.75 acres of conservation areas, 15.52 acres of right of way areas, 1.71 acres of recreation areas, and 16 acres of stormwater management facilities.



<i>Development Area Parcels / Tracts</i>	<i>Residential Units</i>	<i>Conservation (S.F.)</i>	<i>Lift Stations (S.F.)</i>	<i>ROW (S.F.)</i>	<i>Recreation (S.F.)</i>	<i>Storm Water (S.F.)</i>
Parcel 1	338	-	-	-	-	-
Tract 1	-	329,508	-	-	-	-
Tract 2	-	-	2,500	-	-	-
Tract 3	-	-	-	-	-	17,112
Tract 4	-	261,545	-	-	-	-
Tract 5	-	-	-	-	-	186,060
Tract 6	-	-	-	-	28,867	-
Tract 7	-	914,415	-	-	-	-
Tract 8	-	-	-	-	-	241,862
Tract 9	-	-	-	-	45,422	-
Tract 10	-	-	-	-	-	68,165
Tract 11	-	83,427	-	-	-	-
Tract 12	-	-	2,500	-	-	-
Tract 13	-	-	-	-	-	30,696
Tract 14	-	-	2,570	-	-	-
Tract 15	-	104,224	-	-	-	-
Tract 16	-	-	-	-	-	153,338
Tract 17	-	212,585	-	676,242	-	-
ROW	-	-	-	-	-	-
CDD Total	338	1,905,704	7,570	676,242	74,289	697,233

In order to serve the residents and property owners of the District, the District is developing a Capital Improvement Plan (hereinafter referred to as the 'Plan') for the financing, construction and maintenance of certain improvements and facilities within, and adjacent to, the District as described below. These improvements are required by, or are consistent with, the requirements of Flagler County, Florida, the City of Palm Coast, the Florida Department of Transportation (FDOT) and other applicable regulatory and jurisdictional entities. Brief descriptions of the improvements are included in the body of this report.

The Plan contained in this report reflects the present intentions of the District. The exact location of facilities may be modified during the course of approval and implementation, but these changes will not diminish or alter the benefits to be received by the land. The District retains the right to make reasonable adjustments in the Plan to meet the requirements of any governmental agency while providing the same or greater benefits to the land. Regulatory criteria will continue to evolve, and future changes may affect the implementation of the Plan, as it may be changed from time to time. The implementation of any improvement outlined within the Plan requires the final approval of the District's Board of Supervisors.

Costs contained in this report have been prepared based on opinions of probable costs using available information. It is possible that the probable costs will vary based on final engineering and ultimate construction bids.

A summary of the improvements to be funded and associated opinions on probable cost are included in Attachment 1.

II. DISTRICT BOUNDARY AND PROPERTY SERVED

District Boundary

Exhibit 2 illustrates the boundaries of the District. Residential and conservational uses border the District to the north and east. US HWY 1 S borders the District to the south and southwest.

Property Served

The subject property is currently undeveloped and vacant. Historically, the subject site was woodland and swamp from at least the 1930s. A dirt road and pond were created on site at some point between 1952 and 1970. The site is in a similar state as it was left in 1970, consisting of woodlands, swamp portions, a dirt road, and a pond, with a drainage canal created sometime between 1980 and 1993.

Existing Utility Infrastructure

Currently, there are numerous utilities providing service along the periphery of the District. The existing infrastructure will require extensions into the district area in order to serve the development. Roadways and utilities exist within all abutting rights-of-ways. Street lighting and landscaping exist on US HIGHWAY 1, Belle Terre Blvd and County Road 304. Water mains exist at the north and south borders of the District, water mains will be extended to the district as shown in Exhibit 4. Reclaimed Water mains exist south of the District border as shown in Exhibit 5. No plans to extend the reclaimed water lines to the district at this time. A sanitary sewer force mains exist within the Belle Terre Blvd rights-of-way north of the District. The force main will be extended to the district as shown in Exhibit 6. Although these utilities exist within the abutting rights-of-ways, water, reclaimed water, and sewer force main upgrades are required within many of the abutting streets and within the District boundaries, as required by the City of Palm Coast.

III. DESCRIPTION OF INFRASTRUCTURE

Summary of District Facilities and Services

The proposed infrastructure is a network of roadways, storm water management systems, sanitary sewer collection systems, electrical, fiber, gas, reclaimed water distribution systems and water distribution systems, as well as the creation of proposed open space areas, and pedestrian friendly sidewalks within the District. Exhibit 3 illustrates the district improvement plan.

Water, Reclaimed Water & Sanitary Sewer Systems

Water, and wastewater facilities will be provided within the District. The water and sewer services, operation and maintenance will be provided by the City of Palm Coast, Florida (the 'City'). The City has sufficient capacity to serve the District's water, reclaimed water and sewer needs for the overall proposed development. Facilities will be designed and constructed in accordance with the City and Florida Department of Environmental Protection standards. The District will convey all water, reclaimed water, and sanitary improvements to the City upon completion of construction.

Water Distribution System outside the Boundary of the District (Off-site) Exhibit 4 illustrates the proposed Water Distribution system. The following improvements to the City's system will be made:

- New 8" WM extension from the intersection of Belle Terre Boulevard and Kay Wood Place to the NE of the district along US Hwy 1.
- New 12" WM extension from the intersection of Karat Path and US HGWY 1 to the SE end of the district.

Reclaimed Water System outside the Boundary of the District (Off-Site) Exhibit 5 illustrates the proposed Reclaimed Water Collection system. The following improvements to the City's system will be made:

- N/A

Sewer System outside the Boundary of the District (Off-Site)

Exhibit 6 illustrates the proposed Sanitary Sewer Collection system. The following improvements to the City's system will be made:

- New 6" force main extension from the district along Karas Trail to the intersection of Belle Terre Boulevard and Karas Trail.

Water Distribution System within the Boundary of the District (On-site)

The domestic water supply facilities will include distribution mains with necessary valving, fire hydrants and water services to the rights-of-way lines.

Reclaimed Water Distribution System within the Boundary of the District (On-site)
– Reclaimed water supply facilities are not proposed at this time.

Sewer System within the Boundary of the District (On-Site) - Wastewater facilities include proposed gravity sewer mains and three lift stations connected to the existing City force main.



Power Distribution Improvements

Power Distribution Improvements costs, if included in the CDD, are for the installation and upgrade of existing electrical distribution facilities owned by Florida Power & Light.

Telecommunication Improvements

Telecommunication Improvements' costs, if included in the CDD, are for the installation and upgrade of existing copper and/or fiber-optic telecommunication facilities.

Stormwater Management and Roadway Improvements

The Storm Water Management System will include 6 retention ponds located within the District as identified in the attached Exhibits. The stormwater management systems will be constructed in accordance with the City of Palm Coast, Florida Department of Environmental Protection (FDEP) and Saint John River Water Management District (SJRWMD) standards for storm water quality treatment and flood control. The proposed conceptual drainage plan is referenced in Exhibit 8.

All roads will be designed and will be constructed in accordance with applicable jurisdictional agency standards (i.e. City of Palm Coast and Florida Department of Transportation (FDOT)). Roadway construction may consist of sub-grade base, curbing, sidewalks, signage, striping, landscaping, irrigation, and lighting. The proposed conceptual roadway plan is referenced in Exhibit 7.

Horseshoe Ave – NW of Lucky Street – A newly developed 2-lane urban roadway consisting of approximately 670 ft in length.

Horseshoe Ave – North of Fiesta Drive - A newly developed 2-lane urban roadway consisting of approximately 2,400 ft in length.

Horseshoe Ave – East of Lucky Street - The improvements consist of constructing approximately 2,800 ft of a 2-lane urban roadway.

Lucky Street – Between US HGWY 1 and Street C - The improvements consist of constructing approximately 1400 ft of a 2-lane urban roadway.

Lucky Street – Between US HGWY 1 and The Clubhouse - The improvements consist of constructing approximately 2000 ft of a 2-lane urban roadway.

Street C – From Horseshoe Ave to Fiesta Drive- The improvements consist of constructing approximately 1250 ft of a 2-lane urban roadway.

Court A – Parallel to Fiesta Drive - The improvements consist of constructing approximately 100 ft of a 2-lane urban roadway with a cul-de-sac at the end.

Court B – Perpendicular to Fiesta Drive and Court A - The improvements consist of constructing approximately 600 ft of a 2-lane urban roadway with a cul-de-sac at the end.



Streetscape, Landscape & Hardscape

Streetscape and landscape improvements planned for the District will include open space, and water features / ponds within public areas. Landscape and streetscape elements will be provided along all new roadways within and abutting the District. Landscaping will include canopy trees, palm trees, shrubs and ground cover within the streets and public spaces. Streetscape features to be constructed within the District include streetlights and benches. Utility and other infrastructure upgrades will consist of water and sewer main installations, new streets and the creation of open spaces and shaded pedestrian spaces. These improvements are proposed to be constructed and financed by the District.

Master transportation improvements will consist of new rights-of-way connecting to US Hwy 1. Electrical, fiber, and gas line extensions are not proposed to be financed by the District.

Open Space

The CDD development plan includes allocations for the design and construction of improvements to create open spaces and pedestrian friendly streetscapes with special landscape and hardscape features.

Signalization

New traffic signals are not warranted at this time and are not included in the CDD.

Water Features

The planned development calls for the creation of several water retention and conversational uses, however, no water features are proposed.

Miscellaneous Improvements

In addition to items above, miscellaneous improvements will be constructed, such as earthwork not previously accounted for, demolition, utility undergrounding, on-site clearing and grubbing, miscellaneous improvements to the offsite roadways, onsite water connections from the main to the meters, offsite sewer gravity main and allowances for utility conflicts, professional fees, contingency, and mobilization.



IV. OWNERSHIP AND MAINTENANCE

The District will finance the land acquisition, dedications, and construction of the improvements. It will then transfer the improvements to the following agencies for ownership and maintenance:

Palm Coast 145			
Ownership, Operations and Maintenance Assignment			
	Own	Operate	Maintain
Horseshoe Avenue			
Roadway/Drainage	District	District	District
Utilitites	City	City	City
Drianage	City	City	City
Streetscape/LA	District	District	District
Irrigation	Distirct	Distirct	Distirct
Lighting	City	City	City
Fiesta Drive			
Roadway/Drainage	District	District	District
Utilitites	City	City	City
Drianage	City	City	City
Streetscape/LA	District	District	District
Irrigation	Distirct	Distirct	Distirct
Lighting	City	City	City
Lucky Street			
Roadway/Drainage	District	District	District
Utilitites	City	City	City
Drianage	City	City	City
Streetscape/LA	District	District	District
Irrigation	District	District	District
Lighting	City	City	City
Street C			
Roadway/Drainage	District	District	District
Utilitites	City	City	City
Drianage	City	City	City
Streetscape/LA	District	District	District
Irrigation	District	District	District
Lighting	City	City	City
Court A			
Roadway/Drainage	District	District	District
Utilitites	City	City	City
Drianage	City	City	City
Streetscape/LA	District	District	District
Irrigation	District	District	District
Lighting	City	City	City
Court B			
Roadway/Drainage	District	District	District
Utilitites	City	City	City
Drianage	City	City	City
Streetscape/LA	District	District	District
Irrigation	District	District	District
Lighting	City	City	City
Storm Water Management	City	City	City



Other improvements within the District's boundary, not financed by the District, include but are not limited to private landscape areas, irrigation systems, parking lots and driveways, private drainage systems and backflow preventers will belong to, and be maintained by, either the owner of the tract or by a property owner's association. In association with typical maintenance of standard improvements to be performed by the City of Palm Coast, restoration and maintenance of non-standard roadway improvements will be the responsibility of the District.



V. PERMITTING

The following is a list of Permit Applications previously submitted and to be submitted:

Permit Applications/Approvals	Department	Actual/ Estimated Submittal Date	Actual/ Estimated Approval Date	Expiration Date	Permit #
Master Development Plan (City Permit)	City of Palm Coast	8/11/2021	12/26/2021	NA	NA
Preliminary Plat - Construction Plan (City)	City of Palm Coast	9/14/2021	12/26/2021	NA	NA
Site Plan - Clubhouse (City Permit)	City of Palm Coast	1/14/2022	4/30/2022	NA	NA
Final Plat - Permit (City Permit)	City of Palm Coast	5/14/2022	7/13/2023	7/13/2024	AR 5075
FDEP Water & Sewer Applications for Phase II	FDEP	12/12/2021	1/14/2022	1/14/2027	NA
Environmental Resource Permit (ERP) Phase I	SJRWMD	4/20/2022	3/14/2023	3/14/2028	157209 - 3
School Concurrency	Flagler County	NA	NA	NA	NA

VI. OPINIONS OF PROBABLE CONSTRUCTION COST

Opinions of Probable Cost for the proposed improvements are provided in Attachment 1. The opinions of cost are based on unit prices currently being experienced for ongoing and similar items of work in the City/County, and quantities as represented on the construction plans or estimated from available conceptual plans. The budget includes engineering design and management of the installation. The labor market, future costs of equipment and materials, and the actual construction process are all beyond the Engineer's control. Due to this inherent opportunity for fluctuation in cost, the total final cost may be more or less than this estimate. The opinions of probable cost for the improvements within the CDD have been prepared by Terra-Max Engineering, Inc. unless otherwise noted.

Water, Reclaimed & Sewer Systems

In general, the Water & Sewer costs include water mains and their relocation, tapping connections, gate valves, gravity sewers, fire hydrants, Jack and Bore Crossings, manholes, cleanouts, meter assemblies, backflow preventers and corporation stops. Professional fees, contingency and mobilization are also included as part of the costs.

Total Water, Reclaimed Water and Sewer Systems \$4,665,182.00

Stormwater Management, Roadway Improvements, Fill and Retaining Walls

The estimated costs for the Stormwater Management System include allocations for manholes, pipe, inlets, baffles, drainage wells, dry wells and well boxes, exfiltration trench and water quality treatment markup. Professional fees, contingency and mobilization are also taken into account. In general, the roadway improvement costs include the furnishing and installation of the following road components and construction services: Excavation/fill, sub-grade, road base, asphalt, curb, sidewalk, pedestrian light poles, decorative pavers, valley gutter, milling, lime-rock, fire hydrants, professional fees, contingency and mobilization.

Total Stormwater Management, Roadways, and Earth Work . \$12,728,537.00



Landscaping & Hardscaping

In general, the estimated costs for Landscaping and Hardscaping include trees and pits, planting, up lighting, trash receptacles, planters, pavers, palms, coping stones, bicycle racks and benches. Professional fees, contingency and mobilization are also taken into account.

Total Landscaping & Hardscaping \$375,000.00



Cumulative Summary of Costs

Item	Estimated Costs
Water, Reclaimed Water and Sewer Systems \$	4,665,182.39
Power Distribution Improvements \$	-
Telecommunications Improvements \$	-
Roadway Improvements \$	3,165,955.53
Earth Work \$	7,079,131.50
Stormwater Management \$	2,483,450.13
Retaining Walls/Bridges \$	-
Landscaping & Hardscaping \$	375,000.06
Signalization \$	-
Water Features \$	-
Subtotal \$	17,768,719.61
Builder Fees/Soft Costs/Escalation \$	799,592
Bonding \$	244,116
Contingency for Other Conditions \$	940,621
GRAND TOTAL \$	19,753,049

VII. PROBABLE SCHEDULE OF CAPITAL DISTRIBUTION

Within the District there are primarily streets, parking garages and public areas to construct. Construction of the roadway, drainage, water, reclaimed water and sewer utilities are anticipated to begin in 2024. The construction of the public areas will begin in the late spring or summer of 2024. Construction of the clubhouse will begin after construction of the homes is complete. Fiscal Year will be from Oct. 1ST to Sept. 30TH of the following year.



VIII. SUMMARY AND CONCLUSION

The infrastructure, as outlined above, is necessary for the functional development of the District, as required by the applicable jurisdictional and governmental agencies. The planning and design of the infrastructure will be in accordance with current governmental regulatory requirements and industrial standards. The infrastructure will serve its intended function so long as the construction is in substantial compliance with the design, permits and local governing agencies. Items for construction in this report are based on current plan quantities for infrastructure construction and these infrastructure improvements will benefit and add value to the District.

Palm Coast 145 Community Development District Budget

	Fiscal Year			
	2024	2025	2026	Totals
Water & Sewer Systems	\$ 2,659,619	\$ 1,002,781	\$ 1,002,781	\$ 4,665,182
Power Distribution Improvements	\$ -	\$ -	\$ -	\$ -
Telecommunications Improvements	\$ -	\$ -	\$ -	\$ -
Roadway Improvements	\$ 1,841,884	\$ 662,036	\$ 662,036	\$ 3,165,956
Earth Work	\$ 4,768,075	\$ 1,155,528	\$ 1,155,528	\$ 7,079,132
Stormwater Management	\$ 1,731,160	\$ 376,145	\$ 376,145	\$ 2,483,450
Retaining Walls/Bridges	\$ -	\$ -	\$ -	\$ -
Landscaping and Hardscaping	\$ 252,577	\$ 61,211	\$ 61,211	\$ 375,000
Signalization	\$ -	\$ -	\$ -	\$ -
Water Features	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 11,253,316	\$ 3,257,702	\$ 3,257,702	\$ 17,768,720
Soft Cost (4.5%)	\$ 506,399	\$ 146,597	\$ 146,597	\$ 799,592
Bonding (1.38%)	\$ 154,603.79	\$ 44,755.97	\$ 44,755.97	\$ 244,116
Contingency (5.3%)	\$ 595,716	\$ 172,453	\$ 172,453	\$ 940,621
Grand Total	\$ 12,510,035	\$ 3,621,507	\$ 3,621,507	\$ 19,753,049



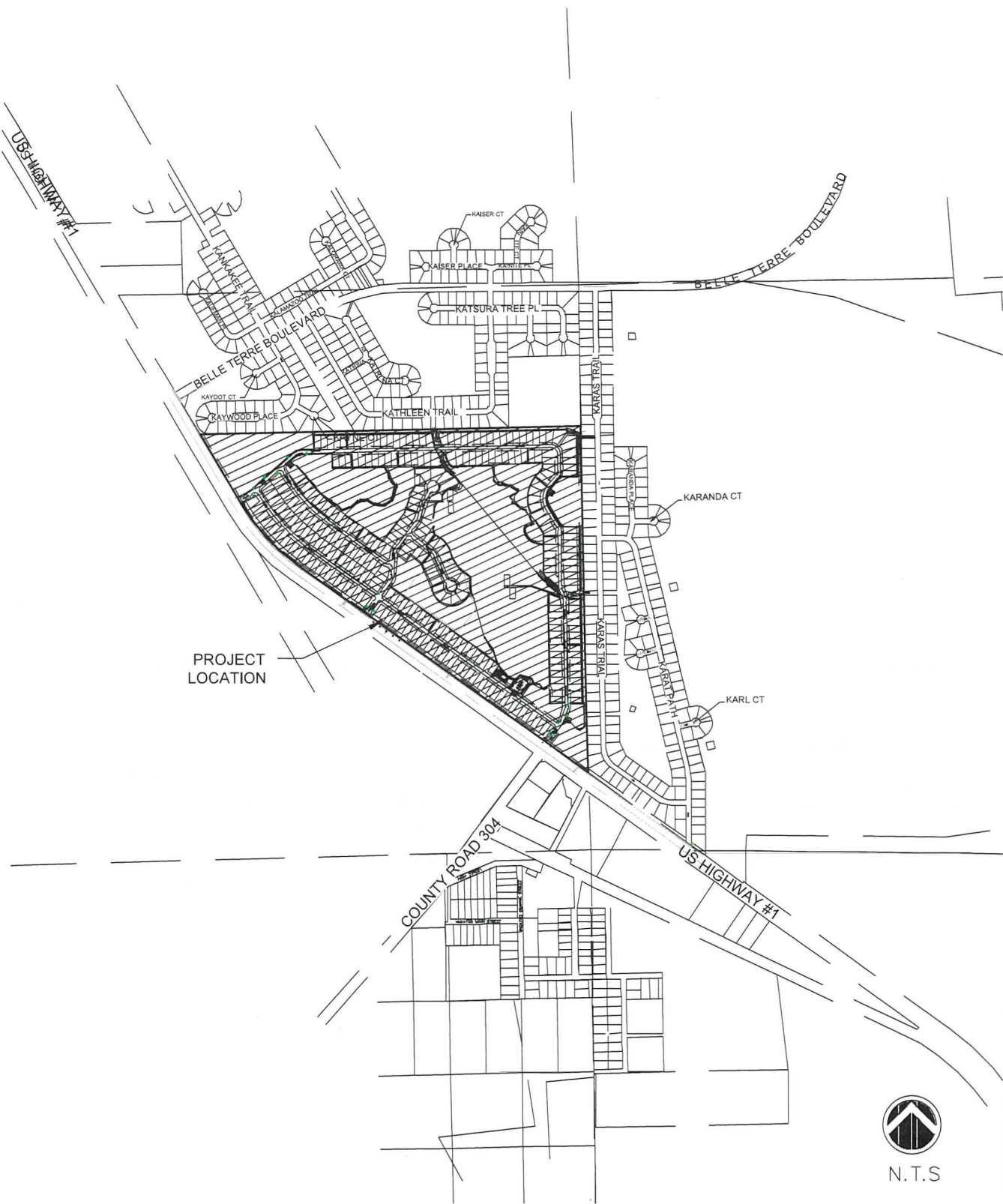
IX. ENGINEER'S CERTIFICATION

It is our opinion that the extent of proposed improvements and probable costs are fair and reasonable. It is our opinion that the land within the District being assessed will receive a special benefit equal to, or greater than the cost of the infrastructure improvements. The impact of market conditions increased regulatory actions and other factors that may affect future costs cannot be completely assessed and may impact the project over time. Where necessary, information from other professionals and contractors has been used in the preparation of this report. Qualified professionals from these entities have provided design, permitting, and cost information for the purposes of this report. Assuming the construction occurs as scheduled, it is our opinion that the improvements can be permitted, constructed, and installed at the costs described in this report. I hereby certify that the foregoing is a true and correct copy of the Engineer's Report for the PALM COAST 145 Community Development District.

A handwritten signature in blue ink that reads 'Momtaz Barq'. The signature is written in a cursive style and is positioned above a horizontal line.

Momtaz Barq, P.E.
Terra-Max Engineering, Inc.
Florida Registration No. 40924
October 18, 2023

Exhibits



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TERRA-MAX ENGINEERING, INC.
 1507 S. HIAWASSEE ROAD, SUITE 211
 ORLANDO FLORIDA 32835
 TEL: (407) 578-2763 FAX: (407) 578-2953

LOCATION MAP

**PALM COAST 145
COMMUNITY DEVELOPMENT
DISTRICT**

CITY OF PALM COAST
FLORIDA

DRAWN RMK
CHECKED MMB
DATE 10/12/23
SCALE AS SHOWN
JOB NO. BSK-01-003
CONTROL NO.
SHEET EXHIBIT 1



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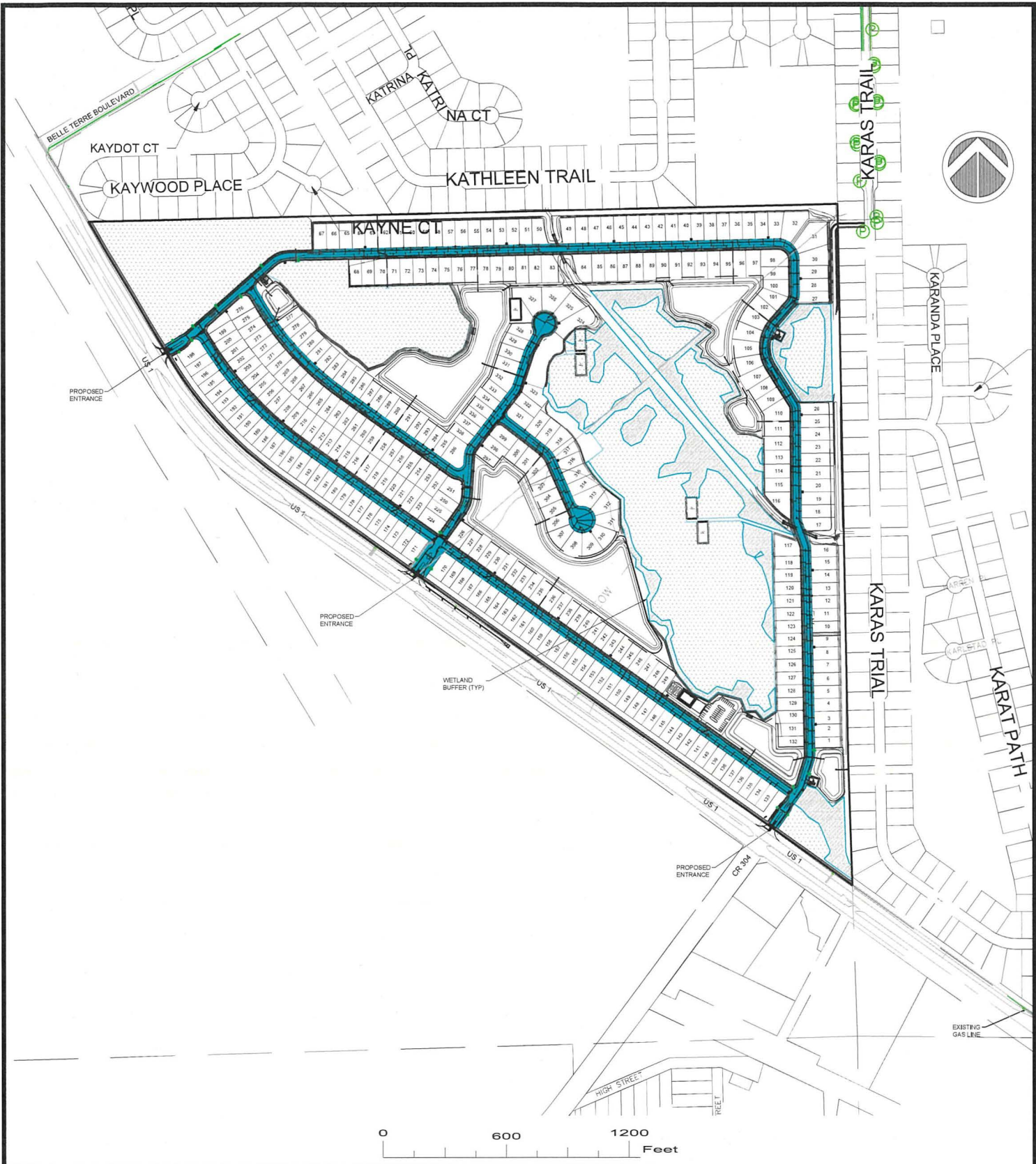
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DISTRICT BOUNDARY

PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT

CITY OF PALM COAST
 FLORIDA

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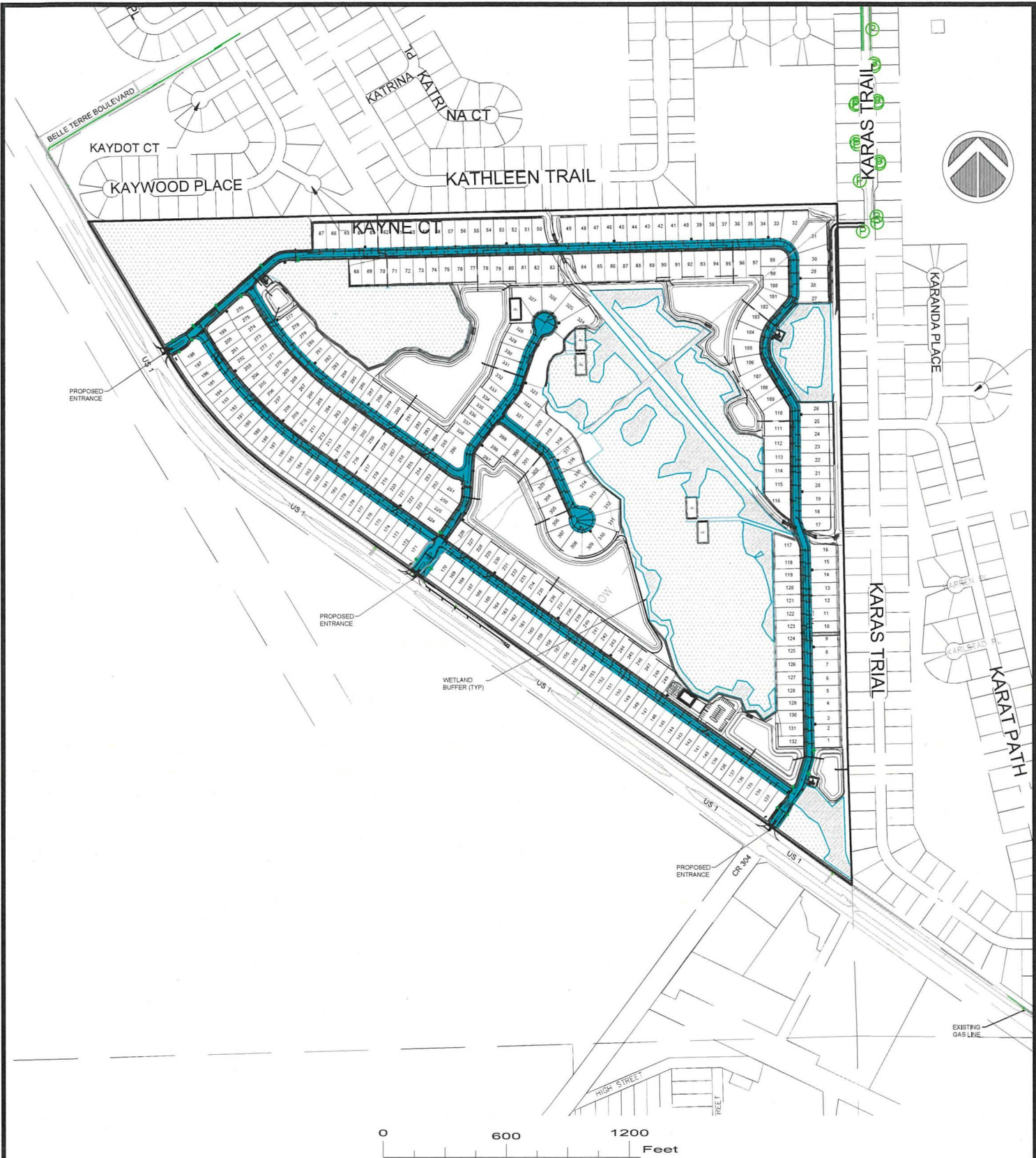
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DISTRICT IMPROVEMENT PLAN

**PALM COAST 145
 COMMUNITY DEVELOPMENT
 DISTRICT**

**CITY OF PALM COAST
 FLORIDA**

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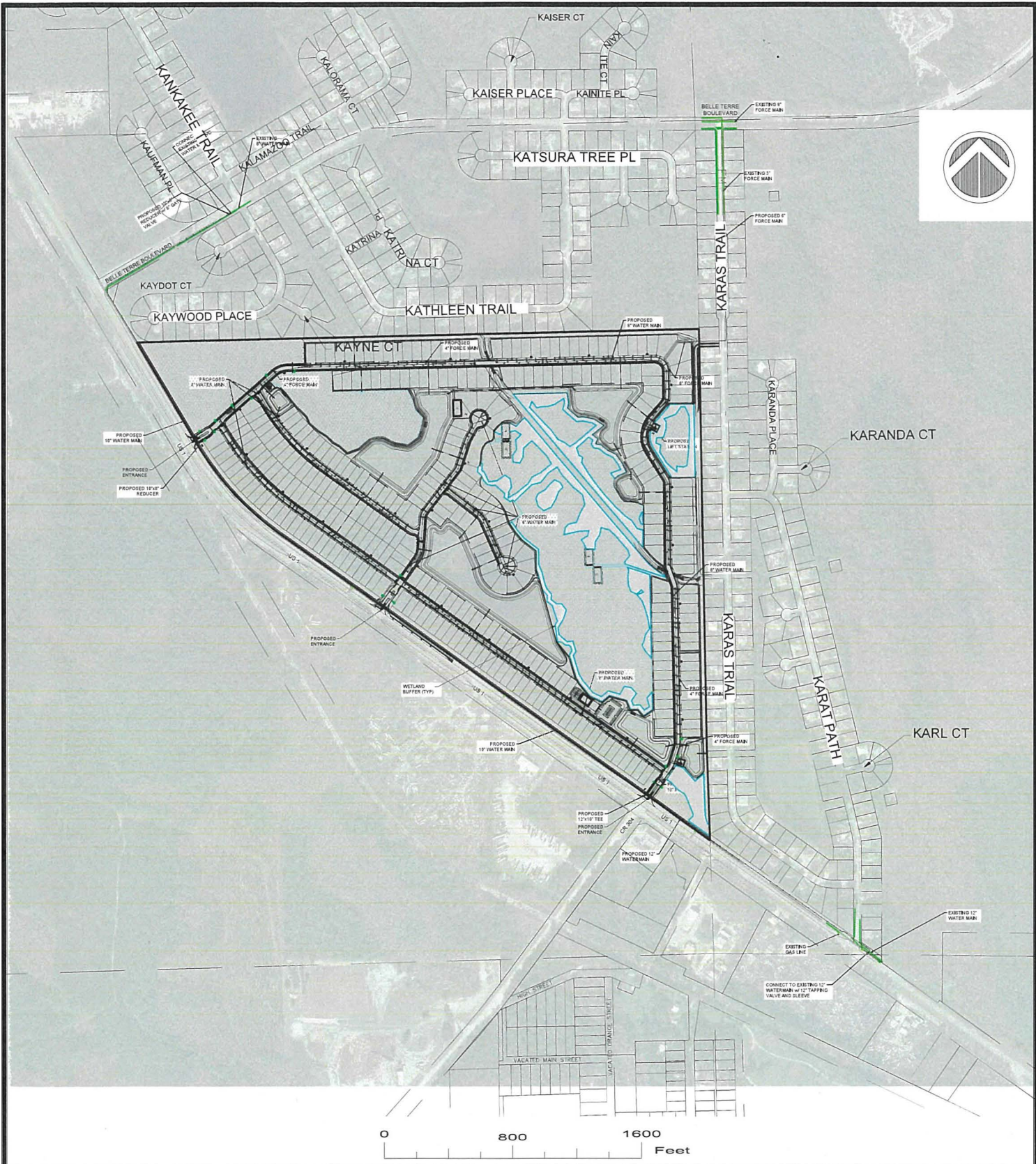
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DISTRICT IMPROVEMENT PLAN

**PALM COAST 145
COMMUNITY DEVELOPMENT
DISTRICT**

 CITY OF PALM COAST
FLORIDA

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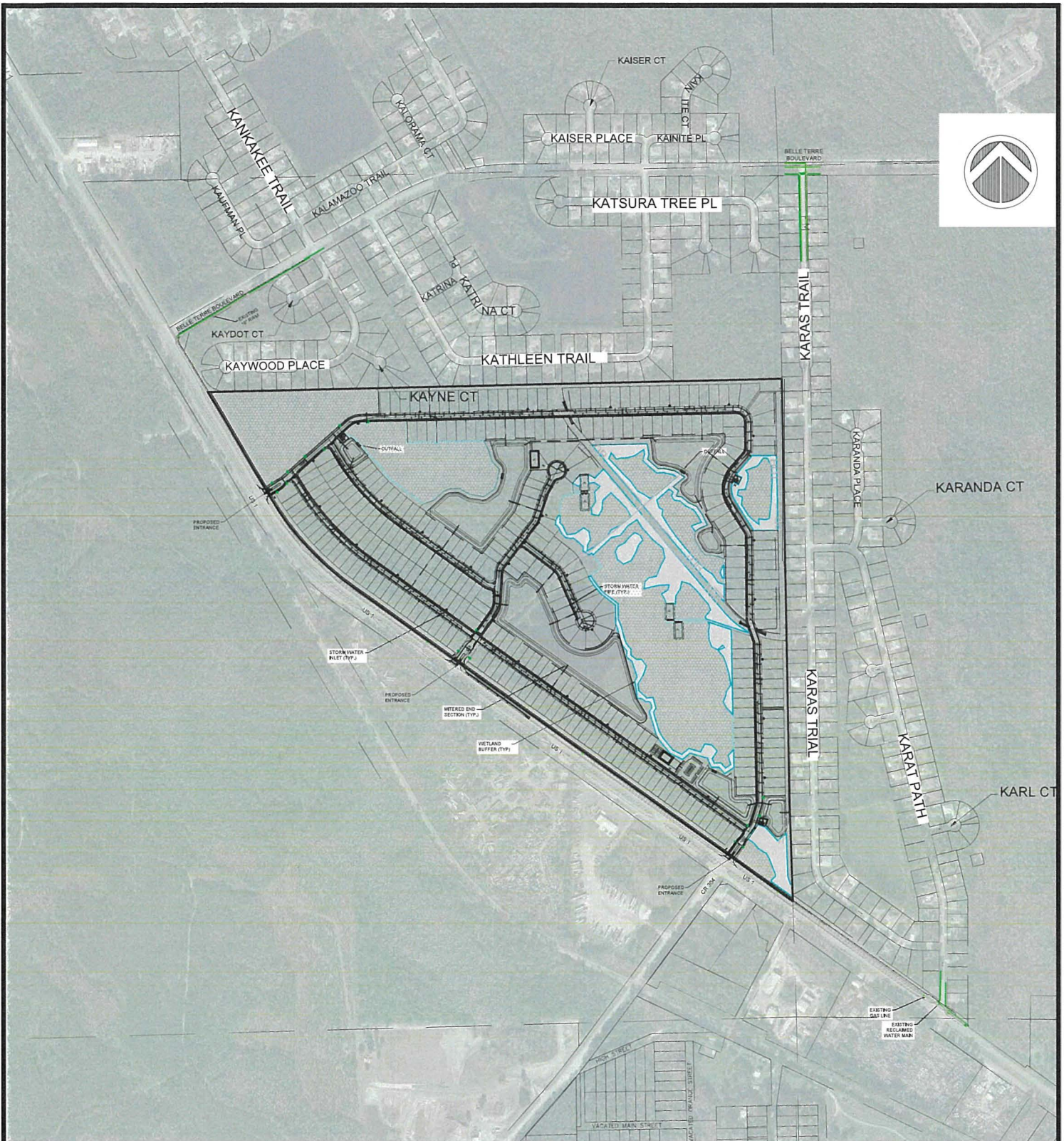
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WATER DISTRIBUTION SYSTEM

**PALM COAST 145
 COMMUNITY DEVELOPMENT
 DISTRICT**

**CITY OF PALM COAST
 FLORIDA**

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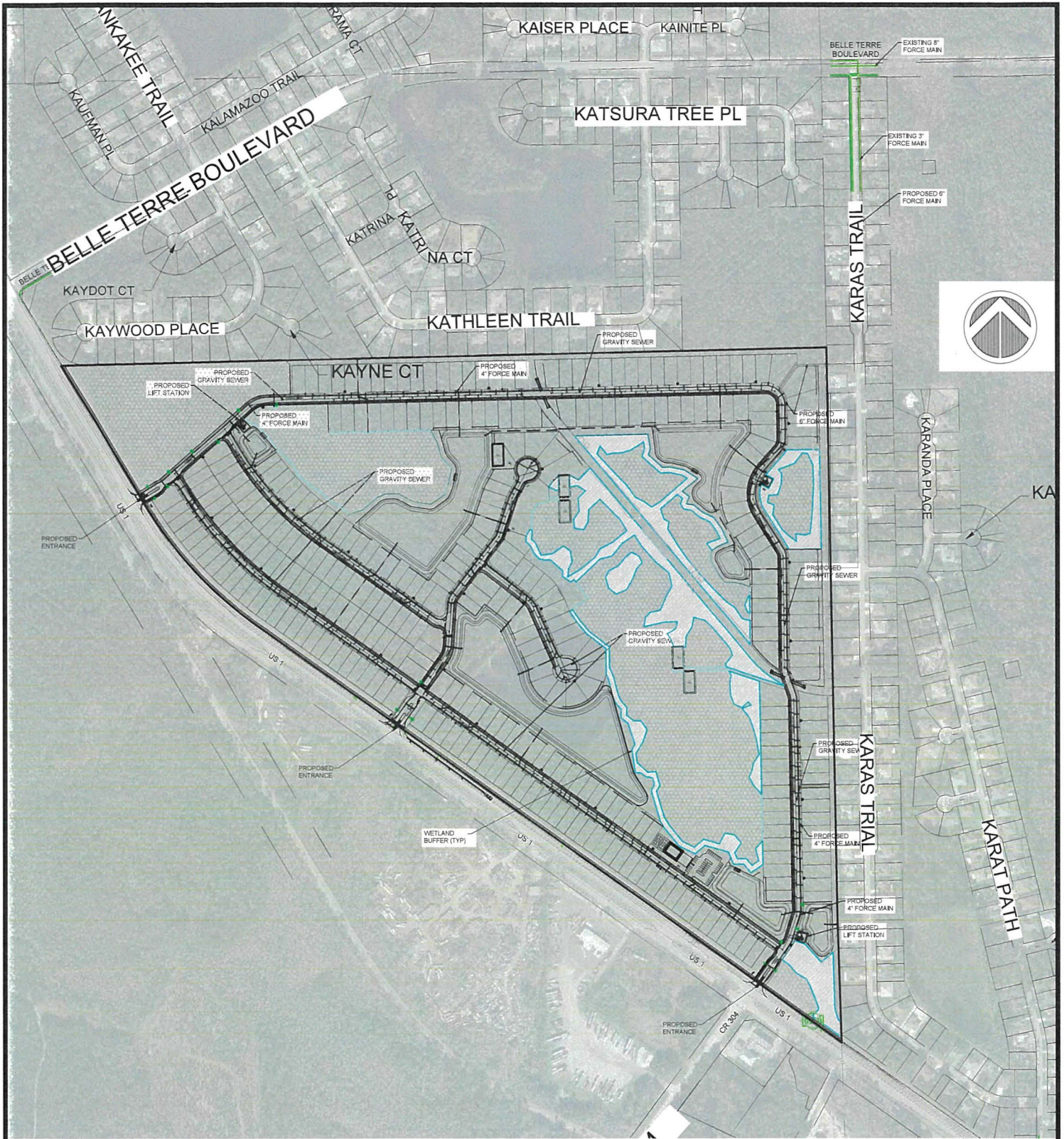
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RECLAIMED WATER DISTRIBUTION SYSTEM

**PALM COAST 145
 COMMUNITY DEVELOPMENT
 DISTRICT**

**CITY OF PALM COAST
 FLORIDA**

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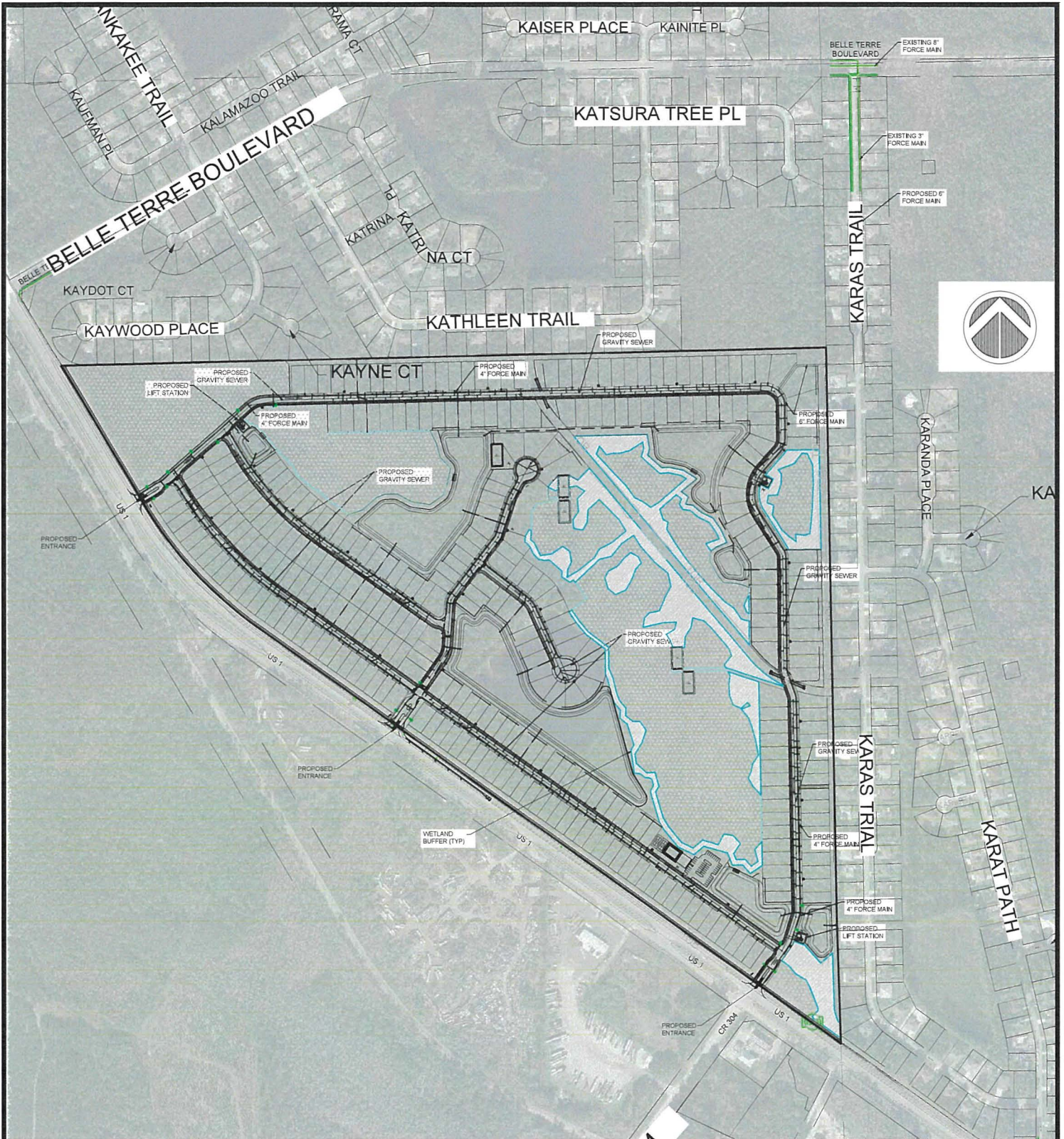
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SANITARY SEWER SYSTEM

**PALM COAST 145
COMMUNITY DEVELOPMENT
DISTRICT**

**CITY OF PALM COAST
FLORIDA**

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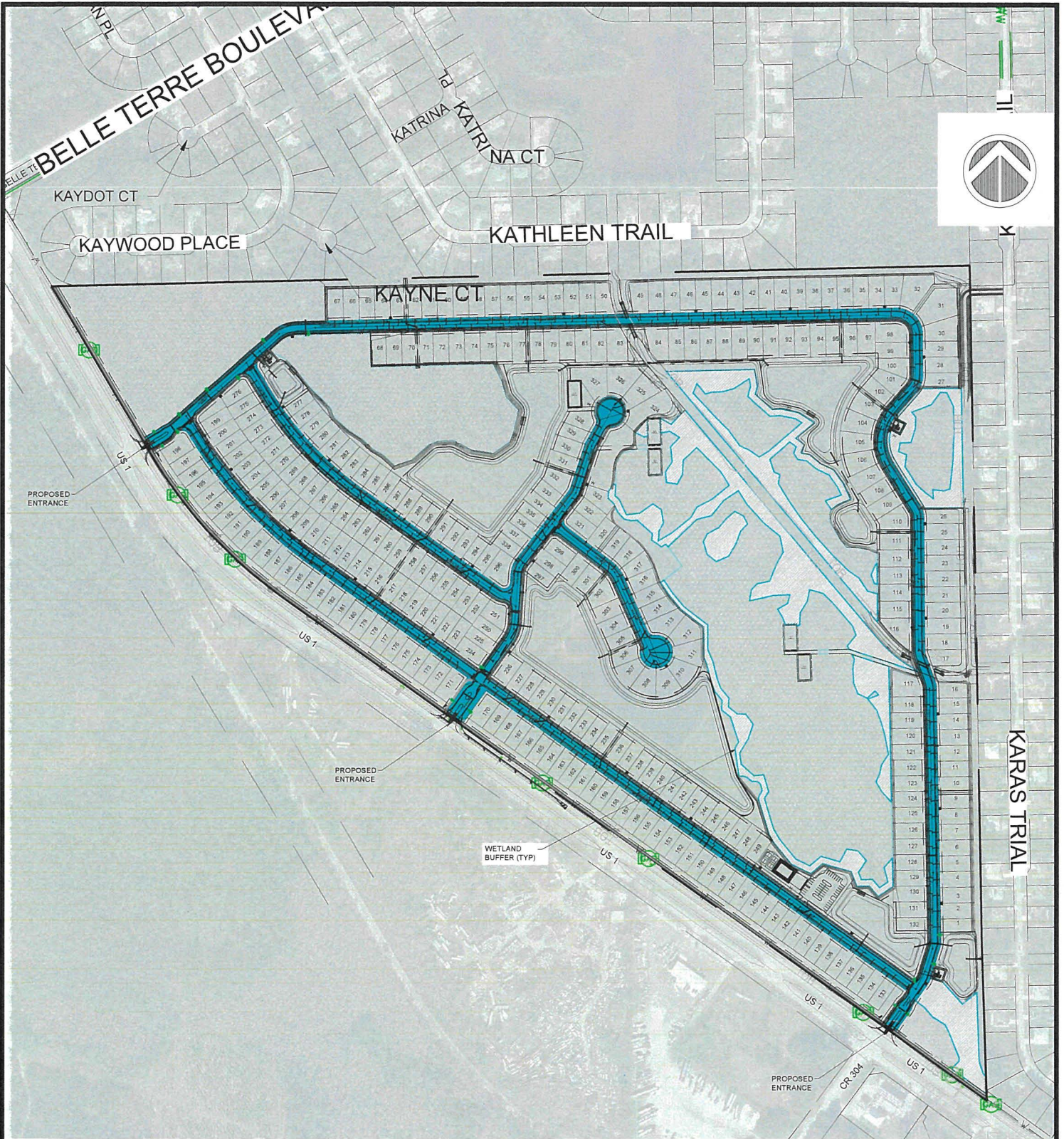
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SANITARY SEWER SYSTEM

**PALM COAST 145
COMMUNITY DEVELOPMENT
DISTRICT**

**CITY OF PALM COAST
FLORIDA**

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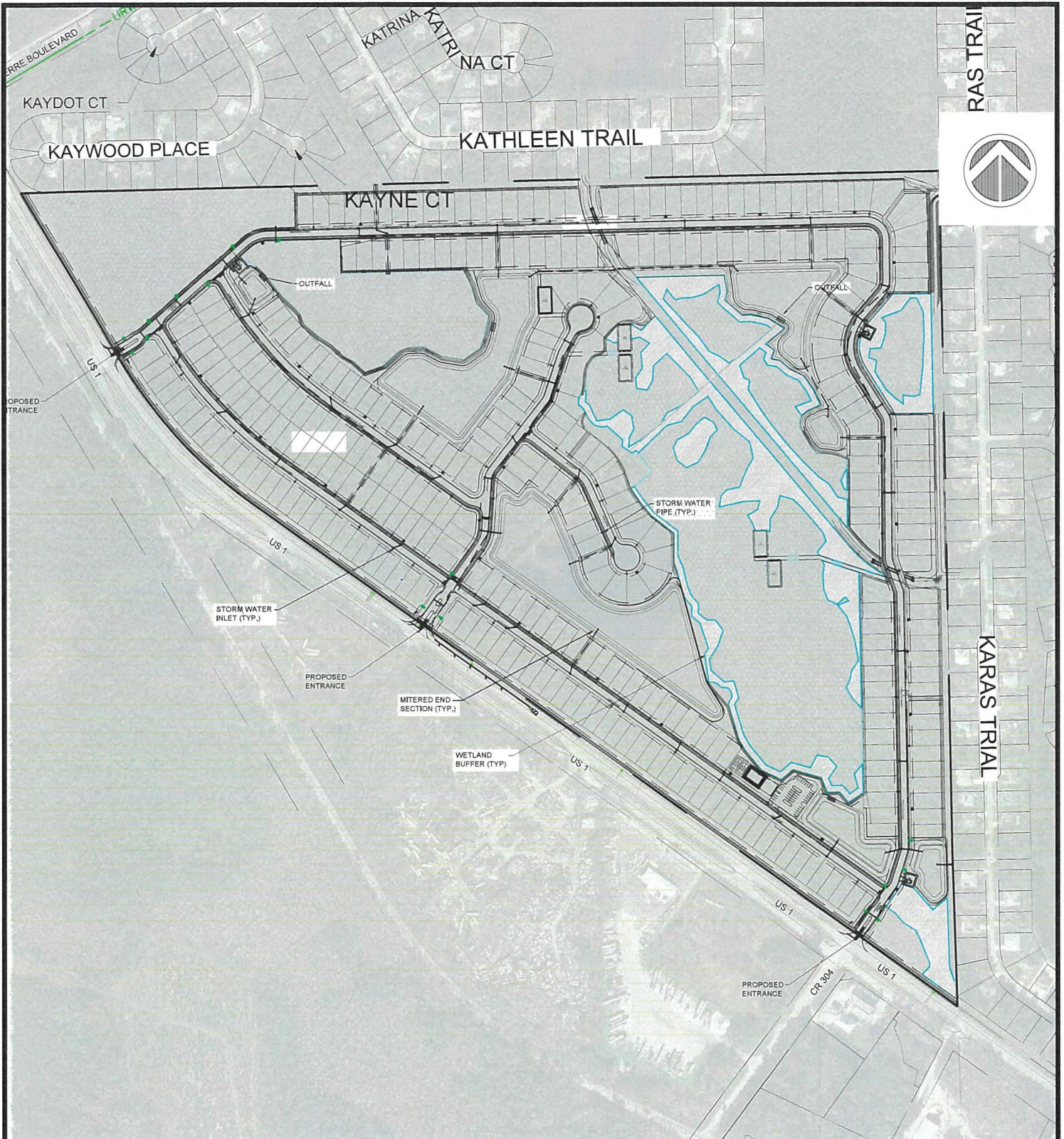
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ROADWAY IMPROVEMENTS PLAN

PALM COAST 145
 COMMUNITY DEVELOPMENT
 DISTRICT

CITY OF PALM COAST
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STORM WATER PLAN

**PALM COAST 145
 COMMUNITY DEVELOPMENT
 DISTRICT**

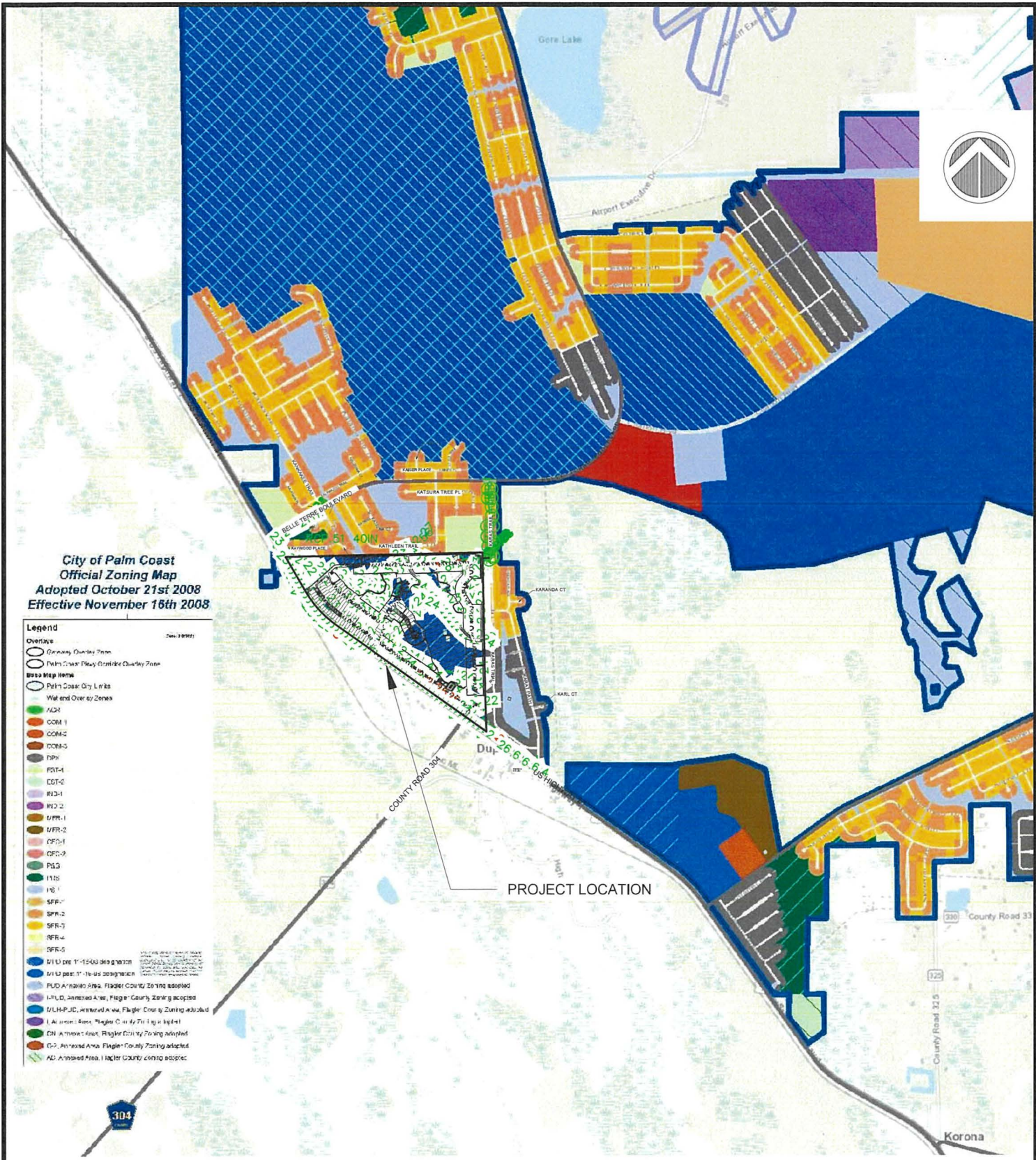
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EXHIBIT 8	



**City of Palm Coast
Official Zoning Map
Adopted October 21st 2008
Effective November 16th 2008**

- Legend**
- Overlays
- Gateway District Zone
 - Palm Coast Play District Overlay Zone
- Base Map Items**
- Palm Coast City Limits
 - Wetland Overlay Zones
- A-24
 - COM-1
 - COM-2
 - COM-3
 - NP-1
 - FST-1
 - DST-2
 - MID-1
 - MID-2
 - MFR-1
 - MFR-2
 - CPO-1
 - CPO-2
 - PLS
 - IIS
 - IIS-1
 - SFR-1
 - SFR-2
 - SFR-3
 - SFR-4
 - SFR-5
- MUD-1 (1'-10'-0" designation)
 - MUD-2 (1'-10'-0" designation)
 - PUD-A (Amended Area, Flagler County Zoning adopted)
 - PUD-B (Amended Area, Flagler County Zoning adopted)
 - MUD-PUD (Amended Area, Flagler County Zoning adopted)
 - I (Amended Area, Flagler County Zoning adopted)
 - EN (Amended Area, Flagler County Zoning adopted)
 - ED (Amended Area, Flagler County Zoning adopted)
 - AD (Amended Area, Flagler County Zoning adopted)



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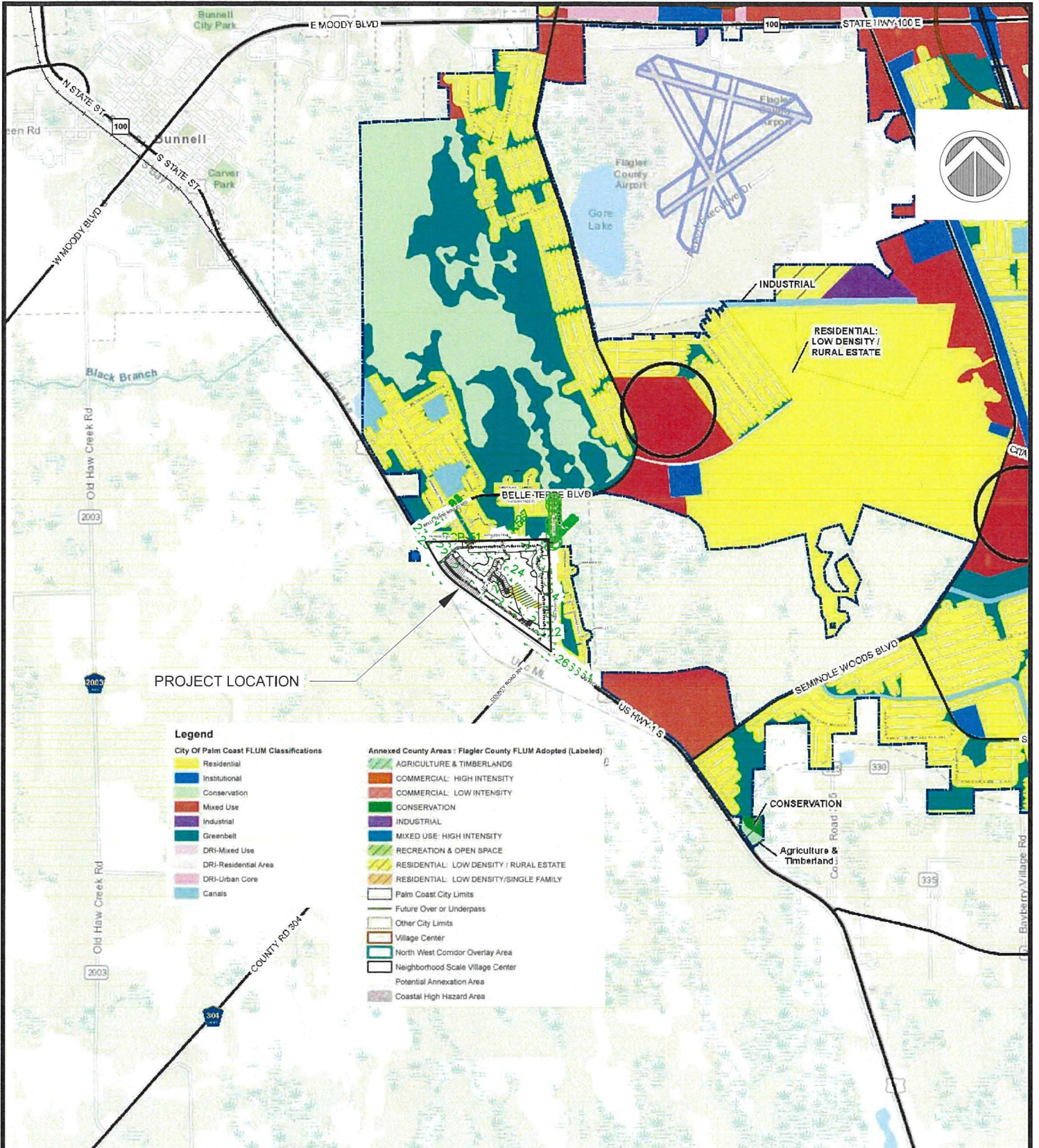
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ZONING MAP

PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT

CITY OF PALM COAST
FLORIDA

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EXHIBIT 9	



Legend

City Of Palm Coast FLUM Classifications

- Residential
- Institutional
- Conservation
- Mixed Use
- Industrial
- Greenbelt
- DRP-Mixed Use
- DRP-Residential Area
- DRP-Urban Core
- Canals

Annexed County Areas : Flagler County FLUM Adopted (Labeled)

- AGRICULTURE & TIMBERLANDS
- COMMERCIAL: HIGH INTENSITY
- COMMERCIAL: LOW INTENSITY
- CONSERVATION
- INDUSTRIAL
- MIXED USE: HIGH INTENSITY
- RECREATION & OPEN SPACE
- RESIDENTIAL: LOW DENSITY / RURAL ESTATE
- RESIDENTIAL: LOW DENSITY/SINGLE FAMILY
- Palm Coast City Limits
- Future Over or Underpass
- Other City Limits
- Village Center
- North West Corridor Overlay Area
- Neighborhood Scale Village Center
- Potential Annexation Area
- Coastal High Hazard Area

PROJECT LOCATION

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FUTURE LAND USE MAP

PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT

CITY OF PALM COAST FLORIDA

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EXHIBIT 10	

Attachment 1
District Budget Summary

Palm Coast 145 Community Development District Budget

	Fiscal Year			
	2024	2025	2026	Totals
Water & Sewer Systems	\$ 2,659,619	\$ 1,002,781	\$ 1,002,781	\$ 4,665,182
Power Distribution Improvements	\$ -	\$ -	\$ -	\$ -
Telecommunications Improvements	\$ -	\$ -	\$ -	\$ -
Roadway Improvements	\$ 1,841,884	\$ 662,036	\$ 662,036	\$ 3,165,956
Earth Work	\$ 4,768,075	\$ 1,155,528	\$ 1,155,528	\$ 7,079,132
Stormwater Management	\$ 1,731,160	\$ 376,145	\$ 376,145	\$ 2,483,450
Retaining Walls/Bridges	\$ -	\$ -	\$ -	\$ -
Landscaping and Hardscaping	\$ 252,577	\$ 61,211	\$ 61,211	\$ 375,000
Signalization	\$ -	\$ -	\$ -	\$ -
Water Features	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 11,253,316	\$ 3,257,702	\$ 3,257,702	\$ 17,768,720
Soft Cost (4.5%)	\$ 506,399	\$ 146,597	\$ 146,597	\$ 799,592
Bonding (1.38%)	\$ 154,603.79	\$ 44,755.97	\$ 44,755.97	\$ 244,116
Contingency (5.3%)	\$ 595,716	\$ 172,453	\$ 172,453	\$ 940,621
Grand Total	\$ 12,510,035	\$ 3,621,507	\$ 3,621,507	\$ 19,753,049

PALM COAST 145
COMMUNITY DEVELOPMENT DISTRICT

4

PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT

Amended and Restated Master Special Assessment
Methodology Amended Report

October 24, 2023



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

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1.0 Introduction

1.1 Purpose

This Amended and Restated Master Special Assessment Methodology Report (the “Amended Report”) was developed to provide a revised master financing plan and a master special assessment methodology for the Palm Coast 145 Community Development District (the “District”), located in the City of Palm Coast, Flagler County, Florida, as related to funding the costs of the acquisition and construction of public infrastructure improvements contemplated to be provided by the District. This Amended Report amends and restates the Master Special Assessment Methodology Report dated January 24, 2022 (the “Original Report”).

1.2 Scope of the Amended Report

This Amended Report presents the updated projections for financing the District’s public infrastructure improvements (the “CIP”) as described in the Engineer’s Amended and Restated Report of Terra-Max Engineering, Inc. dated October 18, 2023 (the “Amended 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 the CIP.

1.3 Special Benefits and General Benefits

Improvements undertaken and funded by the District as part of the CIP create special and peculiar benefits, different in kind and degree than general benefits, for properties within its borders as well as general benefits to the public at large. However, as discussed within this Amended Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits which accrue to property within the District. The District’s Capital Improvement Plan (the “CIP”) enables properties within its boundaries to be developed.

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

The CIP will provide infrastructure and improvements which are all necessary in order to make the lands within the District developable and saleable. The installation of such improvements will cause the value of the developable and saleable lands within the District to increase by more than the sum of the financed cost of the individual components of the CIP. Even though the exact value of the benefits provided by the CIP is hard to estimate at this point, it is without doubt greater than the costs associated with providing the same.

1.4 Organization of the Amended 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 current financing program for the District.

Section Five discusses the special assessment methodology for the District.

2.0 Development Program

2.1 Overview

The District serves the Palm Coast 145 development (the “Development” or “Palm Coast 145”), a master planned, residential development located in the City of Palm Coast, Flagler County, Florida. The land within the District consists of approximately 145.5034 +/- acres and is generally located north of S US Highway 1, north of County Road 304, and south of Belle Terre Boulevard.

2.2 The Development Program

The development of Palm Coast 145 is anticipated to be conducted by Palm Coast 145 Manager, LLC (the “Developer”). Based upon the information provided by the Developer, the current development plan for the District envisions a total of 338 Single-Family residential units developed in one or more phases, although phasing plan, land use types and unit numbers may change throughout the development period. Table 1 in the *Appendix* illustrates the development plan for 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 Amended 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 CIP

The CIP needed to serve the Development is projected to consist of water, reclaimed water and sewer systems, power distribution improvements, telecommunications improvements, roadway improvements, earth work, stormwater management, retaining walls/bridges, landscaping and hardscaping, signalization, water features, builder fees/ soft costs/ escalation, bonding, and contingency for other conditions, all as set forth in more detail in the Amended Engineer's Report.

The CIP is anticipated to be developed in one or more phases to coincide with and support the development of the land within the District and all of the infrastructure included in the CIP will comprise an interrelated system of improvements, which means that all of the improvements will serve the entire District and all improvements will be interrelated such that they will reinforce one another. At the time of this writing, the total costs of the CIP are estimated at \$19,753,048.61. Table 2 in the *Appendix* illustrates the specific components of the CIP and their costs.

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. Generally, construction of public improvements is either funded by the Developer and then acquired by the District or funded directly by the District. The choice of the exact mechanism for providing public infrastructure has not yet been made at the time of writing this Amended Report, and the District may either acquire the public infrastructure from the Developer or construct it, or even partly acquire it and partly construct it.

Even though the actual financing plan may change to include multiple series of bonds, it is likely that in order to fully fund the costs of the CIP as described in *Section 3.2* in one financing transaction, the District would have to issue approximately \$27,360,000 in par amount of special assessment bonds (the "Bonds").

Please note that the purpose of this Amended Report is to allocate the benefit of the CIP to the various land uses in the District and based on such benefit allocation to apportion the maximum debt necessary to fund the CIP. The discussion of the structure and size of the indebtedness is based on various estimates and is subject to change.

4.2 Types of Bonds Proposed

The proposed financing plan for the District provides for the issuance of the Bonds in the principal amount of \$27,360,000 in one or more Series with various maturities to finance CIP costs at \$19,753,048.61. The Bonds as projected under this master financing plan would be structured to be amortized in 30 annual installments following a 24-month capitalized interest period. Interest payments on the Bonds would be made every May 1 and November 1, and principal payments on the Bonds would be made every May 1 or November 1.

In order to finance the improvement costs, the District would need to borrow more funds and incur indebtedness in the total amount of \$27,360,000. The difference is comprised of funding a debt service reserve, capitalized interest, and costs of issuance, including the underwriter's discount. Preliminary sources and uses of funding for the Bonds are presented in Table 3 in the *Appendix*.

Please note that the structure of the Bonds as presented in this Amended Report is preliminary and may change due to changes in the development program, market conditions, timing of infrastructure installation as well as for other reasons. The District maintains complete flexibility as to the structure of the Bonds and reserves the right to modify it as necessary.

5.0 Assessment Methodology

5.1 Overview

The issuance of the Bonds provides the District with funds necessary to construct/acquire the infrastructure improvements which are part

of the CIP outlined in *Section 3.2* and described in more detail by the District Engineer in the Amended Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to properties within the boundaries of the District. General benefits accrue to areas outside the District, but are only incidental in nature. The debt incurred in financing the public infrastructure will be secured by assessing properties that derive special and peculiar benefits from the CIP. All properties that receive special benefits from the CIP will be assessed for their fair share of the debt issued in order to finance the CIP.

5.2 Benefit Allocation

While the initial development plan as discussed in the Original Report envisioned a total of 339 residential units which were to be comprised of 165 Single-family 50' units and 174 Single-family 60' units, the most current development plan envisions a total of 338 residential units which were to be comprised of 164 Single-family 50' units and 174 Single-family 60' units developed over a multi-year period in multiple development phases, although unit numbers, land use types and phasing may change throughout the development period and a supplemental or amended methodology would be adopted to adjust and address such changes in unit types and numbers.

The public infrastructure included in the CIP will comprise an interrelated system of improvements, which means that all of the improvements will serve the entire District and such public improvements will be interrelated such that they will reinforce each other and their combined benefit will be greater than the sum of their individual benefits. All of the land uses within the District will benefit from each infrastructure improvement category, as the improvements provide basic infrastructure to all land within the District and benefit all land within the District as an integrated system of improvements.

As stated previously, the public infrastructure improvements included in the CIP have a logical connection to the special and peculiar benefits received by the land within the District, as without such improvements, the development of the properties within the District would not be possible. Based upon the connection between the improvements and the special and peculiar benefits to the land within the District, the District can assign or allocate a portion of the District's debt through the imposition of non-ad valorem assessments, to the land 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 cost of, or the actual non-ad valorem assessment amount levied on that parcel.

This Amended Report proposes to allocate the benefit associated with the CIP to the different product types proposed to be developed within the District 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 product types contemplated to be developed within the District based on the densities of development and the intensities of use of infrastructure, total ERU counts for each product type, and the share of the benefit received by each product type.

The rationale behind the different ERU weights is supported by the fact that generally and on average products with smaller lot sizes will use and benefit from the improvements which are part of the CIP less than products with larger lot sizes. For instance, generally and on average products with smaller lot sizes will produce less storm water runoff, may produce fewer vehicular trips, and may need less water/sewer capacity than products with larger lot sizes. Additionally, the value of the products with larger lot sizes is likely to appreciate by more in terms of dollars than that of the products with smaller lot sizes as a result of the implementation of the infrastructure improvements. As the exact amount of the benefit and appreciation 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 from the District's public infrastructure improvements that are part of the CIP.

Table 5 in the *Appendix* presents the apportionment of the assessment associated with the Bonds (the "Bond Assessment") to the Single-Family residential units contemplated to be developed within the District in accordance with the ERU benefit allocation method presented in Table 4. Table 5 also presents the annual levels of the Bond Assessment annual debt service assessments per unit.

No Bond Assessment is allocated herein to the private amenities or other common areas planned for the development. Such amenities and common areas will be owned and operated by the master homeowners' association for the benefit of the entire District, will be available for use by all of the residents of the District, and are considered a common element for the exclusive benefit of property owners. Accordingly, any benefit to the amenities and common

areas flows directly to the benefit of all platted lots in the District. As such, no Bond Assessment will be assigned to the amenities and common areas.

5.3 Assigning Bond 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 Bond Assessment will initially be levied on all of the land in the District on an equal pro-rata gross acre basis and thus the total bonded debt in the amount of \$27,360,000 will be preliminarily levied on approximately 145.5034 +/- gross acres at a rate of \$188,036.84 per gross acre.

When the land is platted, the Bond Assessment 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 5 in the *Appendix*. Such allocation of Bond Assessment from unplatted gross acres to platted parcels will reduce the amount of Bond Assessment levied on unplatted gross acres within the District.

Please note that the method used to derive ERU values for residential units is based on the linear front footage of the various product types as a proportion to the product type that is set to a standard unit of 1 ERU. For example, if the product type that is set to a standard unit of 1 ERU is a Single-family 50' unit, a Single-family 70' unit would be 1.4 ERU ($70' / 50'$). In the event that a new product type was to be introduced, the aforementioned ERU value method would be applied accordingly.

In the event unplatted land (the "Transferred Property") is sold to a third party not affiliated with the Developer, the Bond Assessment 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 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 Amended Report. The owner of the Transferred Property will be responsible for the total Bond Assessment applicable to the Transferred Property, regardless of the total number of ERUs ultimately actually platted. This total Bond Assessment is fixed to the Transferred Property at the time of the sale. If the Transferred Property is subsequently sub-divided into smaller parcels, the total Bond Assessment 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 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, improvements undertaken by the District create special and peculiar benefits to certain properties within the District. The District's improvements benefit assessable properties within the District and accrue to all such assessable properties on an ERU basis.

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 are:

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

The improvements which are part of the CIP make the land in the District developable and saleable and when implemented jointly as parts of the CIP, 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 by the various product types from the improvements is delineated in Table 4 (expressed as the ERU factors).

The apportionment of the assessments is fair and reasonable because it was conducted on the basis of consistent application of the methodology described in *Section 5.2* across all assessable property within the District according to reasonable estimates of the special and peculiar benefits derived from the CIP.

Accordingly, no acre or parcel of property within the District will be liened for the payment of Bond Assessment more than the determined special benefit peculiar to that property.

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 Equivalent Residential Units ("ERUs") as set forth in Table 1 in the Appendix ("Development Plan"). At such time as lands are to be platted (or replatted) 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 results in the same amount of ERUs (and thus Bond Assessments) able to be imposed on the "Remaining Unplatted Lands" (i.e., those remaining unplatted lands after the Proposed Plat is recorded) as compared to what was originally contemplated under the Development Plan, then the District shall allocate the Bond Assessments to the product types being platted and the remaining property in accordance with this Amended Report, and cause the Bond Assessments to be recorded in the District's Improvement Lien Book.
- b. If a Proposed Plat results in a greater amount of ERUs (and thus Bond Assessments) able to be imposed on the Remaining Unplatted Lands as compared to what was originally contemplated under the Development Plan, then the District may undertake a pro rata reduction of Bond Assessments for all assessed properties within the Property, or may otherwise address such net decrease as permitted by law.
- c. If a Proposed Plat results in a lower amount of ERUs (and thus Bond Assessments) able to be imposed on the Remaining Unplatted Lands 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 Bond Assessments originally contemplated to be imposed on the lands subject to the Proposed Plat, and (ii) the Bond Assessments able to be imposed on the lands subject to the Proposed Plat, after the Proposed Plat (plus applicable interest, collection costs, penalties, etc.).¹

¹ For example, if the first platting includes 248 Townhomes, 505 Single-family 40' units, 511 Single-family 50' units, and 92 Single-family 60' units, which equates to a total allocation of \$94,229,992.46 in Bond Assessments, then the remaining unplatted land would be required to absorb 20 Single Family 50' units, which

With respect to the foregoing true-up analysis, the District, through the District's Assessment Consultant, in consultation with the District Engineer and District Counsel and shall determine in his or her sole discretion what amount of ERUs (and thus Bond Assessments) are able to be imposed on the Remaining Unplatted Lands, taking into account a Proposed Plat, by reviewing: a) the original, overall development plan showing the number and type of units reasonably planned for the development, b) the revised, overall development plan showing the number and type of units reasonably planned for the development, c) proof of the amount of entitlements for the Remaining Unplatted Lands, 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 assessments to pay debt service on the applicable series of bonds and the District may 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, 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 applicable bond series 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 45 calendar days before an interest payment date (or such other time as set forth in the supplemental indentures for the applicable bond series)).

All Bond 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 provision for such payment has been satisfactorily made. Further, upon the District's review of the final plat for the developable acres, any unallocated Bond 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.

equates to \$1,605,007.54 in Bond Assessments. If the remaining unplatted land would only be able to absorb 10 instead of 20 Single Family 50' units or \$802,503.77 in Bond Assessments, then a true-up, payable by the owner of the unplatted land, would be due in the amount of \$802,503.77 in Bond Assessments plus applicable accrued interest to the extent described in this Section.

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 Preliminary Assessment Roll

Based on the per gross acre assessment proposed in Section 5.2, the Bond Assessment of \$27,360,000 is proposed to be levied uniformly over the area described in the table below. Excluding any capitalized interest period, debt service assessment shall be paid in thirty (30) annual installments.

Preliminary Assessment Roll

Parcel ID	Owner	Bond Assessment
25-12-30-1500-00010-0010	Palm Coast 145 Acquisition, LLC	\$27,360,000.00

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 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 report. For additional information on the 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 and Exchange Act of 1934, as amended. Similarly, Wrathell, Hunt and Associates, LLC does not provide the District with financial advisory services or offer investment advice in any form.

7.0 Appendix

Table 1

Palm Coast 145 **Community Development District**

Development Plan

Product Type	Number of Units
Single Family 50'	164
Single Family 60'	174
Total	338

Table 2

Palm Coast 145 **Community Development District**

Project Costs

Improvement	Total Costs
Water, Reclaimed Water and Sewer Systems	\$4,665,182.39
Power Distribution Improvements	\$0.00
Telecommunications Improvements	\$3,165,955.53
Roadway Improvements	\$7,079,131.50
Earth Work	\$2,483,450.13
Stormwater Management	\$0.00
Retaining Walls/Bridges	\$375,000.06
Landscaping and Hardscaping	\$0.00
Signalization	\$0.00
Water Features	\$0.00
Builder Fees/ Soft Costs/ Escalation	\$799,592.00
Bonding	\$244,116.00
Contingency for Other Conditions	\$940,621.00
Total	\$19,753,048.61

Table 3

Palm Coast 145

Community Development District

Preliminary Sources and Uses of Funds

Sources

Bond Proceeds:	
Par Amount	\$27,360,000.00
Total Sources	\$27,360,000.00

Uses

Project Fund Deposits:	
Project Fund	\$19,753,048.61
Other Fund Deposits:	
Debt Service Reserve Fund	\$2,430,318.58
Capitalized Interest Fund	\$4,377,600.00
Delivery Date Expenses:	
Costs of Issuance	\$797,200.00
Rounding	\$1,832.81
Total Uses	\$27,360,000.00

Table 4

Palm Coast 145

Community Development District

Benefit Allocation

Product Type	Number of Units	ERU Weight	Total ERU
Single Family 50'	164	1.00	164.00
Single Family 60'	174	1.20	208.80
Total	338		372.80

Table 5

Palm Coast 145

Community Development District

Assessment Apportionment

Product Type	Number of Units	Total Cost Allocation*	Maximum Total Bond Assessment Apportionment	Maximum Bond Assessment Apportionment per Unit	Maximum Annual Principal and Interest Payment per Unit on the Bonds**
Single Family 50'	164	\$8,689,645.85	\$12,036,051.50	\$73,390.56	\$6,127.95
Single Family 60'	174	\$11,063,402.76	\$15,323,948.50	\$88,068.67	\$7,353.54
Total	338	\$19,753,048.61	\$27,360,000.00		

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

** Includes 2% county cost of collection (subject to change) and 4% early payment discount (subject to change).

PALM COAST 145
COMMUNITY DEVELOPMENT DISTRICT

5

RESOLUTION 2024-01

A RESOLUTION OF THE BOARD OF SUPERVISORS OF PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT REPEALING AND REPLACING RESOLUTION NO. 2022-35 IN ITS ENTIRETY; AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$17,500,000 AGGREGATE PRINCIPAL AMOUNT OF PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, IN ONE OR MORE SERIES (THE "SERIES 2023 BONDS"); APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL TRUST INDENTURE; AUTHORIZING THE NEGOTIATED SALE OF THE SERIES 2023 BONDS; APPOINTING AN UNDERWRITER; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT WITH RESPECT TO THE SERIES 2023 BONDS AND AWARDED THE SERIES 2023 BONDS TO THE UNDERWRITER NAMED THEREIN PURSUANT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM AND ITS USE BY THE UNDERWRITER IN CONNECTION WITH THE OFFERING FOR SALE OF THE SERIES 2023 BONDS AND APPROVING THE EXECUTION AND DELIVERY OF A FINAL LIMITED OFFERING MEMORANDUM; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT AND THE APPOINTMENT OF A DISSEMINATION AGENT; PROVIDING FOR THE APPLICATION OF SERIES 2023 BOND PROCEEDS; AUTHORIZING THE PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2023 BONDS; APPOINTING A TRUSTEE, BOND REGISTRAR AND PAYING AGENT; PROVIDING FOR THE REGISTRATION OF THE SERIES 2023 BONDS PURSUANT TO THE DTC BOOK-ENTRY SYSTEM; DETERMINING CERTAIN DETAILS WITH RESPECT TO THE SERIES 2023 BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Palm Coast 145 Community Development District (the "District") is a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), created by Ordinance No. 2022-3 of the City of Palm Coast, Florida, enacted and effective on January 4, 2022; and

WHEREAS, the District was created for the purpose of financing and managing the acquisition, construction, installation, maintenance, and operation of community development facilities, services, and improvements within and without the boundaries of the District; and

WHEREAS, pursuant to Resolution No. 2022-28 adopted by the Board of Supervisors (the “Board”) of the District on January 25, 2022 (the “Master Bond Resolution”), the Board has authorized the issuance, sale and delivery of Bonds in an aggregate principal amount not to exceed \$21,175,000 (the “Bonds”), to be issued in one or more Series of Bonds as authorized under a Master Trust Indenture (the “Master Indenture”) to be entered into between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), which Bonds were validated by final judgment (the “Final Judgment”) of the Circuit Court of the Seventh Judicial Circuit of the State of Florida, in and for Flagler County, Florida rendered on April 6, 2022, the appeal period for which has expired with no appeal having been taken; and

WHEREAS, the Board has determined to issue its Palm Coast 145 Community Development District Special Assessment Bonds, in one or more Series (the “Series 2023 Bonds”), for the purpose, among others, of financing a portion of the Costs of the acquisition, construction and installation of assessable capital improvements comprising the District’s Capital Improvement Plan as more particularly described in the Engineer’s Report originally dated November 30, 2021, and revised as of October 12, 2023 (the “Engineer’s Report”), prepared by Terra-Max Engineering, Inc. (such financed portion being referred to as the “Series 2023 Project”) and

WHEREAS, the Series 2023 Bonds shall constitute a Series of Bonds authorized by the Master Bond Resolution; and

WHEREAS, there has been submitted to the Board with respect to the issuance and sale of the Series 2023 Bonds:

(i) a form of First Supplemental Trust Indenture (the “First Supplement” and, together with the Master Indenture, the “Indenture”), between the Trustee and the District and attached hereto as **Exhibit A**;

(ii) a form of Bond Purchase Contract with respect to the Series 2023 Bonds between Morgan Stanley & Co. LLC and the District and attached hereto as **Exhibit B** (the “Purchase Contract”), together with the form of disclosure statements attached to the Purchase Contract in accordance with Section 218.385, Florida Statutes;

(iii) a form of Preliminary Limited Offering Memorandum attached hereto as **Exhibit C** (the “Preliminary Limited Offering Memorandum”);

(iv) a form of Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), to be executed by the District, Palm Coast 145 Acquisition, LLC (the “Landowner”), and Wrathell, Hunt and Associates, LLC, as dissemination agent (the “Dissemination Agent”), attached hereto as **Exhibit D**; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Palm Coast 145 Community Development District, as follows:

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

Section 2. Authorization. There are hereby authorized and directed to be issued the Series 2023 Bonds, in the aggregate principal amount of not to exceed \$17,500,000, for the purpose, among others, of providing funds for the payment of the Costs of the Series 2023 Project. The purchase price of the Series 2023 Bonds shall be received and receipted by the District, or the Trustee on behalf of the District, and the Trustee shall apply the proceeds of the Series 2023 Bonds as set forth in the First Supplement and the Limited Offering Memorandum (as defined below). The Series 2023 Bonds shall be dated, have such interest payment dates, have such maturities, have such redemption provisions and bear interest at such rates, all as provided in the Indenture.

Section 3. First Supplement. The First Supplement is hereby approved in substantially the form set forth as **Exhibit A** hereto and the Chair or the Vice Chair of the Board is hereby authorized and directed to execute and deliver the Master Indenture and such First Supplement on behalf of and in the name of the District and the Secretary or any Assistant Secretary of the Board is hereby authorized to attest such execution, with such additions and deletions therein as may be made and/or approved by the Chair or the Vice Chair executing the same, such execution to be conclusive evidence of such approval.

Section 4. Reaffirmation of Appointment of Underwriter; Negotiated Sale. Morgan Stanley & Co. LLC (the "Underwriter") was previously appointed as the underwriter for the Series 2023 Bonds and such appointment is hereby reaffirmed. The Series 2023 Bonds shall be sold pursuant to a negotiated sale to the Underwriter. It is hereby determined by the Board that a negotiated sale of the Series 2023 Bonds to the Underwriter is in the best interests of the District because of prevailing market conditions, because delays caused by soliciting competitive bids could adversely affect the District's ability to issue and deliver the Series 2023 Bonds at presently favorable interest rates, and because the nature of the security for the Series 2023 Bonds and the source(s) of payment of Debt Service on the Series 2023 Bonds requires the participation of the Underwriter in structuring the Series 2023 Bond issue.

Section 5. Purchase Contract. The Board hereby approves the Purchase Contract submitted by the Underwriter in substantially the form attached as **Exhibit B** hereto. The Chair or Vice Chair of the Board is hereby authorized to execute the Purchase Contract and to deliver the Purchase Contract to the Underwriter with such changes, amendments, modifications, omissions and additions as may be approved by the executing Chair or Vice Chair; provided, however, that (i) the aggregate principal amount of the Series 2023 Bonds shall not exceed \$17,500,000, (ii) the average net interest cost on the Series 2023 Bonds shall not exceed the maximum allowable by Section 215.84, Florida Statutes, (iii) the Series 2023 Bonds shall have a maturity date no later than May 1, 2056, or as provided by law, and (iv) the Underwriter's discount shall not exceed two percent (2.00%) of the aggregate principal amount of the Series 2023

Bonds. Execution by the Chair or Vice Chair of the Purchase Contract shall be deemed to be conclusive evidence of approval of such changes.

Section 6. Preliminary Limited Offering Memorandum; Final Limited Offering Memorandum. The Board hereby approves the form of the Preliminary Limited Offering Memorandum attached hereto as **Exhibit C** and authorizes its distribution and use in connection with the limited offering for the sale of the Series 2023 Bonds. If between the date hereof and the mailing of the Preliminary Limited Offering Memorandum it is necessary to make insertions, modifications and changes to the Preliminary Limited Offering Memorandum, the Chair or Vice Chair is hereby authorized to approve such insertions, changes and modifications, and the Chair or Vice Chair is hereby authorized to deem the Preliminary Limited Offering Memorandum “final” within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 (the “Rule”). The preparation of a final Limited Offering Memorandum is hereby authorized and approved and the Chair or Vice Chair is hereby authorized to execute such final Limited Offering Memorandum to be dated the date of the award of the Series 2023 Bonds and, upon such award, to deliver the same to the Underwriter for use by it in connection with the sale and distribution of the Series 2023 Bonds. The Limited Offering Memorandum shall be substantially in the form of the final Preliminary Limited Offering Memorandum, with such changes as shall be approved by the Chair or Vice Chair as necessary to conform to the details of the final pricing of the Series 2023 Bonds and such other insertions, modifications and changes as may be approved by the Chair or Vice Chair.

Section 7. Continuing Disclosure Agreement; Appointment of Dissemination Agent. The District does hereby authorize and approve the execution and delivery of the Continuing Disclosure Agreement by the Chair or Vice Chair in substantially the form attached hereto as **Exhibit D**. The Continuing Disclosure Agreement is being executed by the District in order to assist the Underwriter in complying with the Rule. Wrathell, Hunt and Associates, LLC is hereby appointed as the initial Dissemination Agent to perform the duties required under the Continuing Disclosure Agreement.

Section 8. Appointment of Trustee, Paying Agent, and Bond Registrar. U.S. Bank Trust Company, National Association is hereby appointed to serve as Trustee, Paying Agent, and Bond Registrar under the Indenture.

Section 9. Open Meetings. It is found and determined that all formal actions of the Board concerning and relating to the adoption of this Resolution were taken in an open meeting of the members of the Board and that all deliberations of the members of the Board which resulted in such formal action were taken in meetings open to the public, in full compliance with all legal requirements.

Section 10. Further Official Action; Ratification of Prior Acts. The Chair, the Vice Chair, the Secretary, any Assistant Secretary or member of the Board, Wrathell, Hunt and Associates, LLC, in its capacity as District Manager, and any other proper official of the District (each a “District Officer”) and any authorized designee thereof, are each hereby authorized and

directed to execute and deliver any and all documents and instruments (including, without limitation, any documents required by the Trustee to evidence its rights and obligations with respect to the Series 2023 Bonds, any documents required in connection with implementation of a book-entry system of registration, any agreements with Palm Coast 145 Manager, LLC and the Landowner and any agreements in connection with maintaining the exclusion of interest on the Series 2023 Bonds from gross income of the holders thereof) and to do and cause to be done any and all acts and things necessary or desirable for carrying out the transactions contemplated by this Resolution. In the event that the Chair or the Vice Chair is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the designee of such officer or official or any other duly authorized officer or official of the District. Any District Officer is hereby authorized and directed to apply and attest the official seal of the District to any agreement or instrument authorized or approved herein that requires such a seal and attestation. The Chair or other District Officer may, among other things, authorize the change of the date of any document accompanying this Resolution as an exhibit or incorporate the information and details related to the sale and pricing of the Series 2023 Bonds. Execution by the Chair or other District Officer of such document shall be deemed to be conclusive evidence of approval of such change of date or the incorporation of information and details relating to the sale and pricing of the Series 2023 Bonds. All actions taken to date by any District Officer and the agents and employees of the District in furtherance of the issuance of the Series 2023 Bonds are hereby approved, confirmed and ratified.

Section 11. 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.

Section 12. Inconsistent Proceedings. All resolutions or proceedings, or parts thereof, in conflict with the provisions hereof are to the extent of such conflict hereby repealed or amended to the extent of such inconsistency.

Section 13. Engineer's Report. The Board hereby approves of changes to the Engineer's Report previously approved by the Board and also authorizes further revisions and supplements to the Engineer's Report with respect to the marketing and sale of the Series 2023 Bonds.

Section 14. Assessment Methodology Report(s). The Board authorizes further modifications and supplements to any assessment methodology report(s) previously approved by the Board to conform such report(s) to the marketing and sale of the Series 2023 Bonds.

Section 15. Ratification of Master Bond Resolution. Except to the extent hereby modified, the Master Bond Resolution of the District is hereby ratified, confirmed and approved in all respects.

Section 16. Repealing Clause. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed. Resolution No. 2022-35 adopted by the Board on April 20, 2022, is hereby repealed and replaced in its entirety with this Resolution No. 2024-.

Section 17. Effective Date. This Resolution shall take effect immediately upon its adoption.

[Remainder of page intentionally left blank]

PASSED in Public Session of the Board of Supervisors of Palm Coast 145 Community Development District, this 24th day of October, 2023.

**PALM COAST 145 COMMUNITY
DEVELOPMENT DISTRICT**

ATTEST:

Secretary/Assistant Secretary,
Board of Supervisors

Chair, Board of Supervisors

EXHIBIT A

FORM OF FIRST SUPPLEMENT

FIRST SUPPLEMENTAL TRUST INDENTURE

BETWEEN

PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT

AND

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

Dated as of November 1, 2023

**\$ _____
Special Assessment Bonds, Series 2023**

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

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Exhibit A – Engineer’s Report
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**FIRST SUPPLEMENTAL
TRUST INDENTURE**

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (this “First Supplemental Indenture”) is dated as of November 1, 2023, between **PALM COAST 145 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, pursuant to Resolution No. 2022-28 adopted by the Governing Body of the District on January 25, 2022 (the “Master Bond Resolution”), the District has authorized the issuance, sale and delivery of Bonds in an aggregate principal amount not to exceed \$21,175,000 (the “Bonds”), to be issued in one or more Series of Bonds as authorized under the Master Trust Indenture dated as of November 1, 2023, between the District and the Trustee (the “Master Indenture”), which Bonds were validated by final judgment of the Circuit Court of the Seventh Judicial Circuit of the State of Florida, in and for Flagler County, Florida rendered on April 6, 2022, the appeal period for which has expired with no appeal having been taken; and

WHEREAS, the Governing Body of the District duly adopted Resolution No. 2022-26, on January 25, 2022, providing for the acquisition, construction and installation of assessable capital improvements (the “Capital Improvement Plan”) more particularly described in the Engineer’s Report originally dated November 30, 2021, and revised as of October 12, 2023, prepared by Terra-Max Engineering, Inc. and attached hereto as Exhibit A (the “Engineer’s Report”), 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 a portion of the costs of the acquisition, construction and installation of the Capital Improvement Plan, and the Governing Body of the District duly adopted Resolution No. 2022-32, on April 20, 2022, following a public hearing conducted in accordance with the Act, to fix and establish the Assessments and the benefited property, which Resolution will be supplemented by a supplemental assessment resolution conforming the Series 2023 Assessments (hereinafter defined) to the final pricing of the Series 2023 Bonds (hereinafter defined); and

WHEREAS, pursuant to Resolution No. 2024-[__], adopted by the Governing Body of the District on October 24, 2023, the District has authorized the issuance, sale and delivery of its \$_____ Palm Coast 145 Community Development District Special Assessment Bonds, Series 2023 (the “Series 2023 Bonds”) which are issued hereunder as a Series of Bonds under, and as defined in, the Master Indenture, and has reaffirmed the Master Indenture and authorized the

execution and delivery of the Master Indenture and this First Supplemental Indenture to secure the issuance of the Series 2023 Bonds and to set forth the terms of the Series 2023 Bonds; and

WHEREAS, the District will apply the proceeds of the Series 2023 Bonds to: (i) finance a portion of the Cost of the Capital Improvement Plan (such financed portion being referred to herein as the “Series 2023 Project”); (ii) pay certain costs associated with the issuance of the Series 2023 Bonds; (iii) make a deposit into the Series 2023 Reserve Account to be held for the benefit of all of the Series 2023 Bonds, without privilege or priority of one Series 2023 Bond over another; and (iv) pay a portion of the interest to become due on the Series 2023 Bonds; and

WHEREAS, the Series 2023 Bonds will be payable from and secured by Assessments imposed, levied and collected by the District with respect to property within the District specially benefited by the Series 2023 Project (the “Series 2023 Assessments”), which, together with the Series 2023 Pledged Funds (hereinafter defined) will comprise the Trust Estate securing the Series 2023 Bonds (the “Series 2023 Trust Estate”), which shall constitute a “Series Trust Estate” as defined in the Master Indenture; and

WHEREAS, the execution and delivery of the Series 2023 Bonds and of this First Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the Series 2023 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this First Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the Series 2023 Trust Estate have been done;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS FIRST SUPPLEMENTAL TRUST 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 2023 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 2023 Bonds Outstanding (as defined in the Master Indenture) 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 such other payments due under any Letter of Credit Agreement or Liquidity Agreement (as defined in the Master Indenture), and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this First Supplemental Indenture and in the Series 2023 Bonds: (a) has executed and delivered this First 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 received by the District from the Series 2023 Assessments (the “Series 2023 Pledged Revenues”) and the Funds and Accounts (except for the Series 2023 Rebate Account) established hereby (the “Series 2023 Pledged Funds”) which shall comprise a part of the Series 2023 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 2023 Bonds issued or to be issued under and secured by this First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one Series 2023 Bond over any other Series 2023 Bond by reason of priority in their issue, sale or execution;

PROVIDED FURTHER 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 2023 Bonds or any Series 2023 Bond of a particular maturity issued, secured and Outstanding under this First Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2023 Bonds and this First 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 First 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 First Supplemental Indenture, then upon such final payments, this First Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2023 Bonds or any Series 2023 Bond of a particular maturity, otherwise this First Supplemental Indenture shall remain in full force and effect;

THIS FIRST SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Series 2023 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 in the Master Indenture (except as amended directly or by implication by this First Supplemental Indenture), including this First Supplemental Indenture, expressed, 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 2023 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 (i) expressly given a different meaning herein or (ii) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

“Assessment Methodology” shall mean, collectively, the Master Special Assessment Methodology Report, dated January 25, 2022, as supplemented by the First Supplemental Special Assessment Methodology Report, dated November __, 2023.

“Authorized Denomination” shall mean, with respect to the Series 2023 Bonds, \$5,000 or any integral multiple thereof; provided however, that the Series 2023 Bonds shall be delivered to the initial purchasers thereof in minimum aggregate principal amounts of \$100,000 and integral multiples of Authorized Denominations in excess of \$100,000.

“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 Bonds as securities depository.

“Capital Improvement Plan” shall mean the program of assessable capital improvements established by the District in the Series 2023 Assessment Proceedings and more particularly described in the Engineer’s Report attached hereto as Exhibit A.

“Collateral Assignment” shall mean the Collateral Assignment and Assumption of Development and Contract Rights, dated as of November __, 2023, by the [Landowner and Developer] in favor of the District.

“Completion Agreement” shall mean the Completion Agreement between the District and the Developer, dated as of November __, 2023.

“Declaration of Consent” shall mean the Declaration of Consent to Jurisdiction of Community Development District and to Imposition of Special Assessments dated November __, 2023, by the Landowner.

“Delinquent Assessment Interest” shall mean Series 2023 Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in which such Series 2023 Assessment Interest has, or would have, become delinquent under State law applicable thereto.

“Delinquent Assessment Principal” shall mean Series 2023 Assessment Principal deposited by the District with the Trustee on or after May 1 of the year in which such Series 2023 Assessment Principal has, or would have, become delinquent under State law applicable thereto.

“Delinquent Assessments” shall mean Delinquent Assessment Principal and Delinquent Assessment Interest.

“Developer” shall mean Palm Coast 145 Manager, LLC, a Florida limited liability company, and its successors and assigns.

“Interest Payment Date” shall mean each May 1 and November 1, commencing May 1, 2024.

“Landowner” shall mean Palm Coast 145 Acquisition, LLC, a Florida limited liability company, and its successors and assigns.

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

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

“Series 2023 Assessment Proceedings” shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2023 Assessments which include Resolution Nos. 2022-26, 2022-27, 2022-32 and 2024-__, adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the District with respect to the Series 2023 Assessments and the Assessment Methodology as approved thereby.

“Series 2023 Assessments” shall mean the principal and interest of Series 2023 Assessments received by the District which correspond to the principal of and interest on the Series 2023 Bonds.

“Series 2023 Assessment Interest” shall mean the interest on the Series 2023 Assessments which is pledged to the Series 2023 Bonds.

“Series 2023 Assessment Principal” shall mean the principal amount of Series 2023 Assessments received by the District which represents a proportionate amount of the principal of and Amortization Installments of the Series 2023 Bonds, other than applicable Delinquent Assessment Principal and Series 2023 Prepayment Principal.

“Series 2023 Pledged Funds” shall mean all of the Funds and Accounts created hereby with the Trustee, including the subaccounts therein, other than the Series 2023 Rebate Account in the Rebate Fund.

“Series 2023 Pledged Revenues” shall mean the revenues received by the District from the Series 2023 Assessments, including 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 2023 Bonds.

“Series 2023 Prepayment Principal” shall mean the excess amount of Series 2023 Assessment Principal received by the District over the Series 2023 Assessment Principal included within a Series 2023 Assessment appearing on any outstanding and unpaid tax bill, whether or not mandated to be prepaid in accordance with the Series 2023 Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2023 Prepayment Principal shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

“Series 2023 Project” shall mean the portion of the Capital Improvement Plan financed with proceeds of the Series 2023 Bonds.

“Series 2023 Reserve Account Requirement” shall mean an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2023 Bonds as of the time of any such calculation, which on the date of issuance of the Series 2023 Bonds is equal to \$_____.

“Substantially Absorbed” shall mean the date on which the principal amount of the Series 2023 Assessments equaling ninety percent (90%) of the then-Outstanding principal amount of the Series 2023 Bonds is levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon and are owned by end users, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

“Tri-Party Agreement” shall mean the Tri-Party Agreement Relating to Acknowledgment of Jurisdiction, Imposition of Special Assessments, and Acknowledgement of Subordination, dated as of November __, 2023, among the District, the Developer and _____.

“True-Up Agreement” shall mean the True-Up Agreement, dated as of November __, 2023, between the District and the Landowner.

“Underwriter” shall mean Morgan Stanley & Co. LLC.

ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2023 BONDS

Section 201. Authorization of Series 2023 Bonds; Book-Entry Only Form. The Series 2023 Bonds are hereby authorized to be issued for the purposes enumerated in the recitals hereto in one Series designated “\$_____ Palm Coast 145 Community Development District Special Assessment Bonds, Series 2023.” The Series 2023 Bonds shall be substantially in the form set forth

as Exhibit B to this First Supplemental Indenture. Each Series 2023 Bond shall bear the designation "2023R" and shall be numbered consecutively from 1 upwards.

The Series 2023 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2023 Bond for each maturity thereof. Upon initial issuance, the ownership of each such Series 2023 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 2023 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 2023 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 (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the Series 2023 Bonds, (ii) 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 2023 Bonds, including any notice of redemption, or (iii) 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 2023 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose name each Series 2023 Bond is registered in the registration books kept by the Bond Registrar as the absolute Owner of such Series 2023 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2023 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2023 Bond, for the purpose of registering transfers with respect to such Series 2023 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2023 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 2023 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 2023 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 First 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, Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC: (i) 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 2023 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 2023 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository can be found which is willing and able to undertake the functions of DTC hereunder upon reasonable and customary terms, the Series 2023 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 2023 Bonds shall designate, in accordance with the provisions hereof.

Section 202. Terms. The Series 2023 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>Principal</u> <u>Amount</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>
-------------------------------------------------	----------------------------------------------	----------------------------------------------

Section 203. Dating and Interest Accrual. Each Series 2023 Bond shall be dated November __, 2023. Each Series 2023 Bond also shall bear its date of authentication. Each Series 2023 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: (i) is an Interest Payment Date to which interest on such Series 2023 Bond has been paid, in which event such Series 2023 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2023 Bonds, in which event, such Series 2023 Bond shall bear interest from its date. Interest on the Series 2023 Bonds shall be due and payable on each May 1 and November 1, commencing May 1, 2024, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 204. Denominations. The Series 2023 Bonds shall be issued in Authorized Denominations; provided, however, that the Series 2023 Bonds shall be delivered to the initial

purchasers thereof in minimum aggregate principal amounts of \$100,000 and integral multiples of Authorized Denominations in excess of \$100,000.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the Series 2023 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the Series 2023 Bonds.

Section 207. Conditions Precedent to Issuance of Series 2023 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2023 Bonds, all the Series 2023 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 2023 Assessment Proceedings;
- (b) Executed copies of the Master Indenture and this First Supplemental Indenture;
- (c) A customary Bond Counsel opinion;
- (d) The opinion of counsel to the District required by the Master Indenture;
- (e) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2023 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this First Supplemental Indenture;
- (f) An Engineer's Certificate which sets forth certain matters with respect to the Capital Improvement Plan and/or the Series 2023 Project;
- (g) A copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal; and
- (h) Executed copies of the Declaration of Consent, Collateral Assignment, Completion Agreement, Tri-Party Agreement and True-Up Agreement.

Payment to the Trustee of \$_____ upon the initial issuance of the Series 2023 Bonds 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 2023 BONDS

Section 301. Bonds Subject to Redemption; Notice of Redemption. The Series 2023 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as Exhibit B to this First Supplemental Indenture. Interest on Series 2023 Bonds which are called for

redemption shall be paid on the date of redemption from the Series 2023 Interest Account or Series 2023 Revenue Account to the extent monies in the Series 2023 Interest Account are insufficient for such purpose.

Notice of redemption shall be given as provided in the Master Indenture. Notwithstanding the foregoing, 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.

ARTICLE IV
DEPOSIT OF SERIES 2023 BOND PROCEEDS AND APPLICATION THEREOF;
ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

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

(a) There are hereby established within the Acquisition and Construction Fund held by the Trustee: (i) a Series 2023 Acquisition and Construction Account; and (ii) a Series 2023 Costs of Issuance Account.

(b) There are hereby established within the Debt Service Fund held by the Trustee: (i) a Series 2023 Debt Service Account and therein a Series 2023 Sinking Fund Account, a Series 2023 Interest Account and a Series 2023 Capitalized Interest Account; and (ii) a Series 2023 Redemption Account and therein a Series 2023 Prepayment Subaccount and a Series 2023 Optional Redemption Subaccount;

(c) There is hereby established within the Reserve Fund held by the Trustee a Series 2023 Reserve Account, which Series 2023 Reserve Account shall be held for the benefit of all Series 2023 Bonds, without distinction as to Series 2023 Bonds and without privilege or priority of one Series 2023 Bond over another;

(d) There is hereby established within the Revenue Fund held by the Trustee a Series 2023 Revenue Account; and

(e) There is hereby established within the Rebate Fund held by the Trustee a Series 2023 Rebate Account.

Section 402. Use of Series 2023 Bond Proceeds. The net proceeds of the sale of the Series 2023 Bonds, in the amount of \$_____ (consisting of \$_____ aggregate principal amount of Series 2023 Bonds, [less/plus] [net] original issue [discount/premium] of \$_____, less Underwriter's discount in the amount of \$_____), 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) \$_____, representing the Series 2023 Reserve Account Requirement at the time of issuance of the Series 2023 Bonds, shall be deposited to the Series 2023 Reserve Account;

(b) \$_____, representing the costs of issuance relating to the Series 2023 Bonds, shall be deposited to the credit of the Series 2023 Costs of Issuance Account;

(c) \$_____, representing interest on the Series 2023 Bonds due through [November 1, 2025], shall be deposited to the credit of the Series 2023 Capitalized Interest Account; and

(d) \$_____ shall be deposited to the credit of the Series 2023 Acquisition and Construction Account.

Section 403. Series 2023 Acquisition and Construction Account and Series 2023 Capitalized Interest Account. (a) Amounts on deposit in the Series 2023 Acquisition and Construction Account shall be applied to pay Costs of the Series 2023 Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture and the form attached as Exhibit A to the Master Indenture. The Trustee shall have no duty to review any requisitions to determine if the amount requested is for payment of a cost permitted hereunder. Anything in the Master Indenture to the contrary notwithstanding, the Consulting Engineer shall establish a Date of Completion for the Series 2023 Project, and any balance remaining in the Series 2023 Acquisition and Construction Account (taking into account the moneys currently on deposit therein to pay any accrued but unpaid Costs of the Series 2023 Project which are required to be reserved in the Series 2023 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 deposited to the Series 2023 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2023 Bonds in accordance with Section 301 hereof and in the manner prescribed in the form of Series 2023 Bonds set forth as Exhibit B hereto. After there are no funds therein, the Series 2023 Acquisition and Construction Account shall be closed. Notwithstanding the foregoing, the Series 2023 Acquisition and Construction Account shall not be closed prior to [November 1, 2025].

(b) Amounts on deposit in the Series 2023 Capitalized Interest Account shall, until and including [November 1, 2025], be transferred into the Series 2023 Interest Account and applied to the payment of interest first coming due on the Series 2023 Bonds, and thereafter transferred into the Series 2023 Acquisition and Construction Account, whereupon the Series 2023 Capitalized Interest Account shall be closed.

Section 404. Costs of Issuance Account. The amount deposited in the Series 2023 Costs of Issuance Account shall, at the written direction of an Authorized Officer of the District, be used to pay the costs of issuance relating to the Series 2023 Bonds. On the date of issuance of the Series 2023 Bonds, initial costs of issuance shall be paid pursuant to the instructions in the closing memorandum prepared by the Underwriter and signed by an Authorized Officer of the District.

On the earlier to occur of: (x) the written direction of an Authorized Officer of the District or (y) three (3) months from the date of issuance of the Series 2023 Bonds, any amounts deposited in the Series 2023 Costs of Issuance Account which have not been requisitioned shall be transferred over and deposited into the Series 2023 Acquisition and Construction Account and used for the purposes permitted therefor, whereupon the Series 2023 Costs of Issuance Account shall be closed.

Section 405. Series 2023 Reserve Account. The Series 2023 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2023 Reserve Account Requirement. Except as otherwise provided herein or in the Master Indenture, amounts on deposit in the Series 2023 Reserve Account shall be used only for the purpose of making payments into the Series 2023 Interest Account and the Series 2023 Sinking Fund Account to pay Debt Service on the Series 2023 Bonds, when due, to the extent the moneys on deposit in such Accounts and available therefor are insufficient and for no other purpose. The Series 2023 Reserve Account shall consist only of cash and Investment Obligations.

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 first Business Day preceding such forty-fifth (45th) day), the District shall recalculate the Series 2023 Reserve Account Requirement taking into account any Series 2023 Prepayment Principal on deposit in the Series 2023 Prepayment Subaccount of the Series 2023 Redemption Account and provide written direction to the Trustee to transfer any excess on deposit in the Series 2023 Reserve Account (other than excess resulting from earnings on investments, which shall be governed by Section 408(f) hereof) into the Series 2023 Prepayment Subaccount of the Series 2023 Redemption Account and apply such excess to the extraordinary mandatory redemption of the Series 2023 Bonds.

On the earliest date on which there is on deposit in the Series 2023 Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2023 Bonds, together with accrued interest on such Series 2023 Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall, upon written direction of the District, transfer the amount on deposit in the Series 2023 Reserve Account into the Series 2023 Prepayment Subaccount in the Series 2023 Redemption Account to pay and redeem all of the Outstanding Series 2023 Bonds on the earliest date permitted for redemption therein and herein.

Anything in the Master Indenture or herein to the contrary notwithstanding, amounts on deposit in the Series 2023 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. (a) The Amortization Installments established for the Series 2023 Bonds shall be as set forth in the form of Series 2023 Bonds attached hereto.

(b) Upon any redemption of Series 2023 Bonds (other than Series 2023 Bonds redeemed in accordance with scheduled Amortization Installments and other than Series 2023 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 District shall cause the Amortization Installments for the Outstanding Series 2023 Bonds to be recalculated in such manner as shall amortize all of the Outstanding Series 2023 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of each Series 2023 Bond.

Section 407. Tax Covenants and Rebate Account. The District shall comply with the Tax Regulatory Covenants set forth in the tax certificate of the District issued in connection with the issuance of the Series 2023 Bonds, as amended and supplemented from time to time in accordance with their terms.

Section 408. Series 2023 Revenue Account; Application of Revenues and Investment Earnings. (a) The Trustee is hereby authorized and directed to deposit into the Series 2023 Revenue Account any and all amounts required to be deposited therein by this Section 408 or by any other provision of the Master Indenture or this First 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 2023 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 2023 Revenue Account the Series 2023 Pledged Revenues other than Series 2023 Prepayment Principal, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2023 Prepayment Subaccount in the Series 2023 Redemption Account, and any other revenues required by other provisions of the Indenture to be deposited therein. The Trustee may conclusively rely on the assumption that, unless otherwise instructed in writing by the District at the time of deposit to the Trustee, Series 2023 Pledged Revenues paid to the Trustee shall be deposited into the Series 2023 Revenue Account, and that Series 2023 Pledged Revenues which the District informs the Trustee constitute Series 2023 Prepayment Principal shall be deposited into the Series 2023 Prepayment Subaccount of the Series 2023 Redemption Account.

(c) On the forty-fifth (45th) day preceding each Quarterly Redemption Date with respect to the Series 2023 Bonds (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 2023 Prepayment Subaccount of the Series 2023 Redemption Account and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2023 Revenue Account for deposit into the Series 2023 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to the next highest integral

multiple of \$5,000 (provided that there are sufficient funds remaining therein to pay Debt Service coming due on the Series 2023 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2023 Bonds in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2023 Prepayment Subaccount in accordance with the provisions for extraordinary redemption of the Series 2023 Bonds set forth in the form of Series 2023 Bonds attached hereto, Section 301 hereof, and Article III of the Master Indenture.

(d) On each May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day next preceding such May 1 or November 1), the Trustee shall first transfer from the Series 2023 Capitalized Interest Account to the Series 2023 Interest Account the lesser of (x) the amount of interest coming due on the Series 2023 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (y) the amount remaining in the Series 2023 Capitalized Interest Account.

Following the foregoing transfers, on each 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 from the amounts on deposit in the Series 2023 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, to the Series 2023 Interest Account of the Series 2023 Debt Service Account, an amount equal to the amount of interest payable on all Series 2023 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2023 Capitalized Interest Account in accordance with Sections 403(b) and 408(d) hereof, and less any other amount already on deposit in the Series 2023 Interest Account not previously credited;

SECOND, on May 1, 20__, and each May 1 thereafter, to the Series 2023 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2023 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2023 Sinking Fund Account not previously credited;

THIRD, to the Series 2023 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2023 Reserve Account Requirement; and

FOURTH, the balance shall be retained in the Series 2023 Revenue Account.

On or after each November 2, the balance on deposit in the Series 2023 Revenue Account shall be retained therein.

(e) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2023 Revenue Account to the Series 2023 Rebate Account established for the Series 2023 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing, if any, to the United States,

which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

(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 2023 Bonds shall be invested only in Investment Obligations, and further, earnings on the Series 2023 Acquisition and Construction Account, the Series 2023 Interest Account, and the Series 2023 Capitalized Interest Account, shall be retained, as realized, in such Accounts and used for the purpose of such Account. Earnings on investments in the Funds and Accounts other than the Series 2023 Reserve Account and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2023 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2023 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 2023 Reserve Account as of the most recent date on which amounts on deposit in the Series 2023 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2023 Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2023 Reserve Account shall be deposited into the Series 2023 Capitalized Interest Account through [November 1, 2025], and, thereafter earnings in the Series 2023 Reserve Account shall be allocated to and deposited into the Series 2023 Revenue Account and used for the purpose of such Account; and

(ii) if as of the last date on which amounts on deposit in the Series 2023 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture), or if after such date withdrawals have been made from the Series 2023 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2023 Reserve Account shall be deposited into the Series 2023 Reserve Account until the amount on deposit therein is equal to the Series 2023 Reserve Account Requirement, and then earnings on investments in the Series 2023 Reserve Account shall be deposited into the Series 2023 Capitalized Interest Account through [November 1, 2025], and thereafter shall be allocated to and deposited into the Series 2023 Revenue Account and used for the purpose of such Account.

Notwithstanding the foregoing, if there is a deficiency in the Series 2023 Reserve Account, prior to the deposit of any earnings in the Series 2023 Revenue Account, the amount of such proposed transfer shall instead be deposited into the Series 2023 Reserve Account until the balance on deposit therein is equal to the Series 2023 Reserve Account Requirement.

ARTICLE V CONCERNING THE TRUSTEE

Section 501. Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this First Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth 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 First 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. The District covenants and agrees that so long as there are any Series 2023 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2023 Trust Estate other than Bonds issued to refund the Outstanding Series 2023 Bonds. The District further covenants and agrees that so long as the Series 2023 Assessments have not been Substantially Absorbed, it shall not issue any Additional Bonds secured by Assessments for capital projects on lands subject at such time to the Series 2023 Assessments without the consent of the Majority Owners; provided, however, that the foregoing shall not preclude the imposition of capital Assessments at any time on property subject to the Series 2023 Assessments which are necessary for health, safety, and welfare reasons, to remediate a natural disaster or imposed prior to the issuance of the Series 2023 Bonds.

ARTICLE VII MISCELLANEOUS

Section 701. Confirmation of Master Indenture. As supplemented by this First Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this First 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 First Supplemental Indenture and to the Series 2023 Bonds issued hereunder. To the extent of any conflict between the Master Indenture and this First Supplemental Indenture the terms and provisions hereof shall control.

Section 702. Continuing Disclosure Agreement. Contemporaneously with the execution and delivery hereof, the District has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The District covenants and agrees to comply with the provisions of such 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 by mandamus, injunction or any other means of specific performance. The District represents that it has

complied with its existing continuing disclosure undertakings, except as described in the prospectus related to the Series 2023 Bonds.

Section 703. Collection of Assessments. (a) Anything herein or in the Master Indenture to the contrary notwithstanding, when permitted by law, Series 2023 Assessments levied on platted lots and pledged hereunder to secure the Series 2023 Bonds shall be collected pursuant to the “Uniform Method” prescribed by Florida Statutes and Series 2023 Assessments levied on unplatted lots and pledged hereunder to secure the Series 2023 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 during an Event of Default.

(b) All Series 2023 Assessments that are collected directly by the District and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date; provided, however, that such Series 2023 Assessments shall not be deemed to be Delinquent Assessments unless and until such Series 2023 Assessments are not paid by the applicable Interest Payment Date with respect to which they have been billed.

Section 704. Owner Direction and Consent with Respect to Series 2023 Acquisition and Construction Account Upon Occurrence of Event of Default. In accordance with the provisions of the Indenture, the Series 2023 Bonds are secured solely by the Series 2023 Pledged Revenues and the Series 2023 Pledged Funds comprising the Series 2023 Trust Estate. Anything in the Indenture to the contrary notwithstanding, the District hereby acknowledges that (i) the Series 2023 Pledged Funds include, without limitation, all amounts on deposit in the Series 2023 Acquisition and Construction Account then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2023 Bonds, the Series 2023 Pledged Funds may not be used by the District (whether to pay Costs of the Series 2023 Project or otherwise) without the 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 Series 2023 Project and payment is for such work, and (iii) upon the occurrence of an Event of Default with respect to the Series 2023 Bonds, the Series 2023 Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay 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 Series 2023 Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

Section 705. Additional Covenant Regarding Assessments. In addition to, and not in limitation of, the covenants contained elsewhere in this First Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2023 Assessments, including the Assessment Methodology, and to levy the Series 2023 Assessments and 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 2023 Bonds, when due. The Assessment Methodology shall not be materially amended without the prior written consent of the Majority Owners.

Section 706. Assignment of District's Rights Under Collateral Assignment. Subject to the terms of the Collateral Assignment, and without intending to alter the same, the District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2023 Bonds. The Trustee shall not be deemed to have accepted any obligation under the Collateral Assignment by virtue of such assignment.

Section 707. Enforcement of True-Up Agreement 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 Completion Agreement and the True-Up Agreement and, upon the occurrence and continuance of a default under either or all 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 Completion Agreement and the True-Up 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 without benefit of any period for cure.

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IN WITNESS WHEREOF, Palm Coast 145 Community Development District has caused these presents 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 these presents to be signed in its name and on its behalf by its duly authorized Vice President.

(SEAL)

**PALM COAST 145 COMMUNITY
DEVELOPMENT DISTRICT**

Attest:

David Root, Chair, Board of Supervisors

Cindy Cerbone, Assistant Secretary

[Signature Page | First Supplemental Trust Indenture]

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

Amanda Kumar, Vice President

[Signature Page | First Supplemental Trust Indenture]

EXHIBIT A

ENGINEER'S REPORT

See the Engineer's Report attached as Appendix A to the Limited Offering Memorandum for the Series 2023 Bonds dated _____, 2023.

EXHIBIT B

FORM OF SERIES 2023 BONDS

No. 2023R-__

\$ _____

United States of America

State of Florida

PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BOND, SERIES 2023

<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Dated</u> <u>Date</u>	<u>CUSIP</u>
____%	May 1, 20__	November __, 2023	_____

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

PALM COAST 145 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 May 1, 2024, 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 (as 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 next 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, Maturity Amount 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 2023 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months. 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 "\$_____ Palm Coast 145 Community Development District Special Assessment Bonds, Series 2023" (the "Series 2023 Bonds") issued as a Series under a Master Trust Indenture, dated as of November 1, 2023 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, located in Fort Lauderdale, Florida, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture, dated as of November 1, 2023 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture") (the Series 2023 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 2023 Bonds to: (i) finance the Cost of acquiring, constructing and equipping assessable improvements (the "Series 2023 Project"); (ii) pay certain costs associated with the issuance of the Series 2023 Bonds; (iii) make a deposit into the Series 2023 Reserve Account to be held for the benefit of all of the Series 2023 Bonds, without privilege or priority of one Series 2023 Bond over another; and (iv) pay a portion of the interest to become due on the Series 2023 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 AUTHORIZING THE ISSUANCE OF THE SERIES 2023 BONDS. 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 2023 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2023 BONDS SHALL BE PAYABLE FROM,

AND SHALL BE SECURED SOLELY BY, THE SERIES 2023 TRUST ESTATE PLEDGED TO THE SERIES 2023 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 Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Maturity Amount and Redemption Price of, and the interest on, the Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Assessments, the terms and conditions under which the 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 Bonds, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2023 Bonds are equally and ratably secured by the Series 2023 Trust Estate, without preference or priority of one Series 2023 Bond over another. The Supplemental Indenture does not authorize the issuance of any Additional Bonds ranking on parity with the Series 2023 Bonds as to the lien and pledge of the Series 2023 Trust Estate. The District further covenants and agrees in the Supplemental Indenture that so long as the Series 2023 Assessments have not been Substantially Absorbed, it shall not issue any Additional Bonds secured by Assessments for capital projects on lands subject at such time to the Series 2023 Assessments without the consent of the Majority Owners; provided, however, that the foregoing shall not preclude the imposition of capital Assessments on property subject to the Series 2023 Assessments which are necessary for health, safety, and welfare reasons, to remediate a natural disaster or imposed prior to the issuance of the Series 2023 Bonds.

The Series 2023 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"); provided, however, that the Series 2023 Bonds shall be delivered to the initial purchasers thereof in minimum aggregate principal amounts of \$100,000 and integral multiples of Authorized Denominations in excess of \$100,000. 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 2023 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 2023 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

The Series 2023 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 2023 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:

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

* Maturity

The Series 2023 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 2023 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:

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

* Maturity

The Series 2023 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 2023 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:

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

* Maturity

The Series 2023 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 2023 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:

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

* Maturity

As more particularly set forth in the Indenture, any Series 2023 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 2023 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2023 Bonds so as to reamortize the remaining Outstanding principal balance of the Series 2023 Bonds as set forth in the Supplemental Indenture.

The Series 2023 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption as follows, if and to the extent that any one or more of the following have occurred:

- (a) on or after the Date of Completion of the Series 2023 Project, by application of moneys transferred from the Series 2023 Acquisition and Construction Account in the Acquisition and Construction Fund established under the Indenture to the Series 2023 Prepayment Subaccount of the Series 2023 Redemption Account in accordance with the terms of the Indenture; or

(b) from amounts, including Series 2023 Prepayment Principal, required by the Indenture to be deposited into the Series 2023 Prepayment Subaccount of the Series 2023 Redemption Account; or

(c) from amounts transferred to the Series 2023 Prepayment Subaccount of the Series 2023 Redemption Account resulting from a reduction in the Series 2023 Reserve Account Requirement as provided for in the Indenture; or

(d) on the date on which the amount on deposit in the Series 2023 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2023 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2023 Bonds shall be called for redemption, the particular Series 2023 Bonds or portions of Series 2023 Bonds to be redeemed shall, unless otherwise provided in the Indenture, be selected by lot by the Bond Registrar as provided in the Indenture.

Notice of each redemption of Series 2023 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 2023 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 2023 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 2023 Bonds or such portions thereof on such date, interest on such Series 2023 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2023 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 2023 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 Master Indenture or to institute 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 2023 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 dates 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 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 2023 Bonds as to the Series 2023 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 ordinances and 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, Palm Coast 145 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.

(SEAL)

**PALM COAST 145 COMMUNITY
DEVELOPMENT DISTRICT**

Attest:

David Root, Chair, Board of Supervisors

Cindy Cerbone, Assistant Secretary

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**

Amanda Kumar, Vice President

Date of Authentication:

November __, 2023

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court of the Seventh Judicial Circuit of the State of Florida, in and for Flagler County, Florida rendered on April 6, 2022.

David Root, Chair, Board of Supervisors

ABBREVIATIONS FOR SERIES 2023 BONDS

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.

ASSIGNMENT FOR SERIES 2023 BONDS

For value received, the undersigned hereby sells, assigns and transfers unto

_____ 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 whatever.

EXHIBIT B

FORM OF PURCHASE CONTRACT

\$[PAR]

**PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS,
SERIES 2023**

[Sale Date]

BOND PURCHASE AGREEMENT

Palm Coast 145 Community Development District
City of Palm Coast, Florida

Ladies and Gentlemen:

Morgan Stanley & Co. (the “Underwriter”) offers to enter into this Bond Purchase Agreement with the Palm Coast 145 Community Development District (the “District” or the “Issuer”). This offer is made subject to written acceptance hereof by the Issuer at or before 11:59 p.m., New York time, on the date hereof. If not so accepted, this offer will be subject to withdrawal by the Underwriter upon written notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Capitalized terms used herein and not otherwise expressly defined herein shall have the meaning ascribed to such term in the Limited Offering Memorandum (as defined herein) or the Indenture (as defined herein), as applicable.

1. Purchase and Sale. Upon the terms and conditions and in reliance on the representations, warranties, covenants and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the Issuer’s \$[PAR] aggregate principal amount of Special Assessment Bonds, Series 2023 (the “Series 2023 Bonds”). The Series 2023 Bonds shall be dated as of the date of their delivery and shall be payable on the dates and in the principal amounts, bear such rates of interest and be subject to redemption, all as set forth in **Exhibit A** attached hereto. Interest on the Series 2023 Bonds is payable semi-annually on May 1 and November 1 each year, commencing May 1, 2024. The aggregate purchase price for the Series 2023 Bonds shall be \$[_____] (representing the aggregate par amount of the Series 2023 Bonds of \$[PAR], [plus][minus] [net] original issue [premium][discount] of \$[_____], less an Underwriter’s discount on the Series 2023 Bonds of \$[_____]).

The Disclosure and Truth-In-Bonding Statements required by Section 218.385, Florida Statutes, are attached hereto as **Exhibit B**.

2. The Series 2023 Bonds. The District is 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 (collectively, the “Act”). The Series 2023 Bonds are being issued pursuant to the Act, Resolution No. 2022-28 adopted by the Board of Supervisors of the District (the “Board”) on January 25, 2022, authorizing the issuance

of not to exceed \$21,175,000 aggregate principal amount of its Special Assessment Bonds, as supplemented by Resolution No. 2024-[__] adopted by the Board on October 24, 2023 (collectively, the “Bond Resolution”) authorizing the issuance, sale and delivery of the Series 2023 Bonds in an aggregate principal amount not to exceed \$17,500,000 and a Master Trust Indenture dated as November 1, 2023 (the “Master Indenture”), between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), as supplemented by a First Supplemental Trust Indenture dated as of November 1, 2023, between the District and the Trustee (the “First Supplemental Indenture” and, together with the Master Indenture, the “Indenture”). The principal of and interest on the Series 2023 Bonds are payable from and secured by the Series 2023 Trust Estate, which includes the Series 2023 Pledged Revenues and the Series 2023 Pledged Funds. The Series 2023 Assessments comprising the Series 2023 Pledged Revenues have been levied by the District on those lands within the District specially benefited by the Series 2023 Project (as defined in the herein defined Preliminary Limited Offering Memorandum) pursuant to Resolution Nos. 2022-26, 2022-27, 2022-32 and 2024-[__] adopted by the Board on January 25, 2022, January 25, 2022, April 20, 2022 and [_____, 2023], respectively (collectively, the “Assessment Resolutions”). The Series 2023 Bonds shall be as described in, and shall be issued and secured pursuant to, the provisions of the Indenture.

The Series 2023 Bonds, together with additional monies authorized by the District will be used to (i) finance a portion of the Cost of the Series 2023 Project, (ii) pay certain costs associated with the issuance of the Series 2023 Bonds (iii) make a deposit into the Series 2023 Reserve Account to be held for the benefit of all of the Series 2023 Bonds, and (iv) pay a portion of the interest to become due on the Series 2023 Bonds.

3. Delivery of Limited Offering Memorandum and Other Documents.

(a) Prior to the date hereof, the Issuer has caused there to be prepared and has provided to the Underwriter for its review the Preliminary Limited Offering Memorandum dated [_____, 2023 (the “Preliminary Limited Offering Memorandum”), that the Issuer deemed final as of its date, except for certain permitted omissions (the “permitted omissions”), as contemplated by Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission (the “SEC”) in connection with the pricing of the Series 2023 Bonds. The Issuer hereby confirms that the Preliminary Limited Offering Memorandum was deemed final as of its date, except for the permitted omissions.

(b) The District has, prior to the date hereof, authorized the use of the Preliminary Limited Offering Memorandum by the Underwriter in connection with the limited offering of the Bonds. The Issuer shall deliver, or cause to be delivered, at its expense, to the Underwriter within seven (7) business days after the date hereof or use good faith to deliver within such shorter period as may be requested by the Underwriter and at least three (3) business days prior to the Closing Date (as defined herein), or within such other period as the Underwriter may inform the Issuer which is necessary for the Underwriter to comply with regulations of the Municipal Securities Rulemaking Board (“MSRB”) in order to accompany any confirmation that requests payment from any customer (i) sufficient copies of the final Limited Offering Memorandum (the “Limited Offering Memorandum”), including a copy in word-searchable portable document format, to enable the Underwriter to fulfill its obligations pursuant to the securities laws of the State of Florida (the “State”) and the United States, in form and substance

satisfactory to the Underwriter, and (ii) an executed original counterpart or certified copy of the Limited Offering Memorandum and the Indenture. In determining whether the number of copies to be delivered by the Issuer are reasonably necessary, at a minimum, the number shall be determined by the Underwriter and conveyed to the Issuer as shall be sufficient to enable the Underwriter to comply with the requirements of the Rule, all applicable rules of the MSRB, and to fulfill its duties and responsibilities under State and federal securities laws generally.

The Underwriter agrees to file the Limited Offering Memorandum in accordance with applicable MSRB rules.

The Issuer authorizes, or ratifies as the case may be, the use and distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in connection with the limited public offering and sale of the Series 2023 Bonds. The Underwriter agrees that it will not confirm the sale of any Series 2023 Bonds unless the confirmation of sale requesting payment is accompanied or preceded by the delivery of a copy of the Limited Offering Memorandum.

(c) From the date hereof until the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in the Rule), or (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB (but in no case less than 25 days following the end of the underwriting period), if the Issuer has knowledge of the occurrence of any event which may make it necessary to amend or supplement the Limited Offering Memorandum in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter and if, in the reasonable opinion of the Issuer or the reasonable opinion of the Underwriter, such event requires the preparation and publication of an amendment or supplement to the Limited Offering Memorandum, the Issuer, at its expense (unless such event was caused by the Underwriter), shall promptly prepare an appropriate amendment or supplement thereto (and file or cause, to be filed, the same with the MSRB, and mail such amendment or supplement to each record owner of Series 2023 Bonds) so that the statements in the Limited Offering Memorandum as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading, in a form and in a manner reasonably approved by the Underwriter. The Issuer will promptly notify the Underwriter of the occurrence of any event of which it has knowledge, which, in its opinion, is an event described in the preceding sentence. The amendments or supplements that may be authorized for use with respect to the Series 2023 Bonds are hereinafter included within the term “Limited Offering Memorandum.”

4. Limited Offering and Establishment of Issue Price.

The Underwriter agrees to make a bona fide limited offering to “accredited investors” representing the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriter or wholesalers) of all of the Series 2023 Bonds not in excess of the initial public offering price or prices (or below the yield or yields) set forth in **Exhibit A** hereto; provided, however, that the Underwriter may (a) offer and sell the Series 2023 Bonds to certain bond houses, brokers or to similar persons or organizations acting in the capacity of underwriters or wholesalers at prices lower than the public offering prices set

forth in **Exhibit A** hereto, and (b) change such initial offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Series 2023 Bonds.

(a) It shall be a condition to the District's obligation to sell and to deliver the Series 2023 Bonds to the Underwriter, and to the Underwriter's obligation to purchase, accept delivery of and pay for the Series 2023 Bonds, that the entire principal amount of the Series 2023 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.

(b) The Underwriter agrees to assist the District in establishing the issue price of the Series 2023 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 2023 Bonds.

(c) Except as otherwise set forth in **Exhibit A** attached hereto, the District will treat the first price at which 10% of each maturity of the Series 2023 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 Bond Purchase Agreement, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of the Series 2023 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2023 Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Series 2023 Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Series 2023 Bonds of that maturity or until all Series 2023 Bonds of that maturity have been sold to the public.

(d) The Underwriter confirms that it has offered the Series 2023 Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in **Exhibit A** attached hereto, except as otherwise set forth therein. **Exhibit A** also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Series 2023 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 2023 Bonds, the Underwriter will neither offer nor sell unsold Series 2023 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 2023 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 2023 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.

(e) The Underwriter acknowledges that sales of any Series 2023 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 2023 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 profits 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 this Bond Purchase Agreement is executed by all parties.

5. Definitions. For purposes hereof, (a) this Purchase Agreement, the Indenture, the Series 2023 Bonds, the Continuing Disclosure Agreement, to be dated as of the Closing Date, by and among the District, Palm Coast 145 Acquisition, LLC, a Florida limited liability company (the “Landowner”) and joined in by the Trustee and Wrathell Hunt & Associates, LLC, as dissemination agent (the “Dissemination Agent”), in substantially the form attached to the Limited Offering Memorandum as Appendix E 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 Agreement Between the Palm Coast 145 Community Development District and Palm Coast 145 Acquisition, LLC Regarding the Acquisition of Certain Work Product, Contracts, Infrastructure and Real Property to be entered into by and between the District and the Landowner to be dated as of the Closing Date (the “Acquisition Agreement”), the Agreement between Palm Coast 145 Community Development

District and Palm Coast 145 Acquisitions, LLC Regarding the Completion of Certain Improvements (Series 2023 Project) by and between the District and the Landowner to be dated as of the Closing Date (the “Completion Agreement”), the Collateral Assignment and Assumption of Development and Contract Rights Relating to the Series 2023 Project by the Landowner in favor of the District to be dated as of the Closing Date in recordable form (the “Collateral Assignment”), the Agreement Regarding the True-Up and Payment of Special Assessments for Palm Coast 145 Community Development District Special Assessment Bonds, Series 2023 to be entered into by and between the District and the Landowner to be dated as of the Closing Date in recordable form (the “True-Up Agreement”), the Tri-Party Agreement Relating to Acknowledgement of Jurisdiction, Imposition of Special Assessments, and Acknowledgment of Subordination by and among the District, the Developer and [_____] to be dated as of the Closing Date in recordable form (the “Tri-Party Agreement”) and the Declaration of Consent to Jurisdiction of Palm Coast 145 Community Development District and to Impositions of Special Assessments, Series 2023 Bonds, executed by the Landowner to be dated as of the Closing Date (the “Declaration of Consent”); are collectively referred to herein as the “Ancillary Agreements.”

6. Issuer Representations, Warranties, Covenants and Agreements. The Issuer represents and warrants to and covenants and agrees with the Underwriter that, as of the date hereof and as of the Closing Date:

(a) The District is a local unit of special purpose government, duly organized and established and validly existing under the Act and the Constitution and laws of the State, with full legal right, power and authority to: (1) adopt the Bond Resolution and the Assessment Resolutions; (2) enter into the Financing Documents and Ancillary Agreements to which it is a party; (3) sell, issue and deliver the Series 2023 Bonds to the Underwriter as provided herein; (4) apply the proceeds of the sale of the Series 2023 Bonds for the purposes described in the Limited Offering Memorandum; (5) authorize the distribution of the Preliminary Limited Offering Memorandum and execution of the Limited Offering Memorandum; (6) carry out and consummate the transactions contemplated by the Bond Resolution, the Assessment Resolutions, the Financing Documents, the Ancillary Agreements and the Limited Offering Memorandum, including but not limited to entering into the collection agreement with the Flagler County Property Appraiser and the Flagler County Tax Collector to provide for the collection of the Series 2023 Assessments using the Uniform Method of collection in accordance with the Indenture; and (7) levy and collect the Series 2023 Assessments that will secure the Series 2023 Bonds. The Issuer has complied, and at the Closing will be in compliance in all respects, with the terms of the Act and with the obligations on its part contained in the Bond Resolution, the Assessment Resolutions, the Financing Documents, the Ancillary Agreements to which it is a party and the Series 2023 Bonds.

(b) The District will comply with the Bond Resolution, the Assessment Resolutions, the Act, and the Constitution and laws of the State in all matters relating to the Financing Documents, the Ancillary Agreements and the Series 2023 Bonds, and the imposition, and levy and collection of the Series 2023 Assessments.

(c) The District will duly authorize and approve (1) the execution and delivery, or adoption, as the case may be, and performance of the Financing Documents, the Ancillary

Agreements, the Series 2023 Assessments and the Series 2023 Bonds, (2) the use and distribution of the Preliminary Limited Offering Memorandum and the execution, delivery and distribution of the Limited Offering Memorandum, and (3) the taking of any and all such action as may be required on the part of the District to carry out, give effect to and consummate the transactions contemplated by the Financing Documents, the Ancillary Agreements, the Series 2023 Assessments, the Series 2023 Bonds and the Limited Offering Memorandum.

(d) Each of the Financing Documents and the Ancillary Agreements to which the District is a party constitutes a legally valid and binding obligation of the District enforceable in accordance with its terms, and, upon due authorization, execution and delivery hereof and thereof by the parties thereto, will each constitute the legal, valid and binding obligation of the District enforceable in accordance with their respective terms.

(e) When delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Bond Purchase Agreement, the Series 2023 Bonds will have been duly authorized, executed, authenticated, issued and delivered and will constitute legal, valid and binding special obligations of the District, conforming to the Act, and entitled to the benefit and security of the Indenture.

(f) Upon the execution, authentication, issuance and delivery of the Series 2023 Bonds as aforesaid, the First Supplemental Indenture will provide, for the benefit of the holders from time to time of the Series 2023 Bonds, a legally valid and binding pledge of and a security interest in and to the Trust Estate, including the Series 2023 Pledged Revenues pledged to the Series 2023 Bonds, subject only to the provisions of the First Supplemental Indenture permitting the application of such Series 2023 Pledged Revenues for the purposes and on the terms and conditions set forth in the First Supplemental Indenture.

(g) Other than any approvals that might be required under the securities laws of any state, no approval, permit, consent or authorization of, or registration or filing with, any governmental or public agency or authority or any other entity not already obtained or made, or to be made simultaneously with the issuance of the Series 2023 Bonds, is required to be obtained by the District in connection with the issuance and sale of the Series 2023 Bonds, or the execution and delivery by the District of, or the due performance of its obligations under the Financing Documents, the Ancillary Agreements and the Series 2023 Bonds, and any such approvals, permits, consents or authorizations so obtained are in full force and effect.

(h) The District is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States, the Financing Documents, the Ancillary Agreements, the Series 2023 Bonds or any applicable judgment or decree or any other 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, that could have a materially adverse effect on the business or operations of the District, and no event of default by the District has occurred and is continuing under any such instrument except as otherwise stated herein.

(i) The execution and delivery by the District of the Financing Documents, the Ancillary Agreements, the Series 2023 Bonds and any other instrument to which the District is a

party and which is used or contemplated for use in conjunction with the transactions contemplated by the Financing Documents, the Ancillary Agreements, the Series 2023 Bonds or the Limited Offering Memorandum, and the compliance with the provisions of each such instrument and the consummation of any transactions contemplated hereby and thereby, will not conflict with or constitute a breach of, or default under any indenture, contract, agreement, or other instrument to which the District is a party or by which it is bound, or to the best of its knowledge under any provision of the Constitution of the State or any existing law, rule, regulation, ordinance, judgment, order or decree to which the District (or any of its supervisors or officers in their respective capacities as such) or its properties is subject.

(j) Except as disclosed in the Limited Offering Memorandum, there is no action, suit, hearing, inquiry or investigation, at law or in equity, before or by any court, public board, agency or body, pending or, to the best knowledge of the District, threatened against or affecting the District or any of its supervisors in their respective capacities as such, in which an unfavorable decision, ruling or finding would, in any material way, adversely affect (1) the transactions contemplated by the Financing Documents, the Ancillary Agreements, the Series 2023 Bonds or the proceedings relating to the Series 2023 Assessments, (2) the organization, existence or powers of the District or any of its supervisors or officers in their respective capacities as such, (3) the business, properties or assets or the condition, financial or otherwise, of the District, (4) the validity or enforceability of the Series 2023 Bonds, the Financing Documents, the Ancillary Agreements, the Series 2023 Assessments or any other agreement or instrument to which the District is a party and which is used or contemplated for use in the transactions contemplated hereby or by the Indenture, (5) the exclusion from gross income for federal income tax purposes of the interest on the Series 2023 Bonds, (6) the exemption under the Act of the Series 2023 Bonds and the interest thereon from taxation imposed by the State of Florida, (7) the legality of investment in the Series 2023 Bonds for certain investors as provided in the Act, (8) the issuance, sale or delivery of the Series 2023 Bonds, or (9) the collection of the Series 2023 Assessments and the pledge thereof under the Indenture to pay the principal or premium, if any, or interest on the Series 2023 Bonds.

(k) Other than as stated in the Limited Offering Memorandum, the District has not issued, assumed or guaranteed any indebtedness, incurred any material liabilities, direct or contingent, or entered into any contract or arrangement of any kind payable from or secured by a pledge of the Series 2023 Pledged Revenues or Series 2023 Pledged Funds pledged to the Series 2023 Bonds with a lien thereon prior to or on a parity with the lien of the Series 2023 Bonds.

(l) Between the date of this Bond Purchase Agreement and the Closing Date, the District will not, without the prior written consent of the Underwriter, incur any material liabilities, direct or contingent, nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District, other than (1) as contemplated by the Limited Offering Memorandum, or (2) in the ordinary course of business.

(m) Any certificates signed by any official of the District authorized to do so shall be deemed a representation and warranty by the District to the Underwriter as to the statements made therein.

(n) No representation or warranty by the District in this Bond Purchase Agreement nor any statement, certificate, document or exhibit furnished to or to be furnished by the District pursuant to this Bond Purchase Agreement or the Limited Offering Memorandum or in connection with the transactions contemplated hereby contains or will contain on the Closing Date any untrue statement of a material fact or omits or will omit a material fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made with respect to information concerning The Depository Trust Company, or the Underwriter or concerning information in the Limited Offering Memorandum under the captions “DESCRIPTION OF THE SERIES 2023 BONDS - Book-Entry Only System,” “THE DISTRICT - The District Manager and Other Consultants,” “THE LANDOWNER AND THE DEVELOPMENT MANAGER,” “THE DEVELOPMENT,” “TAX MATTERS,” “LEGALITY FOR INVESTMENT,” “LITIGATION - The Landowner and the Development Manager” and “UNDERWRITING”.

(o) The District is not in default and has not been in default at any time after December 31, 1975 as to principal or interest with respect to any obligations issued or guaranteed by the District.

7. The Closing. At 12:00 noon, New York time, on [Closing Date] (the “Closing Date”), or at such earlier or later time or date to which the Issuer and the Underwriter may mutually agree, the Issuer will, subject to the terms and conditions hereof, deliver the Series 2023 Bonds to the Underwriter in full book-entry form, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the aggregate purchase price of the Series 2023 Bonds as set forth in Paragraph 1 hereof (such delivery of and payment for the Series 2023 Bonds is herein called the “Closing”). The Issuer shall cause CUSIP identification numbers to be printed on the Series 2023 Bonds, but neither the failure to print such number on any Series 2023 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Series 2023 Bonds in accordance with the terms of this Bond Purchase Agreement. The Closing shall occur at the offices of the Issuer, or such other place to which the Issuer and the Underwriter shall have mutually agreed. The Series 2023 Bonds shall be prepared and delivered as fully registered bonds in such authorized denominations and registered in full book-entry form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) and shall be delivered to DTC during the business day prior to the Closing for purposes of inspection, unless the DTC “F.A.S.T.” procedure is used which requires the Bond Registrar to retain possession of the Series 2023 Bonds.

8. Closing Conditions. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations, warranties and agreements of the District contained herein and contained in the documents and instruments delivered at the Closing, and upon the performance by the District of its obligations hereunder, as of the Closing Date. Accordingly, the Underwriter’s obligations under this Bond Purchase Agreement to cause the purchase, acceptance of delivery and payment for the Series 2023 Bonds shall be subject to the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following conditions:

(a) The representations and warranties of the District contained herein shall be true, complete and correct on and as of the Closing Date, the statements made in all certificates and other documents delivered to the Underwriter at the Closing shall be true, complete and correct as of the Closing Date, and the District shall be in compliance with each of the agreements made by it in this Bond Purchase Agreement and the Indenture as of the Closing Date;

(b) At the Closing, (1) the Financing Documents, the Ancillary Agreements, the Series 2023 Bonds and the Series 2023 Assessments shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and the District shall have adopted and there shall be in full force and effect such additional agreements therewith and in connection with the issuance of the Series 2023 Bonds all such action as in the reasonable opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, (2) the Limited Offering Memorandum shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, (3) there shall not have occurred any event that causes the Limited Offering Memorandum or any amendment or supplement thereto to contain an untrue or misleading statement of fact that in the opinion of the Underwriter or its counsel is material or omits to state a fact that in the opinion of the Underwriter or its counsel is material and necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (4) the District shall perform or shall have performed all of its obligations under or specified in the Financing Documents and the Ancillary Agreements to be performed at or prior to the Closing, and (5) the Series 2023 Bonds shall have been duly authorized, executed, authenticated and delivered;

(c) At or prior to the Closing, the Underwriter shall have received executed or certified copies of the following documents:

(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 Resolutions 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) An opinion, dated the Closing Date, of Bryant Miller and Olive P.A., Bond Counsel, substantially in the form attached as an Appendix to the Limited Offering Memorandum, together with letters of such counsel, dated the Closing Date and addressed to the Underwriter and Trustee, to the effect that the foregoing opinion addressed to the District may be relied upon by the Underwriter and Trustee to the same extent as if such opinion were addressed to them;

(5) The supplemental opinion, dated the Closing Date and addressed to the District and the Underwriter, of Bryant Miller Olive P.A., Bond Counsel, in the form

annexed as **Exhibit C** hereto or in form and substance otherwise acceptable to the Underwriter and its counsel;

(6) The opinion, dated the Closing Date and addressed to the District, the Trustee and the Underwriter of Kutak Rock, LLP, counsel to the District, in the form annexed as **Exhibit D** hereto or in form and substance otherwise acceptable to Bond Counsel, the Underwriter and its counsel, in their sole discretion;

(7) An opinion, dated the Closing Date, of Greenberg Traurig P.A., counsel to the Underwriter, in form and substance satisfactory to the Underwriter;

(8) An opinion, dated the Closing Date and addressed to the Underwriter, the District and Bond Counsel of Holland & Knight LLP, counsel to the Trustee, in form and substance acceptable to Bond Counsel, the Underwriter, Underwriter and its counsel and the District;

(9) A customary authorization and incumbency certificate, dated as of the Closing Date, signed by authorized officers of the Trustee in form and substance acceptable to the Underwriter and its counsel;

(10) A certificate of the Landowner, in substantially the form of the certificate included herein as **Exhibit E** and opinion(s) of counsel to the Landowner addressed to the District, the Trustee and the Underwriter in substantially the form included herein as **Exhibit F** (which may be addressed to such parties in one or more separate opinions) acceptable to the District, Bond Counsel, Underwriter and its counsel;

(11) A certificate, dated the Closing Date, of the authorized officers of the District to the effect that, on the basis of the facts, estimates and circumstances in effect on the Closing Date, it is not expected that the proceeds of the Series 2023 Bonds will be used in a manner that would cause the Series 2023 Bonds to be “arbitrage bonds” within the meaning of Section 148 of Internal Revenue Code of 1986, as amended;

(12) Executed copy of Internal Revenue Service Form 8038-G relating to the Bonds

(13) A copy of the Ordinance;

(14) Specimen Series 2023 Bonds;

(15) 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, and each of such representations relating to the Preliminary Limited Offering Memorandum and the statements contained therein, hereby also include the Limited Offering Memorandum, which representations relating to the Limited Offering Memorandum continue to be true and accurate in all material

respects as of the Closing Date as if made on such date; (ii) the District has performed all of its obligations to be performed hereunder as of the Closing Date; (iii) the District has never been in default as to principal or interest with respect to any obligation issued or guaranteed by the District; (iv) upon platting, the District agrees to take all reasonable action necessary to use the Uniform Method as the means of collecting the Series 2023 Assessments in the manner described in the Indenture; and (v) the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum (other than the information under the captions “DESCRIPTION OF THE SERIES 2023 BONDS – Book-Entry Only System,” “THE DEVELOPMENT,” “THE LANDOWNER AND THE DEVELOPMENT MANAGER,” “TAX MATTERS,” “LITIGATION – The Landowner and the Development Manager” and “UNDERWRITING,” as to which no view need be expressed) as of their respective dates, and as of the date hereof, do not contain any untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum 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; and (vi) the District acknowledges its agreement to undertake its obligation under the Disclosure Agreement and is aware of the continuing disclosure requirements set forth in the Disclosure Agreement and the Rule;

(16) 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;

(17) Acknowledgments in recordable form by all mortgage holder(s), if any, on lands within the District as to the superior lien of the Series 2023 Assessments in form and substance acceptable to the Underwriter and its counsel.

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

(19) Evidence of compliance with the requirements of Section 215.84, Florida Statutes;

(20) A certified copy of the final judgment of the Ninth Judicial Circuit Court in and for Flagler County, Florida, validating the Bonds and the certificate of no-appeal;

(21) A copy of the Engineer’s Report originally dated November 30, 2021, and revised as of October 12, 2023, relating to the Bonds, as supplemented from time to time;

(22) A certificate of the District’s consulting engineer, dated as of the Closing Date, in the form annexed as **Exhibit G** hereto or otherwise in form and substance acceptable to Underwriter and Underwriter’s Counsel;

(23) A copy of the Master Special Assessment Methodology Report for Palm Coast 145 Community Development District dated January 25, 2022, as supplemented by the First Supplemental Special Assessment Methodology Report dated [Sale Date];

(24) A certificate of the District Manager and Methodology Consultant in the form annexed as **Exhibit H** hereto or otherwise in form and substance acceptable to Underwriter and Underwriter's Counsel;

(25) 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 2023 Bonds;

(26) To the extent required under the First Supplemental Indenture, an investor letter from each initial beneficial owner of the Series 2023 Bonds in the form attached to the First Supplemental Indenture;

(27) Such additional documents as may be required by the Indenture to be delivered as a condition precedent to the issuance of the Series 2023 Bonds;

(28) Evidence acceptable to the Underwriter in its sole discretion that the District has engaged a dissemination agent acceptable to the Underwriter (the "Dissemination Agent") for the Series 2023 Bonds, with the execution of the Disclosure Agreement by the District and the other parties thereto being conclusive evidence of such acceptance by the Underwriter; and

(29) Such additional legal opinions, certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax exempt character of the Series 2023 Bonds, which certificates shall be satisfactory in form and substance to Bond Counsel), and other evidence as the Underwriter, Bond Counsel or Underwriter's Counsel may deem necessary to evidence the truth and accuracy as of the Closing of the representations and warranties of the District herein contained and of the information contained in the Limited Offering Memorandum and the due performance and satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by it.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance as set forth herein or as described herein or as otherwise satisfactory to the Underwriter. Receipt of, and payments for, the Series 2023 Bonds shall constitute evidence of the satisfactory nature of such as to the Underwriter. The performance of any and all obligations of the District hereunder and the performance of any and all conditions herein for the benefit of the Underwriter may be waived by the Underwriter in its sole discretion.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to cause the purchase, acceptance of delivery and payment for the Series 2023 Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to

cause the purchase, acceptance of delivery and payment of the Series 2023 Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate, and neither the Underwriter nor the District shall be under further obligation hereunder, but the respective obligations of the Underwriter and the District set forth in Section 10 hereof shall continue in full force and effect.

9. Termination. The Underwriter may terminate this Bond Purchase Agreement by written notice to the Issuer in the event that between the date hereof and the Closing:

(a) the marketability of the Series 2023 Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation (other than any actions taken by either House of Congress on or prior to the date hereof) (1) enacted or adopted by the United States, (2) recommended to the Congress or otherwise endorsed for passage, by press release, other form of notice or otherwise, by the President of the United States, the Chair 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, the Treasury Department of the United States or the Internal Revenue Service, or (3) favorably reported out of the appropriate Committee for passage to either House of the Congress by any full Committee of such House to which such legislation has been referred for consideration, or by any decision of any court of the United States or by any order, rule or regulation (final, temporary or proposed) on behalf of the Treasury Department of the United States, the Internal Revenue Service or any other authority or regulatory body of the United States, or by a release or announcement or communication issued or sent by the Treasury Department or the Internal Revenue Service of the United States, or any comparable legislative, judicial or administrative development affecting the federal tax status of the Issuer, its property or income, obligations of the general character of the Series 2023 Bonds, as contemplated hereby, or the interest thereon; or

(b) any legislation, rule, or regulation shall be introduced in, or be enacted or adopted in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2023 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2023 Bonds to be purchased by them; or

(c) any amendment to the Limited Offering Memorandum is proposed by the Issuer or deemed necessary by Bond Counsel, or the Underwriter which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2023 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2023 Bonds to be purchased by them; or

(d) there shall have occurred any outbreak or escalation of hostility, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Underwriter, impractical or inadvisable to proceed with the offering or delivery of the Series 2023 Bonds as contemplated by the Limited Offering Memorandum (exclusive of any amendment or supplement thereto); or

(e) legislation shall be enacted or adopted, or any action shall be taken by, or on behalf of, the SEC which, in the reasonable opinion of Bond Counsel, has the effect of requiring the contemplated distribution of the Series 2023 Bonds to be registered under the Securities Act of 1933, as amended, or the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, or any laws analogous thereto relating to governmental bodies, and compliance therewith cannot be accomplished prior to the Closing; or

(f) legislation shall be introduced by amendment or otherwise in or be enacted by, the House of Representatives or the Senate of the Congress of the United States, or a decision by a Court of the United States of America shall be rendered, or a stop order, ruling, release, regulation, official statement or no-action letter by or on behalf of the SEC or any other governmental authority having jurisdiction of the subject matter of the Series 2023 Bonds shall have been proposed, issued or made (which is beyond the control of the Underwriter or the Issuer to prevent or avoid) to the effect that the issuance, offering or sale of the Series 2023 Bonds as contemplated hereby or by the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Series 2023 Bonds is or would be in violation of any of the federal securities laws at Closing, including the Securities Act of 1933, as amended and then in effect, the Securities Exchange Act of 1934, as amended and then in effect, or the Trust Indenture Act of 1939, as amended and then in effect, or with the purpose or effect of otherwise prohibiting the offering and sale of obligations of the general character of the Series 2023 Bonds, or the Series 2023 Bonds, as contemplated hereby; or

(g) there shall have occurred, after the signing hereof, either a financial crisis or a default with respect to the debt obligations of the Issuer or proceedings under the federal or State of Florida bankruptcy laws shall have been instituted by the Issuer, in either case the effect of which, in the reasonable judgment of the Underwriter, is such as to materially and adversely affect (1) the market price or the marketability of the Series 2023 Bonds, or (2) the ability of the Underwriter to enforce contracts for the sale of the Series 2023 Bonds; or

(h) a general banking moratorium shall have been declared by the United States, New York or Florida authorities, which in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2023 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2023 Bonds to be purchased by them; or

(i) any national securities exchange, or any governmental authority, shall impose, as to the Series 2023 Bonds or obligations of the general character of the Series 2023 Bonds any material restrictions not now in force, or increase materially those now in force, with respect to the establishment of material restrictions upon trading of securities, including limited or minimum prices, by any governmental authority or by any national securities exchange, which in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2023 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2023 Bonds to be purchased by it; or

(j) legal action shall have been filed against the Issuer wherein an adverse ruling would materially adversely affect the transactions contemplated hereby or by the Limited Offering Memorandum or the validity of the Series 2023 Bonds, the Bond Resolution, the Assessment Resolutions, or the Financing Documents, the Ancillary Agreements; provided,

however, that as to any such litigation, the Issuer may request and the Underwriter may accept an opinion by Bond Counsel, or of other counsel acceptable to the Underwriter, that in such counsel's opinion the issues raised by any such litigation or proceeding are without substance or that the contentions of any plaintiffs therein are without merit; or

(k) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Issuer's obligations; or

(l) any information shall have become known which, in the Underwriter's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Limited Offering Memorandum, as the information contained therein has been supplemented or amended by other information, or causes the Limited Offering Memorandum, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit 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 and upon the receipt of notice of same by the Issuer, the Issuer fails to promptly amend or supplement the Limited Offering Memorandum; or

(m) an event occurs as a result of which the Limited Offering Memorandum, as then amended or supplemented, would include an untrue statement of a material fact or omit to state any material fact which is necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading which, in the reasonable opinion of the Underwriter, requires an amendment or supplement to the Limited Offering Memorandum and, in the reasonable opinion of the Underwriter, materially adversely affects the marketability of the Series 2023 Bonds or the contemplated offering prices thereof and upon the receipt of notice by the Issuer, the Issuer fails to promptly amend or supplement the Limited Offering Memorandum; or

(n) on or about the date hereof, the Internal Revenue Service makes a determination with respect to any special purpose development district formed under State law (referred to herein as a "Special District") deeming that all or certain of such Special Districts are not a "political subdivision" for purposes of Section 103(a) of the Code, and such determination, in the reasonable opinion of the Underwriter, materially adversely affects the federal tax status of the District, the tax exempt character or marketability of the Series 2023 Bonds or the contemplated offering prices thereof.

10. Expenses.

(a) The District agrees to pay from the proceeds of the Series 2023 Bonds, and the Underwriter shall be under no obligation to pay, all expenses incident to the performance of the District's obligations hereunder, including but not limited to (1) the cost of the preparation, printing or other reproduction (for distribution prior to, on or after the date of acceptance of this Bond Purchase Agreement) of a reasonable number of copies of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum; (2) the fees and disbursements of Bond Counsel, District Counsel, the Methodology Consultant, and any other experts or consultants retained by the District, including, but not limited to, the fees and expenses of the

District Manager; (3) the fees and disbursements of Underwriter's counsel; (4) the fees and disbursements of the Trustee, Bond Registrar and Paying Agent under the Indenture and (5) out-of-pocket expenses of the District.

(b) The Underwriter shall pay (1) the cost of qualifying the Series 2023 Bonds for sale in various states chosen by the Underwriter and the cost of preparing or printing any Blue Sky and legal investment memoranda to be used in connection with such sale; and (2) out-of-pocket expenses, including advertising, incurred by it in connection with the offering and distribution of the Series 2023 Bonds.

(c) In the event that either the District or the Underwriter shall have paid obligations of the other as set forth in this Section, adjustment shall be made at or prior to Closing.

11. Notices. All notices, demands and formal actions hereunder shall be in writing and mailed, telegraphed or delivered to:

The Underwriter: Morgan Stanley & Co.
2825 University Drive, Suite 400
Coral Springs, Florida 33065
Attn: J.W. Howard

As to the Issuer: Palm Coast 145 Community Development District
c/o Wrathell Hunt & Associates, LLC
2300 Glades Rd, Suite 410W
Boca Raton, Florida 33431
Attention: District Manager

With a copy to: Kutak Rock, LLP
P.O. Box 10230
Tallahassee, Florida 32302
Attention: Jonathan T. Johnson

12. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including the successors or assignees of the Issuer or the Underwriter) and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties, covenants and agreements in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of: (a) any investigations made by or on behalf of the Underwriter; (b) the delivery of and payment for the Series 2023 Bonds pursuant to this Bond Purchase Agreement; or (c) any termination of this Bond Purchase Agreement but only to the extent provided by the last paragraph of Section 9 hereof.

13. Waiver. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the Issuer hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter, in their sole discretion.

14. Effectiveness. This Bond Purchase Agreement shall become effective upon the execution of the acceptance hereof by the Chairperson and shall be valid and enforceable at the time of such acceptance.

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

16. Florida Law Governs. The validity, interpretation and performance of this Bond Purchase Agreement shall be governed by the laws of the State.

17. No Advisory or Fiduciary Role. The District acknowledges and agrees that (a) the purchase and sale of the Series 2023 Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriter, (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting 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 fiduciary of the District, (c) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter or any affiliate of the Underwriter has provided other services or is currently providing other services to the District on other matters) and the Underwriter has no obligation to the District with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, (d) the District has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with the offering of the Series 2023 Bonds, (e) the Underwriter has financial and other interests that differ from those of the District, and (f) the District has received the Underwriter's G-17 Disclosure Letter.

18. Entire Agreement. This Bond Purchase Agreement when accepted by you in writing as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriter (including the successors or assigns of the Issuer or the Underwriter). No other person shall acquire or have any right hereunder or by virtue hereof.

19. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document. Facsimile and pdf signatures shall be deemed originals.

[Signature Page to Follow]

Very truly yours,

MORGAN STANLEY & CO.

By: _____
J.W. Howard
Executive Director

Accepted and agreed to by:

**PALM COAST 145
COMMUNITY DEVELOPMENT DISTRICT**

By: _____
David Hansen
Chairman

EXHIBIT A

TERMS OF THE BONDS

A. PURCHASE PRICE FOR BONDS: \$_____ (representing the \$[PAR] aggregate principal amount of the Bonds, [plus/less net original issue premium/discount] of \$_____ and less an underwriter's discount of \$_____).

B. PRINCIPAL AMOUNTS, MATURITY DATES, INTEREST RATES, YIELDS AND PRICES:

<u>Principal Amount</u>	<u>Maturity Date</u> <u>(May 1)</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
\$		%	%	

*Term Bond.

** Yield calculated to first optional redemption date of May 1, 20__.

C. REDEMPTION PROVISIONS FOR THE SERIES 2023 BONDS:

Optional Redemption - The Series 2023 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 2023 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

Mandatory Redemption - The Series 2023 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 2023 Sinking Fund Account established under the First 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>Year</u> <u>(May 1)</u>	<u>Amortization</u> <u>Installment</u>	<u>Year</u> <u>(May 1)</u>	<u>Amortization</u> <u>Installment</u>
-------------------------------	-------------------------------------------	-------------------------------	-------------------------------------------

* Maturity

The Series 2023 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 2023 Sinking Fund Account established under the First 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:

Year (May 1)	Amortization Installment	Year (May 1)	Amortization Installment
-------------------------	-------------------------------------	-------------------------	-------------------------------------

* Maturity

The Series 2023 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 2023 Sinking Fund Account established under the First 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:

Year (May 1)	Amortization Installment	Year (May 1)	Amortization Installment
-------------------------	-------------------------------------	-------------------------	-------------------------------------

* Maturity

The Series 2023 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 2023 Sinking Fund Account established under the First 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:

Year (May 1)	Amortization Installment	Year (May 1)	Amortization Installment
-------------------------	-------------------------------------	-------------------------	-------------------------------------

* Maturity

Extraordinary Mandatory Redemption - The Series 2023 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, 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 Series 2023 Project, by application of moneys transferred from the Series 2023 Acquisition and Construction Account in the Acquisition and Construction Fund established under the Indenture to the Series 2023 Prepayment Subaccount of the Series 2023 Redemption Account in accordance with the terms of the Indenture; or

(b) from amounts, including Series 2023 Prepayment Principal, required by the Indenture to be deposited into the Series 2023 Prepayment Subaccount of the Series 2023 Redemption Account; or

(c) from amounts transferred to the Series 2023 Prepayment Subaccount of the Series 2023 Redemption Account resulting from a reduction in the Series 2023 Reserve Account Requirement as provided for in the Indenture; or

(d) on the date on which the amount on deposit in the Series 2023 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2023 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2023 Bonds shall be called for redemption, the particular Series 2023 Bonds or portions of Series 2023 Bonds to be redeemed shall, unless otherwise provided in the Indenture, be selected by lot by the Bond Registrar as provided in the Indenture.

EXHIBIT B

DISCLOSURE AND TRUTH-IN-BONDING STATEMENT

[Sale Date]

Palm Coast 145 Community Development District
City of Palm Coast, Florida

Re: \$[PAR] Palm Coast 145 Community Development District Special Assessment
Bonds, Series 2023

Dear Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and with respect to the issuance of the above-referenced bonds (the “Bonds”), Morgan Stanley & Co. (the “Underwriter”) pursuant to a Bond Purchase Agreement dated [Sale Date] (the “Purchase Agreement”), between the Underwriter and Palm Coast 145 Community Development District (the “District”), furnishes the following disclosures to the District in connection with the limited offering and sale of the Bonds:

1. The total underwriter’s discount paid to the Underwriter pursuant to the Purchase Agreement for the Bonds is approximately \$_____ per \$1,000.00 or \$_____.
2. The names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, the Underwriter, bank, banker, or financial consultant or advisor and who enters into an understanding with either the District or the Underwriter, or both, for any paid or promised compensation or valuable consideration directly, expressly or impliedly, to act solely as an intermediary between the District and the Underwriter for the purposes of influencing any transaction in the purchase of the Bonds are: None.
3. The nature and estimated amounts of expenses to be incurred by the Underwriter in connection with the issuance of the Bonds are set forth in Schedule I attached hereto.
4. 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 Bonds.
5. The management fee charged by the Underwriter is: \$0/\$1,000 or \$0.
6. Any other fee, bonus or other compensation estimated to be paid by the Underwriter in connection with the Bonds to any person not regularly employed or retained by the Underwriter in connection with the Bonds is as follows: None. Greenberg Traurig, P.A. has been retained as counsel to the Underwriter and will be compensated by the District.

7. The name and address of the Underwriter is set forth below:

Morgan Stanley & Co.
2825 University Drive, Suite 400
Coral Springs, Florida 33065
Attn: J.W. Howard

The District is proposing to issue \$[PAR] aggregate amount of the Bonds for the purpose of providing funds to (i) pay a portion of the costs of financing the Series 2023 Project (as defined in the Preliminary Limited Offering Memorandum); (ii) fund a deposit to the Series 2023 Reserve Account in the amount of the Series 2023 Reserve Requirement for the Bonds, (iii) pay a portion of the interest coming due on the Series 2023 Bonds and (iv) pay the costs of issuance of the Bonds.

This debt or obligation is expected to be repaid over a period of approximately ___ years and ___ months. At a true interest cost rate of _____% for the Bonds, total interest paid over the life of the Bonds will be \$_____.

The source of repayment for the Bonds are the Series 2023 Assessments imposed and collected by the District. Based solely upon the assumptions set forth in the paragraph above, the issuance of the Bonds will result in approximately \$_____ (representing the average annual debt service payments due on the Bonds) of the District's special assessment revenues not being available to the District on an annual basis to finance other capital projects of the District; provided however, that in the event that the Bonds were not issued, the District would not be entitled to impose and collect the Series 2023 Assessments in the amount of the principal of and interest to be paid on the Bonds.

[Signature Page to Follow]

Very truly yours,
MORGAN STANLEY & CO.

J.W. Howard
Managing Director

SCHEDULE I

ESTIMATED EXPENSES TO BE INCURRED BY UNDERWRITER

Travel Expenses	\$
Communication	
Day Loan	
Clearance & Settlement Charges	
CUSIP / DTC	
Contingency	<hr/>
Total	<hr/> <hr/> \$

EXHIBIT C

BOND COUNSEL’S SUPPLEMENTAL OPINION

November __, 2023

Palm Coast 145 Community Development District
City of Palm Coast, Florida

Morgan Stanley & Co. LLC
Coral Springs, Florida

PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT
(CITY OF PALM COAST, FLORIDA)

\$ _____
SPECIAL ASSESSMENT BONDS, SERIES 2023

Ladies and Gentlemen:

We have served as Bond Counsel to the Palm Coast 145 Community Development District (the “Issuer”) in connection with the issuance by the Issuer of its \$ _____ Special Assessment Bonds, Series 2023 (the “Series 2023 Bonds”) pursuant to and under the authority of the Constitution and the laws of the State of Florida, particularly the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, and other applicable provisions of law (collectively, the “Act”), Ordinance No. 2022-3 of the City Council of the City of Palm Coast, Florida enacted and effective on January 4, 2022, and Resolution No. 2022-26 adopted by the Board of Supervisors of the Issuer (the “Board”) on January 25, 2022, as supplemented by Resolution No. 2024-__ adopted by the Board on October 24, 2023 (collectively, the “Resolution”). The Series 2023 Bonds are being further issued under and are secured by a Master Trust Indenture dated as of November 1, 2023 (the “Master Indenture”), as supplemented by a First Supplemental Trust Indenture dated as of November 1, 2023 (the “First Supplement” and, together with the Master Indenture, the “Indenture”), each by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee.

All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them in the Indenture.

The opinions expressed herein are supplemental to and are subject to all qualifications, assumptions, limitations, caveats and reliances contained in our bond counsel opinion rendered to the Issuer as of the date hereof pertaining to the Series 2023 Bonds (the “Bond Counsel Opinion”). Morgan Stanley & Co. LLC may rely on the Bond Counsel Opinion as though the Bond Counsel Opinion were addressed to Morgan Stanley & Co. LLC.

(1) We have reviewed the statements contained in the Limited Offering Memorandum dated November __, 2023 (the "Limited Offering Memorandum") under the sections "DESCRIPTION OF THE SERIES 2023 BONDS" (except for the information contained in the subsection captioned thereunder "Book-Entry Only System" as to which no opinion is expressed), and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" (except for the information in the subsections captioned "Assignment of District's Rights Under Collateral Assignment," "Completion Agreement" and "True-Up Agreement," as to which no opinion is being expressed) and believe that insofar as such statements purport to summarize certain provisions of the Indenture and the Series 2023 Bonds, such statements are accurate summaries of the provisions purported to be summarized. We have also reviewed the information contained in the Limited Offering Memorandum under the section captioned "TAX MATTERS" and believe that such information is accurate.

Other than as set forth above, we express no opinion with respect to the accuracy, completeness, fairness or sufficiency of the Limited Offering Memorandum, the statistical or financial data contained therein, or any appendix, exhibit or attachments thereto or with respect to DTC and its book-entry system.

(2) The Series 2023 Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

This opinion letter may be relied upon by you only and only in connection with the transaction to which reference is made above and may not be used or relied upon by any other person for any purposes whatsoever without our prior written consent. The delivery of this letter to a non-client does not create an attorney-client relationship.

The opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

EXHIBIT D

FORM OF DISTRICT COUNSEL OPINION

[Closing Date]

Palm Coast 145 Community Development District
Palm Coast, Florida

Morgan Stanley & Co.
Coral Springs, Florida

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

(solely for reliance upon Sections C.1 and C.3)

Re: \$[PAR] Palm Coast 145 Community Developments District Special Assessment
 Bonds, Series 2023

Ladies and Gentlemen:

We serve as counsel to the Palm Coast 145 Community Development District (the “**District**”), a local unit of special-purpose government established pursuant to the laws of the State of Florida, in connection with the sale by the District of its \$[PAR] Palm Coast 145 Community Development District Special Assessment Bonds, Series 2023 (the “**Series 2023 Bonds**”). This letter is delivered to you pursuant to Section 207(iii) of the Master Indenture (defined below), Section 207(d) of the Supplemental Trust Indenture (defined below), and Section 8(c)(8) of the Bond Purchase Agreement (referenced below), and is effective as of the date first written above. Each capitalized term not otherwise defined herein has the meaning given to it in the Indenture (defined herein).

A. DOCUMENTS EXAMINED

In rendering the opinions set forth below, we have examined and/or relied upon the following documents and have made such examination of law as we have deemed necessary or appropriate:

1. 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 (“**Act**”);
2. the *Master Trust Indenture*, dated as of November 1, 2023 (“**Master Indenture**”), as supplemented by the *First Supplemental Trust Indenture*, dated as of November 1, 2023 (“**Supplemental Trust Indenture**,” and together with the Master Indenture, “**Indenture**”), each by and between the District and US Bank Trust Company, National Association, as trustee (“**Trustee**”);
3. Resolutions Nos. 2022-28 and 2024-[] adopted by the District on January 25, 2022, and October 24, 2023, respectively (collectively, “**Bond Resolution**”);

4. *Master Special Assessment Methodology Report for Palm Coast 145 Community Develop District, dated January 25, 2022, as supplemented by the First Supplemental Special Assessment Methodology Report, dated [Sale Date], 2023, prepared by Wrathell Hunt & Associates, LLC (collectively “Assessment Methodology”);*
5. Resolution Nos. 2022-26, 2022-27, 2022-32 and 2024-[__] adopted by the Board on January 25, 2022, January 25, 2022, April 20, 2022 and [_____, 2023], respectively (collectively, “Assessment Resolution”) establishing the debt service special assessments (“Debt Assessments”) securing the Series 2023 Bonds;
6. the *Final Judgment* issued on April 6, 2022 and by the Circuit Court for the Seventh Judicial Circuit in and for Flagler County, Florida;
7. the Preliminary Limited Offering Memorandum dated [_____, 2023, (“PLOM”) and Limited Offering Memorandum dated [Sale Date], 2023 (“LOM”);
8. certain certifications by Morgan Stanley & Co. (“Underwriter”), as underwriter to the sale of the Series 2023 Bonds;
9. general and closing certificate of the District;
10. opinions of Bryant Miller Olive P.A. (“Bond Counsel”) issued to the District in connection with the sale and issuance of the Series 2023 Bonds;
11. an opinion of Holland & Knight LLP (“Trustee Counsel”) issued to the District and Underwriter in connection with the sale and issuance of the Series 2023 Bonds;
12. an opinion of [_____, counsel to the Landowner (defined herein), issued to the District and the Underwriter in connection with the sale and issuance of the Series 2023 Bonds;
13. the following agreements (collectively, the “Bond Agreements”):
 - (a) the Continuing Disclosure Agreement dated [Closing Date], by and among the District and Palm Coast 145 Manager, LLC (the “Landowner”), and joined in by a disclosure representative, a dissemination agent and Trustee;
 - (b) the Bond Purchase Agreement between Underwriter and the District and dated [Sale Date], 2023 (“BPA”);
 - (c) the Agreement Between the Palm Coast 145 Community Development District and Palm Coast 145 Acquisition, LLC Regarding the Acquisition of Certain Work Product, Contracts, Infrastructure and Real Property between the District and the Landowner dated [Closing Date];
 - (d) the Agreement Regarding the True-Up and Payment of Special Assessments for Palm Coast 145 Community Development District Special Assessment Bonds, Series 2023 between the District and the Landowner dated [Closing Date];
 - (e) the Tri-Party Agreement Relating to Acknowledgement of Jurisdiction, Imposition of Special Assessments, and Acknowledgement of Subordination dated by and among the District, the Developer and [_____] dated [Closing Date];
 - (f) the Agreement between Palm Coast 145 Community Development District and Palm Coast 145 Acquisitions, LLC Regarding the Completion of Certain

- Improvements (Series 2023 Project) between the District and the Landowner dated [Closing Date];
- (g) the Collateral Assignment and Assumption of Development and Contract Rights Relating to the Series 2023 Project between the District and the Landowner dated [Closing Date] by and between the District and the Landowner;
 - (h) a Declaration of Consent to Jurisdiction of Palm Coast 145 Community Development District and to Impositions of Special Assessments, Series 2023 Bonds, executed by the Landowner dated [Closing Date]; and
14. such other documents as we have deemed necessary or appropriate in rendering the opinions set forth below.

We have also attended various meetings of the District and have participated in conferences from time to time with representatives of the District, the District Engineer, the District Manager, the Assessment Consultant, the Underwriter, Bond Counsel, counsel to the Underwriter, the Landowner, counsel to the Landowner, and others relative to the Limited Offering Memorandum and the related documents described herein.

B. RELIANCE

This opinion is solely for the benefit of the (i) District; (ii) Underwriter; and (iii) Trustee; however, the Trustee may only rely on this opinion for the limited purposes of the opinions stated in Sections C.1 and C.3. This opinion may not be relied on by any other party or for any other purpose without our prior written consent.

C. OPINIONS

Based on the foregoing, and subject to the qualifications and assumptions set forth herein, we are of the opinion that:

1. **Authority** – Under the Florida Constitution and laws of the State of Florida, the District has been duly established and validly exists as a local unit of special purpose government and an independent special district under the Act, with such powers as set forth therein, and with good, right and lawful authority: (a) to enter into and to consummate the transactions contemplated by the Bond Resolution, the Assessment Resolution, the Indenture, the Series 2023 Bonds and the Bond Agreements; (b) to issue the Series 2023 Bonds for the purposes for which they are issued; (c) to impose, levy, collect and enforce the Debt Assessments and pledge the Pledged Revenues to secure the Series 2023 Bonds as provided in the Indenture; (d) to adopt the Bond Resolution and the Assessment Resolution; and (e) to perform its obligations under the terms and conditions of the Bond Resolution, the Assessment Resolution, the Bond Agreements, the Series 2023 Bonds and the Indenture.

2. **Assessments** – The proceedings by the District with respect to the Debt Assessments have been in accordance with Florida law. The District has taken all action necessary to authorize and execute the Assessment Resolution and to levy and impose the Debt Assessments as set forth in the Assessment Resolution, Assessment Methodology, and/or other applicable documents. The Debt Assessments constitute legal, valid, binding and enforceable

first liens upon the property against which such Debt Assessments are assessed, co-equal with the lien of all state, county, district and municipal taxes and assessments, and superior in dignity to all other liens, titles and claims, until paid.

3. **Agreements** – The (a) Bond Resolution, (b) Assessment Resolution, (c) Series 2023 Bonds, (d) Indenture, and (e) Bond Agreements (assuming due authorization, execution and delivery of documents (c) – (e) listed herein by any parties thereto other than the District) have been duly and validly authorized, executed and delivered by the District, have been duly approved and adopted and/or issued by the District, are in full force and effect, constitute legal, valid and binding obligations of the District, and are enforceable against the District in accordance with their respective terms. All conditions prescribed in the Indenture as precedent to the issuance of the Series 2023 Bonds have been fulfilled.

4. **Validation** – The Series 2023 Bonds have been validated by a final judgment of the Circuit Court in and for Flagler County, Florida, of which no timely appeal was filed.

5. **Governmental Approvals** – As of the date hereof, all necessary consents, approvals, waivers or other actions by or filings with any governmental authority or other entity that are required for: (a) the adoption of the Bond Resolution and the Assessment Resolution; (b) the issuance, sale, execution and delivery of the Series 2023 Bonds upon the terms set forth in the BPA, PLOM, and LOM; (c) the execution and delivery of the Indenture and Bond Agreements; and (d) the performance by the District of the transactions required hereby, have been duly obtained or made and are in full force and effect.

6. **PLOM and LOM** – The District has duly authorized the execution, delivery and distribution by the Underwriter of the PLOM and LOM. To our knowledge, and based upon our review of the PLOM and LOM and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the PLOM and LOM, and as of the date of their respective issuances, and with respect to the PLOM, the date of the BPA, and with respect to the LOM, the date hereof, nothing has come to our attention which would lead us to believe that the PLOM and LOM contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, provided however that the opinions stated herein extend only to the following provisions of the PLOM and LOM: “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS,” “ENFORCEMENT OF ASSESSMENT COLLECTIONS,” “THE DISTRICT” (excluding the subcaption “The District Manager and Other Consultants”), “ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS,” “AGREEMENT BY THE STATE,” “LEGALITY FOR INVESTMENT,” “LITIGATION - The District,” “CONTINUING DISCLOSURE” (as it relates to the District only) and “VALIDATION,” and “AUTHORIZATION AND APPROVAL” and further provided however that the opinions stated herein do not extend to any statements that constitute descriptions of the Series 2023 Bonds or the Indenture. No information or opinion is offered as to any remaining provisions of the PLOM or LOM.

7. **Litigation** – Based on inquiry of the District’s Registered Agent for service of process and the fact that we have not been served with notice, there is no litigation pending or, to the best of our knowledge, threatened against the District: (a) seeking to restrain or enjoin the

issuance or delivery of the Series 2023 Bonds or the application of the proceeds thereof, or the imposition, levy or collection of the Debt Assessments or the Pledged Revenues pledged for the payment of the debt service on the Series 2023 Bonds; (b) contesting or affecting the authority for the Debt Assessments, the authority for the issuance of the Series 2023 Bonds or the validity or enforceability of the Series 2023 Bonds, the Indenture, the Bond Agreements or the transactions contemplated thereunder; (c) contesting or affecting the establishment or existence of the District or any of its Supervisors, officers or employees, its assets, property or condition, financial or otherwise, or contesting or affecting any of the powers of the District, including its power to enter into the Indenture or the Bond Agreements, or its power to determine, assess, levy, collect and pledge the Debt Assessments for the payment of the debt service on the Series 2023 Bonds; or (d) specifically contesting the exclusion from federal gross income of interest on the Series 2023 Bonds.

8. ***Compliance with Laws*** – To the best of our knowledge, the District is not, in any manner material to the issuance of the Series 2023 Bonds or the Debt Assessments, in breach of or default under any applicable provision of the Act or constitutional provision, statute, or administrative regulation of the State of Florida, or any applicable judgment or decree, any loan agreement, indenture, bond, note, resolution, agreement (including the Bond Agreements and Indenture), or any 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 our 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 event of default by the District under any such instrument; provided, however, that no opinion is expressed as to compliance with any state or federal tax or securities laws.

9. ***Authority to Undertake the Project*** - The District has good right and lawful authority under the Act to own, and operate the Project, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body.

D. CERTAIN ASSUMPTIONS

In rendering the foregoing opinions, we have assumed the following: (1) that all public records, certifications, agreements and other documents examined by us that have been executed or certified by public officials acting within the scope of their official capacities are authentic, truthful and accurate; (2) that copies of such public records, certifications, agreements, and other documents furnished to us are authentic and conform to the originals; (3) that all signatures on executed public records, certifications, agreements and other documents are genuine; and (4) that all public records, certifications, agreements and other documents have been properly authorized and are binding on each of the other parties thereto.

E. CERTAIN QUALIFICATIONS

The foregoing opinions are subject to the following qualifications:

1. The opinions or statements expressed above are based solely on the laws of Florida in effect at the time of issuance of the Series 2023 Bonds. Accordingly, we express no

opinion nor make any statement regarding the effect or application of the laws of the federal government (including but not limited to the Internal Revenue Code or any proposed changes thereto), or any other state or other jurisdiction.

2. 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 creditors' 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, including the fact that specific performance and other equitable remedies are granted only in the discretion of a court.

3. Nothing herein shall be construed as an opinion regarding the possible applicability of state securities or "blue sky" laws or federal securities laws, as to which no opinion is expressed.

4. We further express no opinion as to the necessity for an interest rate waiver under Florida law, or the applicability of any provision or section of the Internal Revenue Code.

5. We express no opinion and make no representations with regard to financial, project statistical or other similar information or data. We express no opinion as to compliance with any state or federal tax laws.

6. We have not reviewed, and therefore express no opinion, regarding any land use, real property or other related items, including but not limited to whether the Landowner is able to convey good and marketable title to any particular real property or interest therein and related to the Project.

7. With respect to any of the opinions set forth in this letter which are based on or qualified by the phrase "to our knowledge," the words "to our knowledge" signify that, in the course of our representation of the District, no facts have come to our attention that would give us actual knowledge that any such opinions or other matters are not accurate. Except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of any such facts, and no inference as to our knowledge of the existence of such facts should be drawn from the fact of our representation of District.

8. The opinions set forth herein are based on factual representations made to us as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the courts or any other entity; rather, our opinions represent our professional judgment based on our review of existing law, and in reliance on the representations and covenants that we deem relevant to such opinions.

Very truly yours,

KUTAK ROCK, LLP

EXHIBIT E

FORM OF CERTIFICATE OF LANDOWNER

The undersigned, the duly authorized representative of PALM COAST 145 ACQUISITION, LLC, a Florida limited liability company (the “Landowner”), DOES HEREBY CERTIFY, that

1. The Landowner is a limited liability company organized and existing under the laws of the State of Florida.

2. Representatives of the Landowner have provided information to Palm Coast 145 Community Development District (the “District”) to be used in connection with the offering by the District of its \$[PAR] aggregate principal amount of Special Assessment Bonds, Series 2023 (the “Bonds”), pursuant to a Preliminary Limited Offering Memorandum dated [PLOM Date] and a final Limited Offering Memorandum dated [Sale Date] (collectively, the “Limited Offering Memoranda”). The Landowner represents, warrants and agrees that the information furnished by Landowner to the District and the Underwriter with respect to the Landowner and the Development is true, correct and accurate as of the date hereof. Capitalized terms that are used in this certificate and not otherwise defined shall have the meanings assigned to such terms in the Limited Offering Memoranda and the Bond Purchase Agreement, dated [Sale Date] between the Morgan Stanley and Co., as underwriter and the District (the “Bond Purchase Agreement”).

3. Each of the True-Up Agreement, dated [Closing Date] between the Landowner and the District, the Tri-Party Agreement, dated [Closing Date] by and among the District, Developer and [____], the Acquisition Agreement, dated [Closing Date] between the Landowner and the District, the Completion Agreement, dated [Closing Date] between the Landowner and the District, the Declaration of Consent, dated [Closing Date], the Collateral Assignment, dated [Closing Date] entered into by the Landowner in favor of the District and the Continuing Disclosure Agreement, dated [Closing Date] among the District, the Landowner and the District and Wrathell, Hunt and Associates, LLC, as dissemination agent (collectively, the “Landowner Documents”), is a valid and binding obligation of the Landowner, enforceable against the Landowner in accordance with its terms. The execution and delivery by the Landowner of the Landowner Documents does not violate any judgment, order, writ, injunction or decree binding on Landowner or any indenture, agreement, or other instrument to which the Landowner is a party. There are no proceedings pending against or threatened in writing before any court or administrative agency relating to the Landowner which are either not covered by insurance or which singularly or collectively would have a material, adverse effect on the Landowner's ability to perform its obligations under the Landowner Documents.

4. The Landowner has the power to conduct its business and to undertake the Development as described in the Limited Offering Memorandum and to enter into the Landowner Documents.

5. The Landowner represents and warrants that, to its knowledge, it has complied with and will continue to comply with Chapter 190.048, Florida Statutes, as amended.

6. The Landowner has reviewed and approved the Landowner Documents and the information contained in the Limited Offering Memorandum under the headings “THE LANDOWNER AND THE DEVELOPMENT MANAGER” and, as it pertains to the Landowner and its interest in the Development, under the headings “INTRODUCTION,” “BONDHOLDERS’ RISKS,” “THE SERIES 2023 PROJECT,” “THE DEVELOPMENT,” “CONTINUING DISCLOSURE” and “LITIGATION - The Landowner and Development Manager” (as it relates to the Landowner only) and warrants and represents that such information does not contain any untrue statement of a material fact and does 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. In addition, the Landowner is not aware of any other information in the Limited Offering Memorandum 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.

7. The Landowner is in compliance in all material respects with all provisions of applicable law in all material matters relating to the Landowner as described in the Limited Offering Memorandum. Except as otherwise described in the Limited Offering Memorandum, (a) the Development is zoned and properly designated for its intended use; (b) all government permits and approvals required in connection with the construction of the Development as described in the Limited Offering Memorandum, other than certain permits and approvals, which permits and approvals are expected to be received as needed, have been received; (c) we are not aware of any default of any zoning condition, land use permit or development agreement which would adversely affect the Landowner’s ability to complete development of the Development as described in the Limited Offering Memorandum and all appendices thereto; and (d) we have no actual knowledge and are not otherwise aware of any reason to believe that any permits, approvals, consents and licenses required to complete the Development as described in the Limited Offering Memorandum will not be obtained in due course as required by the Landowner.

8. The execution, delivery and performance of the Landowner Documents by the Landowner do not violate (i) the Landowner’s operating agreement, (ii) to the best of our knowledge, any agreement, instrument or Federal, Delaware or Florida law, rule or regulation known to us to which the Landowner is a party or by which Landowner’s assets are or may be bound; or (iii) to the best of our knowledge, any judgment, decree or order of any administrative tribunal, which judgment, decree, or order is binding on the Landowner or its assets.

9. There is no litigation pending or, to the best of our knowledge after due inquiry, threatened (other than as set forth in the Limited Offering Memorandum) which (i) would prevent or prohibit the development of the Development in accordance with the description thereof in the Limited Offering Memorandum and the Engineer’s Report annexed thereto as Appendix A or (ii) may result in any material adverse change in the respective business, properties, assets or financial condition of the Landowner.

10. The Landowner is not aware of any condition which currently requires, or is reasonably expected to require in the foreseeable future, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment.

11. The Landowner is not insolvent. The Landowner has not 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. The Landowner has not indicated their 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.

12. The Landowner is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material adverse effect on the Series 2023 Bonds or the Development.

13. The Landowner hereby consents to the levy of the Special Assessments (as defined in the Landowner Documents) on the lands in the District owned by the Landowner. The levy of the Special Assessments on the lands within the Development will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Landowner is a party or to which the Landowner or any of its property or assets is subject.

14. The Landowner acknowledges that the Series 2023 Bonds have the debt service requirements set forth in the Limited Offering Memorandum and that the Special Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Series 2023 Bonds when due, all as more particularly described in the Limited Offering Memorandum.

15. The Landowner acknowledges that it will have no rights under Chapter 170, Florida Statutes, as amended, to prepay, without interest, the Special Assessments imposed on lands in the District owned by the Landowner within thirty (30) days following completion of the Series 2023 Project and acceptance thereof by the District.

16. The Landowner has not previously entered into any continuing disclosure obligations pursuant to Rule 15c2-12 of the Securities and Exchange Act of 1934, as amended.

17. The Landowner is not in default of any obligations to pay special assessments.

18. There is sufficient water and sewer capacity as of the date hereof to construct the Development and, except as described in the Limited Offering Memorandum, all concurrency requirements of the City and, if applicable, the County have been satisfied.

19. Except as provided in the Limited Offering Memorandum, the property within the District securing Series 2023 Assessments for the Bonds is free and clear of any commercial mortgage encumbrance (i.e., non single-family home mortgages obtained by homeowners).

20. The Landowner is complying in all material respects with all provisions of applicable law in all material matters relating to the Development and the District and its undertaking as described in the Limited Offering Memorandum and the Indenture.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand for and on behalf of the Landowner as of this [____] day of [_____], 2023.

PALM COAST 145 MANAGER, LLC, a Florida limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT F

FORM OF OPINION OF COUNSEL TO LANDOWNER

[Sale Date]

Palm Coast 145 Community Development District
Palm Coast, Florida

Morgan Stanley & Co.
Coral Springs, Florida

Re: \$[PAR] Palm Coast 145 Community Development District Special Assessment
 Bonds, Series 2023

Ladies and Gentlemen:

We are counsel to Palm Coast 145 Manager, LLC, a Florida limited liability company (the “Landowner”) which is the primary landowner of the lands within the herein defined District and the developer of the project commonly known as [_____] (the “Development”). We have served as counsel to the Landowner in connection with the issuance by Palm Coast 145 Community Development District (the “District”) of its \$[PAR] Palm Coast 145 Community Development District Special Assessment Bonds, Series 2023 (the “Bonds”) as described in the District’s Preliminary Limited Offering Memorandum dated [PLOM Date], including the appendices attached thereto (collectively, the “Preliminary Limited Offering Memorandum”) and the Limited Offering Memorandum, dated [Sale Date], including the appendices attached thereto (collectively, the “Limited Offering Memorandum” and, together with the Preliminary Limited Offering Memorandum, the “Limited Offering Memoranda”). Unless otherwise expressly defined herein, capitalized terms used herein have the meanings assigned to them in the Bond Purchase Agreement dated [Sale Date] between the District and Morgan Stanley & Co. (the “Underwriter”). Based upon and subject to the assumptions, limitations and qualifications contained herein, we are of the opinion that, as of this date:

In our capacity as counsel to the Landowner, we have examined the Acquisition Agreement dated [Closing Date], between the District and the Landowner, the Completion Agreement dated [Closing Date], between the District and the Landowner, the Declaration of Consent, dated [Closing Date], Collateral Assignment agreement dated [Closing Date] entered into by the Landowner in favor of the District, the Continuing Disclosure Agreement, dated [Closing Date], among the District, the Landowner and Wrathell, Hunt and Associates, LLC, as dissemination agent, the Tri-Party Agreement dated [Closing Date] by and among the District, Developer and [_____], and the True-Up Agreement dated [Closing Date] between the District and the Landowner (collectively, the “Landowner Documents”) and the Limited Offering Memoranda and have made such examination of law for the limited purpose necessary or appropriate in rendering the opinions set forth below. We have further relied upon certificates and representations made by the Landowner and its representatives. In rendering this opinion, we have assumed the genuineness of all signatures (other than those of the Landowner), the authenticity of all documents submitted to us as originals, 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. As to any fact relevant to this opinion, we have relied solely upon representations of the Landowner; except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of any such facts.

We are of the opinion that:

1. The Landowner is a limited liability company, duly organized and validly existing and in good standing under the laws of the State of Florida and authorized to do business in the State of Florida.

2. The Landowner has the limited liability company power to conduct its business, to undertake the Development as described in the Limited Offering Memoranda and to enter into the Landowner Documents.

3. The Landowner Documents have been duly authorized, executed and delivered by the Landowner and the Landowner Documents are valid and binding obligations of the Landowner, enforceable against the Landowner in accordance with their respective terms.

4. The execution, delivery and performance by the Landowner of the Landowner Documents by the Landowner does not violate (i) the Landowner's organizational and operating documents, (ii) to our knowledge, any agreement, instrument or Federal or Florida law, rule or regulation known to us to which the Landowner is a party or by which Landowner's 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 Landowner or its assets.

5. To our knowledge, after investigation of the Landowner: information contained in the Limited Offering Memoranda under the captions "THE LANDOWNER AND THE DEVELOPMENT MANAGER," "CONTINUING DISCLOSURE" (as it relates to the Landowner only), and "LITIGATION - The Landowner and Development Manager" as to the Landowner accurately and fairly presents the information purported to be shown and neither 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 date of the Limited Offering Memoranda or as of the date of such opinion.

6. There is no litigation pending or, to the best of our knowledge after due inquiry, threatened against the Landowner (a) seeking to restrain or enjoin the Landowner from executing and delivering the Landowner Documents, (b) contesting the validity or enforceability of the Landowner Documents or the transactions contemplated thereunder, (c) contesting or affecting the existence of the Landowner or the election or appointment of any of its officers or directors, or (d) contesting or affecting any of the corporate powers of the Landowner which would impact its business, properties, assets or financial condition in such manner as to materially adversely affect the Landowner's ability to perform its obligations under the Landowner Documents as described in the Limited Offering Memoranda.

7. The Landowner has not 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, the Landowner has not indicated their 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.

8. The Landowner is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material adverse effect on the Series 2023 Bonds or the Development.

The opinion regarding enforceability of the Landowner Documents above and any other opinion given as to enforceability of any document is subject to and limited by: (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and transfer, and similar Florida laws affecting the rights of creditors generally; and (ii) general principal of equity, regardless of whether such enforceability is considered in a proceeding at law or in equity; and (iii) to the exercise of judicial discretion in appropriate cases.

Our opinions contained herein are submitted with and subject in all cases to the following qualifications and assumptions:

(A) We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies, the legal capacity of all natural persons and the legal existence of all entities other than the Landowner.

(B) We have assumed the due authorization, validity, binding effect and enforceability of each act done or to be done by any party other than the Landowner applicable to the execution and delivery of the Landowner Documents or the consummation of the transactions contemplated therein.

(C) We have assumed there have been no undisclosed modifications of any provision of any document reviewed by us in connection with the rendering of this opinion and, without limiting the generality of the foregoing, we have further assumed that the information contained in the Preliminary Limited Offering Memorandum is the same in all respects relevant to our opinions as the information contained in the Limited Offering Memorandum.

(D) We note that the opinions herein expressed are based solely on the laws of the State of Florida (as of the date hereof). Accordingly, we express no opinion nor make any statement regarding the effect or application of the law of any other state or jurisdiction.

This opinion letter speaks only as of the date hereof. We assume no obligation to update or supplement this opinion letter if any applicable laws change after the date of this opinion letter or if we become aware after the date of this opinion letter of any facts or other developments, whether existing before or first arising after the date hereof, that might change the opinions expressed above.

Sincerely,

G-2

EXHIBIT G

CERTIFICATE OF CONSULTING ENGINEER

The undersigned representative of TERRA-MAX ENGINEERING, INC. (the “Engineers”), DOES HEREBY CERTIFY, that:

1. This certificate is furnished pursuant to Section 8(c)(22) of the Bond Purchase Agreement dated [Sale Date] (the “Purchase Agreement”), by and between Palm Coast 145 Community Development District (the “District”) and Morgan Stanley & Co., with respect to the \$[PAR] Palm Coast 145 Community Development District Special Assessment Bonds, Series 2023 (the “Series 2023 Bonds”). Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement, the Preliminary Limited Offering Memorandum dated [PLOM Date] or the Limited Offering Memorandum dated [Sale Date], each relating to the Series 2023 Bonds (collectively, the “Limited Offering Memoranda”), as applicable.

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

3. The Engineers prepared a report entitled “Engineer’s Report” originally dated November 30, 2021, and revised as of October 12, 2023 (the “Report”). The Report sets forth the estimated cost of the Series 2023 Project and 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 Series 2023 Project are included in the Limited Offering Memoranda under the caption “THE SERIES 2023 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.

4. 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.

5. The plans and specifications for the Series 2023 Project (as described in the Limited Offering Memoranda) improvements were approved or will be approved by all regulatory bodies required to approve them prior to construction. All environmental and other regulatory permits or approvals required in connection with the construction of the Series 2023 Project were or will be obtained.

6. The Series 2023 Project improvements are, to the extent constructed, or will be constructed in sound workmanlike manner and in accordance with industry standards and the plans and specifications therefor.

7. The price being paid by the District to the Landowner (as defined below) for acquisition of the improvements included within the Series 2023 Project does not exceed the

lesser of the actual cost of the Series 2023 Project or the fair market value of the assets acquired by the District.

8. To the best of our knowledge, after due inquiry, Palm Coast 145 Acquisition, LLC, a Florida limited liability company (the “Landowner”) is in compliance in all material respects with all provisions of applicable law in all material matters relating to the Landowner as described in the Limited Offering Memoranda. Except as otherwise described in the Limited Offering Memoranda, (a) all government permits required in connection with the construction of the Series 2023 Project and the Development as described in the Limited Offering Memoranda, other than certain permits, which permits are expected to be received as needed, have been received; (b) we are not aware of any default of any zoning condition, land use permit or development agreement which would adversely affect the Landowner’s ability to complete development of the Development 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 Development as described in the Limited Offering Memoranda will not be obtained in due course as required by the Landowner.

9. There is adequate water and sewer service capacity to serve the Development.

Date: [Closing Date]

TERRA-MAX ENGINEERING, INC.

By: _____
Title: _____

EXHIBIT H

CERTIFICATE OF DISTRICT MANAGER AND METHODOLOGY CONSULTANT

The undersigned representative of Wrathell, Hunt and Associates, LLC, Boca Raton, Florida, DOES HEREBY CERTIFY:

1. This certificate is furnished pursuant to Section 8(c)(18) of the Bond Purchase Agreement dated [Sale Date] (the “Purchase Agreement”), by and between Palm Coast 145 Community Development District (the “District”) and Morgan Stanley & Co. with respect to the \$[PAR] Palm Coast 145 Community Development District Special Assessments Bonds, Series 2023 (the “Series 2023 Bonds”). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Agreement or the Limited Offering Memoranda (hereinafter defined) relating to the Bonds, as applicable

2. In connection with the issuance of the Series 2023 Bonds, we have been retained by the District to prepare the Master Special Assessment Methodology Report for Palm Coast 145 Community Development District, dated January 25, 2022, as may be amended and supplemented, and as supplemented on [Sale Date] (the “Assessment Report”), which Assessment Report has been included as an appendix to the Preliminary Limited Offering Memorandum dated [PLOM Date] and the Limited Offering Memorandum dated [Sale Date], each relating to the Series 2023 Bonds (collectively, the “Limited Offering Memoranda”). We hereby consent to the use of such Assessment Report in the Limited Offering Memoranda and consent to the references to us therein.

3. As District Manager, nothing has come to our attention that would lead us to believe that the Limited Offering Memoranda, as it relates to the District, the Capital Improvement Plan, the Series 2023 Project or any information provided by us, and the Assessment Report, as of their date 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.

4. 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 Report and the considerations and assumptions used in compiling the Assessment Report are reasonable. The Assessment Report and the assessment methodology set forth therein was prepared in accordance with all applicable provisions of Florida law. As described in more detail in the Assessment Report, the benefit to the assessable lands within the District from the Series 2023 Project equals or exceeds the Series 2023 Assessments, and the Series 2023 Assessments are fairly and reasonably allocated across all benefitted properties within the District.

5. The information set forth in the Limited Offering Memoranda under the subcaptions “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Assessment Methodology/Projected Level of District Assessments,” “THE DISTRICT,” “ASSESSMENT METHODOLOGY,” “THE DEVELOPMENT – Taxes, Fees and Assessments,” “FINANCIAL INFORMATION,” “LITIGATION – The District,”

“DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS,” “CONTINUING DISCLOSURE,” “CONTINGENT FEES,” and in “APPENDIX D – ASSESSMENT METHODOLOGY” 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. 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 Bonds, or in any way contesting or affecting the validity of the 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 Bonds, or the existence or powers of the District.

7. The Series 2023 Assessments, as initially levied, and as may be reallocated from time to time as permitted by resolutions adopted by the District with respect to the Series 2023 Assessments, are sufficient to enable the District to pay the debt service on the Series 2023 Bonds through the final maturity thereof.

Dated: [Closing Date].

WRATHELL, HUNT AND ASSOCIATES,
LLC

By: _____
Title: _____

EXHIBIT C

FORM OF PRELIMINARY LIMITED OFFERING MEMORANDUM

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2023 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The District has deemed this Preliminary Limited Offering Memorandum “final,” except for permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED [_____] [____], 2023

**NEW ISSUE - BOOK-ENTRY-ONLY
LIMITED OFFERING**

NOT RATED

In the opinion of Bond Counsel, assuming compliance by the District with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2023 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax. See “TAX MATTERS” herein for a description of other tax consequences to holders of the Series 2023 Bonds.

**PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT
(CITY OF PALM COAST, FLORIDA)**

[\$[_____]]*

SPECIAL ASSESSMENT BONDS, SERIES 2023

Dated: Date of Delivery

Due: As described herein

The Palm Coast 145 Community Development District Special Assessment Bonds, Series 2023 (the “Series 2023 Bonds”) are being issued by the Palm Coast 145 Community Development District (the “District” or the “Issuer”) in fully registered form, without coupons, in authorized denominations of \$5,000 and any integral multiple thereof; provided, however, that the Series 2023 Bonds shall be delivered to the initial purchasers thereof in minimum aggregate principal amounts of \$100,000 and integral multiples of \$5,000 in excess of \$100,000. The Series 2023 Bonds will bear interest at the fixed rates set forth in the inside cover page hereof, 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 May 1, 2024. The Series 2023 Bonds, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York. Purchases of beneficial interests in the Series 2023 Bonds will be made in book-entry-only form and purchasers of beneficial interests in the Series 2023 Bonds will not receive physical bond certificates. For so long as the book-entry only system is maintained, the principal of and interest on the Series 2023 Bonds will be paid from the sources provided by the Indenture (as defined herein) by U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), to Cede & Co., as nominee of DTC, as the registered owner thereof. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein. Any purchaser, as a beneficial owner of a Series 2023 Bond, must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of the principal of, premium, if any, and interest on such Series 2023 Bond. See “DESCRIPTION OF THE SERIES 2023 BONDS – Book-Entry Only System” herein.

The Series 2023 Bonds are being issued to (i) finance a portion of the Cost of the Series 2023 Project (as defined herein); (ii) make a deposit into the Series 2023 Reserve Account to be held for the benefit of all of the Series 2023 Bonds, without privilege or priority of one Series 2023 Bond over another; (iii) pay a portion of the interest to become due on the Series 2023 Bonds through [May 1, 2024] and (iv) pay certain costs associated with the issuance of the Series 2023 Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE” hereto.

The District is a local unit of special-purpose government of the State of Florida (the “State”), created in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”), and by Ordinance No. 2022-3, duly enacted by the City Council of the City of Palm Coast, Florida (the “City”) on and effective January 4, 2022. The Series 2023 Bonds are being issued pursuant to the Act, Resolution No. 2022-28 adopted by the Board of Supervisors (the “Board”) of the District on January 25, 2022 and Resolution No. 2024-[_____] adopted by the Board on October 24, 2023 (collectively, the “Resolution”), and a Master Trust Indenture dated as of [November] 1, 2023 (the “Master Indenture”), as supplemented by a First Supplemental Trust Indenture, dated as of [November] 1, 2023 (the “First Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each by and between the District and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Series 2023 Bonds are payable from and secured by the Series 2023 Trust Estate, which includes the Series 2023 Pledged Revenues and the Series 2023 Pledged Funds. The Series 2023 Pledged Revenues consist of the revenues received by the District from the Series 2023 Assessments (as further described herein). The Series 2023 Pledged Funds include all of the Funds and Accounts (except for the Series 2023 Rebate Account) established by the Indenture. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS” herein.

The Series 2023 Bonds are subject to optional redemption, mandatory sinking fund and extraordinary mandatory redemption at the times, in the amounts, and at the redemption prices more fully described herein under the caption “DESCRIPTION OF THE SERIES 2023 BONDS — Redemption Provisions.”

NEITHER THE SERIES 2023 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 OF FLORIDA. THE SERIES 2023 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 2023 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2023 BONDS SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2023 TRUST ESTATE.

The Series 2023 Bonds involve a degree of risk (see “BONDOWNERS’ RISKS” herein) and are not suitable for all investors (see “SUITABILITY FOR INVESTMENT” herein). Pursuant to Florida law, the Underwriter (as defined herein) 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 transfer in any secondary market for the Series 2023 Bonds. The Series 2023 Bonds are not credit enhanced or rated and no application has been made for a rating with respect to the Series 2023 Bonds.

This cover page contains certain information for quick reference only. It is not a summary of the Series 2023 Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

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

The Series 2023 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to the receipt of the opinion of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, as to the validity of the Series 2023 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the Underwriter by its counsel, Greenberg Traurig, P.A., Miami, Florida, for the District by its counsel, Kutak Rock, LLP, Tallahassee, Florida, and for the Landowner (as defined herein) by its counsel, Pavese Law Firm. It is expected that the Series 2023 Bonds will be delivered in book-entry form through the facilities of DTC on or about [_____] [__], 2023.

Morgan Stanley & Co.

Dated: [_____] [__], 2023

* Preliminary, subject to change.

** CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are included solely for the convenience of the holders of the Series 2023 Bonds. Neither the District nor the Underwriter is responsible for the selection or uses of the CUSIP numbers assigned to the Series 2023 Bonds, and no representation is made as to their correctness on the Series 2023 Bonds or as indicated above.

PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS

David Hansen, Chair*
Michael Beebe, Vice Chair*
Robert Atack, Assistant Secretary*
Franklin J Green, Assistant Secretary*
Clifton Fischer, Assistant Secretary*

*Affiliated with the Landowner or its affiliates.

DISTRICT MANAGER/METHODOLOGY CONSULTANT

Wrathell, Hunt and Associates, LLC
Boca Raton, Florida

DISTRICT ENGINEER

Terra-Max Engineering, Inc.
Orlando, Florida

DISTRICT COUNSEL

Kutak Rock, LLP
Tallahassee, Florida

BOND COUNSEL

Bryant Miller and Olive P.A.
Orlando, 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 2023 BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF THE SERIES 2023 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 LANDOWNER (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 LANDOWNER OR IN THE STATUS OF THE DEVELOPMENT OR THE SERIES 2023 PROJECT (AS SUCH TERMS ARE HEREINAFTER DEFINED) SINCE THE DATE HEREOF.

THE SERIES 2023 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 2023 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 DISTRICT, THE CITY, THE COUNTY, THE STATE, NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2023 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,” “WILL,” “SHOULD,”

“INTENDS,” “EXPECTS,” “BELIEVES,” “ANTICIPATES,” “ESTIMATES,” OR OTHERS. 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 LANDOWNER’S CONTROL. BECAUSE THE DISTRICT AND THE LANDOWNER 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 LANDOWNER DO NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF THEIR EXPECTATIONS CHANGE 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).

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LIMITED OFFERING MEMORANDUM

**PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT
(CITY OF PALM COAST, FLORIDA)**

**\$_[_____]*
SPECIAL ASSESSMENT BONDS, SERIES 2023**

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to provide certain information in connection with the issuance and sale by Palm Coast 145 Community Development District (the “District” or the “Issuer”) of its \$_[_____]* aggregate principal amount of Special Assessment Bonds, Series 2023 (the “Series 2023 Bonds”).

PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF AND/OR INTEREST ON THE SERIES 2023 BONDS. THE SERIES 2023 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. PURSUANT TO APPLICABLE STATE LAW, THE UNDERWRITER IS LIMITING THIS INITIAL OFFERING OF THE SERIES 2023 BONDS 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 TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2023 BONDS. See “SUITABILITY FOR INVESTMENT” and “BONDOWNERS’ RISKS” herein.

The District is a local unit of special-purpose government of the State of Florida (the “State”), created in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”), and by Ordinance No. 2022-3, duly enacted by the City Council of the City of Palm Coast, Florida (the “City”) on and effective January 4, 2022. The District was established for the purpose of financing the acquisition and construction of and managing the maintenance and operation of certain community development services and facilities within and without its boundaries. The Act authorizes the District to issue bonds for purposes, among others, of financing and refinancing the costs of planning, financing, acquisition, design construction, reconstruction, equipping and installation of water management, potable water, sewer and wastewater facilities, public roads and other basic infrastructure projects.

The District encompasses approximately 145.5 acres of land (the “District Lands”) located within the incorporated boundaries of the City, situated in Flagler County, Florida (the “County”). For more complete information about the District, its Board of Supervisors and the District Manager, see “THE DISTRICT” herein. The District Lands are being developed as a residential community known as “[The Residence’s of Palm Coast]” (the “Development”). At buildout, the

* Preliminary, subject to change.

Development is expected to consist of approximately 339 single-family homes, recreation and open space areas and associated infrastructure. See “THE DEVELOPMENT” herein for more information.

The District is issuing its Series 2023 Bonds to finance public infrastructure improvements associated with the Development. The Series 2023 Bonds will be secured by the Series 2023 Assessments (as defined herein), which will initially be levied on the approximately 145.5+/- gross acres within the District until such time as such acreage is platted. As platting of the planned 339 single-family lots occurs, the Series 2023 Assessments will be assigned to the platted lots by product type on a first platted, first assigned basis. See “ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS” herein for more information.

The land within the District is owned by Palm Coast 145 Acquisition, LLC, a Florida limited liability company (the “Landowner”). The Landowner will install onsite and offsite infrastructure improvements and sell developed parcels within the Development to third party homebuilders. The Landowner has entered into separate lot purchase contracts with Pulte Home Company, LLC, a Michigan limited liability company and DRB Group Florida, LLC, a Delaware limited liability company (collectively, the “Builders”) to purchase 152 lots each, for a total of 304 lots. See “THE LANDOWNER AND THE DEVELOPMENT MANAGER” herein for more information. **[How will the remaining 35 lots not sold to the Builders be constructed? Is the Landowner planning to construct or enter into a third builder contract?]**

The Series 2023 Bonds are being issued pursuant to the Act, Resolution No. 2022-28 and Resolution No. 2024-[___], adopted by the Board of Supervisors (the “Board”) of the District on January 25, 2022 and October 24, 2023, respectively (collectively, the “Resolution”), and a Master Trust Indenture dated as of [November] 1, 2023 (the “Master Indenture”), as supplemented by a First Supplemental Trust Indenture, dated as [November] 1, 2023 (the “First 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”). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Series 2023 Bonds are being issued to (i) finance a portion of the Cost of the Series 2023 Project (as defined herein); (ii) make a deposit into the Series 2023 Reserve Account to be held for the benefit of all of the Series 2023 Bonds, without privilege or priority of one Series 2023 Bond over another; (iii) pay a portion of the interest to become due on the Series 2023 Bonds through [November 1, 2025] and (iv) pay certain costs associated with the issuance of the Series 2023 Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE” hereto.

The Series 2023 Bonds are payable from and secured by the Series 2023 Trust Estate, which includes the Series 2023 Pledged Revenues and the Series 2023 Pledged Funds. The Series 2023 Pledged Revenues consist of the revenues received by the District from the Series 2023 Assessments (as further described herein). The Series 2023 Pledged Funds include all of the Funds and Accounts (except for the Series 2023 Rebate Account) established by the Indenture. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS” herein.

Set forth herein are brief descriptions of the District, the Series 2023 Project, the Landowner, the Development Manager and the Development, together with summaries of terms of the Series 2023 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 documents and the Act and all references to the Series 2023 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. A proposed form of the Master Indenture and proposed form of the First 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 2023 BONDS

General Description

The Series 2023 Bonds will be dated, will bear interest at the rates per annum (computed on the basis of a 360-day year consisting of twelve 30-day months) and, subject to the redemption provisions set forth below, will mature on the dates and in the amounts set forth on the cover page of this Limited Offering Memorandum. Interest on the Series 2023 Bonds will be payable semi-annually on each May 1 and November 1, commencing May 1, 2024, until maturity or prior redemption. U.S. Bank Trust Company, National Association, is the initial Trustee, Paying Agent and Registrar for the Series 2023 Bonds.

The Series 2023 Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$5,000 and any integral multiple thereof provided, except as otherwise provided in the Indenture. The Series 2023 Bonds will initially be offered only to “accredited investors” within the meaning of Chapter 517, Florida Statutes, as amended, and the rules of the Florida Department of Financial Services promulgated thereunder; provided, however, the limitation of the initial offering to Accredited Investors does not denote restrictions on transfer in any secondary market for the Series 2023 Bonds. See “SUITABILITY FOR INVESTMENT” herein.

Upon initial issuance, the Series 2023 Bonds shall be issued as one fully registered bond for each maturity of Series 2023 Bonds and deposited with The Depository Trust Company (“DTC”), New York, New York, which is responsible for establishing and maintaining records of ownership for its participants. As long as the Series 2023 Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes of the Indenture. DTC shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants (“DTC Participants”) and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (“Indirect Participants”). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series 2023 Bonds (“Beneficial Owners”). Principal and interest on the Series 2023 Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to

Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC nor its nominee, the Trustee or the District. During the period for which Cede & Co. is registered owner of the Series 2023 Bonds, any notices to be provided to any Beneficial Owner will be provided to Cede & Co. DTC shall be responsible for notices to DTC Participants and DTC Participants shall be responsible for notices to Indirect Participants, and DTC Participants and Indirect Participants shall be responsible for notices to Beneficial Owners. In the event DTC, any successor of DTC or the District, but only in accordance with the procedures of DTC, elects to discontinue the book-entry only system for the Series 2023 Bonds, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor, and after such time the Series 2023 Bonds may be exchanged for an equal aggregate principal amount of such Series 2023 Bonds in other Authorized Denominations upon surrender thereof at the designated corporate trust office of the Trustee. See “– Book-Entry Only System” herein.

Redemption Provisions

Optional Redemption

The Series 2023 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 2023 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption

The Series 2023 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 2023 Sinking Fund Account established under the First 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>Year</u>	<u>Amortization Installment</u>
	\$

* Maturity

The Series 2023 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 2023 Sinking Fund Account established under the First 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>Year</u>	<u>Amortization Installment</u>
	\$

*

*Maturity

The Series 2023 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 2023 Sinking Fund Account established under the First 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>Year</u>	<u>Amortization Installment</u>
	\$

* Maturity

The Series 2023 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 2023 Sinking Fund Account established under the First 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>Year</u>	<u>Amortization Installment</u>
	\$

* Maturity

As more particularly set forth in the Indenture, any Series 2023 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 2023 Bonds. Amortization Installments are also subject to recalculation, as provided in the First Supplemental Indenture, as the result of the redemption of Series 2023 Bonds

so as to reamortize the remaining Outstanding principal balance of the Series 2023 Bonds as set forth in the First Supplemental Indenture.

Extraordinary Mandatory Redemption

The Series 2023 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, 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 Series 2023 Project, by application of moneys transferred from the Series 2023 Acquisition and Construction Account in the Acquisition and Construction Fund established under the Indenture to the Series 2023 Prepayment Subaccount of the Series 2023 Redemption Account in accordance with the terms of the Indenture; or

(b) from amounts, including Series 2023 Prepayment Principal, required by the Indenture to be deposited into the Series 2023 Prepayment Subaccount of the Series 2023 Redemption Account; or

(c) from amounts transferred to the Series 2023 Prepayment Subaccount of the Series 2023 Redemption Account resulting from a reduction in the Series 2023 Reserve Account Requirement as provided for in the Indenture; or

(d) on the date on which the amount on deposit in the Series 2023 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2023 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2023 Bonds shall be called for redemption, the particular Series 2023 Bonds or portions of Series 2023 Bonds to be redeemed shall, unless otherwise provided in the Indenture, be selected by lot by the Bond Registrar as provided in the Indenture.

“Quarterly Redemption Date” shall mean each February 1, May 1, August 1, and November 1 of any calendar year.

Notice of Redemption

Notice of each redemption of Series 2023 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 2023 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 2023 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 2023 Bonds or such portions thereof on such date, interest on such Series 2023 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2023 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 2023 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 Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully-registered securities 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 Series 2023 Bond certificate will be issued for each maturity of the Series 2023 Bonds, each in the aggregate principal amount of such maturity, 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 (“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 (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2023 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 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2023 Bonds, except in the event that use of the book-entry system for the Series 2023 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023 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 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping 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 among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2023 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2023 Bond documents. For example, Beneficial Owners of Series 2023 Bonds may wish to ascertain that the nominee holding the Series 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2023 Bonds within a series or maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2023 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 Series 2023 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 2023 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 Trustee, on 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 Trustee, 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 or the Trustee, 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 Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2023 Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Series 2023 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2023 Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2023 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2023 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2023 Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2023 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2023 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) pursuant to the procedures of DTC. In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS

General

NEITHER THE SERIES 2023 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 FLORIDA. THE SERIES 2023 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 2023 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2023 BONDS SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2023 TRUST ESTATE, AS PROVIDED IN THE SERIES 2023 BONDS AND IN THE INDENTURE.

The Series 2023 Bonds are payable from and secured by the revenues received by the District from the Series 2023 Assessments and amounts in the Funds and Accounts (except for the Series 2023 Rebate Account) established by the Indenture (collectively, the “Series 2023 Trust Estate”). Series 2023 Assessments will be levied and collected on the lands within the District as described under “ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS” herein. The Series 2023 Assessments represent an allocation of the costs of the Series 2023 Project, including bond financing costs, to such benefited land within the District in accordance with the Assessment Methodology (as hereinafter defined), attached hereto as composite APPENDIX D

No Parity Bonds; Limitation on Parity Assessments

The District covenants and agrees in the First Supplemental Indenture that other than Refunding Bonds issued to refund the then Outstanding Series 2023 Bonds, the issuance of which results in net present value Debt Service savings, the District shall not, while any Series 2023 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2023 Trust Estate. The District further covenants and agrees that so long as the Series 2023 Assessments have not been Substantially Absorbed, it will not impose Assessments for capital projects on any lands subject to the Series 2023 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 2023 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 First Supplemental Indenture to mean the date on which the principal amount of the Series 2023 Assessments equaling ninety percent (90%) of the then-Outstanding principal amount of the Series 2023 Bonds is levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon and are owned by end users, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

WHILE NO FUTURE ADDITIONAL BONDS WILL BE PAYABLE FROM OR SECURED BY THE SERIES 2023 ASSESSMENTS PLEDGED AS SECURITY FOR THE SERIES 2023 BONDS, THE DISTRICT, THE COUNTY, THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF MAY IN THE FUTURE IMPOSE, LEVY AND COLLECT ASSESSMENTS AND TAXES THE LIENS OF WHICH WILL BE CO-EQUAL WITH THE LIEN OF ASSESSMENTS WHICH INCLUDES THE SERIES 2023 ASSESSMENTS SECURING THE SERIES 2023 BONDS. See “ENFORCEMENT OF ASSESSMENT COLLECTIONS” herein for more information.

Funds and Accounts

The Indenture requires that the Trustee establish the following Funds and Accounts: (a) within the Acquisition and Construction Fund, (i) a Series 2023 Acquisition and Construction Account and (ii) a Series 2023 Costs of Issuance Account; (b) within the Debt Service Fund, (i) a Series 2023 Debt Service Account and therein a Series 2023 Sinking Fund Account, a Series 2023 Interest Account and a Series 2023 Capitalized Interest Account, and (ii) a Series 2023 Redemption Account and therein a Series 2023 Prepayment Subaccount and a Series 2023 Optional Redemption Subaccount; (c) within the Reserve Fund, a Series 2023 Reserve Account, which Series 2023 Reserve Account shall be held for the benefit of all Series 2023 Bonds, without distinction as to Series 2023 Bonds and without privilege or priority of one Series 2023 Bond over another; (d) within the Revenue Fund, a Series 2023 Revenue Account; and (e) within the Rebate Fund, a Series 2023 Rebate Account.

Series 2023 Reserve Account

The Series 2023 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2023 Reserve Account Requirement. “Series 2023 Reserve Account Requirement” is defined in the First Supplemental Indenture to mean, an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2023 Bonds as of the time of any such calculation, which on the date of issuance of the Series 2023 Bonds is equal to \$_____.

Except as otherwise provided in the Indenture, amounts on deposit in the Series 2023 Reserve Account shall be used only for the purpose of making payments into the Series 2023 Interest Account and the Series 2023 Sinking Fund Account to pay Debt Service on the Series 2023 Bonds, when due, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose. The Series 2023 Reserve Account shall consist only of cash and Investment Obligations.

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 first Business Day preceding such forty-fifth (45th) day), the District shall recalculate the Series 2023 Reserve Account Requirement taking into account any Series 2023 Prepayment Principal on deposit in the Series 2023 Prepayment Subaccount of the Series 2023 Redemption Account and provide written direction to the Trustee to transfer any excess on deposit in the Series 2023 Reserve Account (other than excess resulting from earnings on investments, which shall be governed by the Indenture) into the Series 2023 Prepayment Subaccount of the Series 2023 Redemption Account and apply such excess to the extraordinary mandatory redemption of the Series 2023 Bonds.

On the earliest date on which there is on deposit in the Series 2023 Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2023 Bonds, together with accrued interest on such Series 2023 Bonds to the earliest date of redemption permitted therein and in the Indenture, then the Trustee shall, upon written direction of the District, transfer the amount on deposit in the Series 2023 Reserve Account into the Series 2023 Prepayment Subaccount in the Series 2023 Redemption Account to

pay and redeem all of the Outstanding Series 2023 Bonds on the earliest date permitted for redemption therein and in the Indenture.

Anything in the Indenture to the contrary notwithstanding, amounts on deposit in the Series 2023 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.

Series 2023 Acquisition and Construction Account

Amounts on deposit in the Series 2023 Acquisition and Construction Account shall be applied to pay Costs of the Series 2023 Project upon compliance with the requisition provisions set forth in the Master Indenture and the form attached as Exhibit A to the Master Indenture. The Trustee shall have no duty to review any requisitions to determine if the amount requested is for payment of a cost permitted under the Indenture. Anything in the Master Indenture to the contrary notwithstanding, the Consulting Engineer shall establish a Date of Completion for the Series 2023 Project, and any balance remaining in the Series 2023 Acquisition and Construction Account (taking into account the moneys currently on deposit therein to pay any accrued but unpaid Costs of the Series 2023 Project which are required to be reserved in the Series 2023 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 deposited to the Series 2023 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2023 Bonds in accordance with the Indenture and in the manner prescribed in the form of Series 2023 Bonds attached to the First Supplemental Indenture. After there are no funds therein, the Series 2023 Acquisition and Construction Account, such account shall be closed. Notwithstanding the foregoing, the Series 2023 Acquisition and Construction Account shall not be closed prior to [November 1, 2025].

Amounts on deposit in the Series 2023 Capitalized Interest Account shall, until and including November 1, 2025, be transferred into the Series 2023 Interest Account and applied to the payment of interest first coming due on the Series 2023 Bonds, and thereafter transferred into the Series 2023 Acquisition and Construction Account, whereupon the Series 2023 Capitalized Interest Account shall be closed.

Series 2023 Revenue Account

(a) Pursuant to the First Supplemental Indenture, the Trustee is authorized and directed to deposit into the Series 2023 Revenue Account any and all amounts required to be deposited therein by 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 2023 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 2023 Revenue Account the Series 2023 Pledged Revenues other than Series 2023 Prepayment Principal, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2023 Prepayment Subaccount in the Series 2023 Redemption Account, and any other revenues

required by other provisions of the Indenture to be deposited therein. The Trustee may conclusively rely on the assumption that, unless otherwise instructed in writing by the District at the time of deposit to the Trustee, Series 2023 Pledged Revenues paid to the Trustee shall be deposited into the Series 2023 Revenue Account, and that Series 2023 Pledged Revenues which the District informs the Trustee constitute Series 2023 Prepayment Principal shall be deposited into the Series 2023 Prepayment Subaccount of the Series 2023 Redemption Account.

(c) On the forty-fifth (45th) day preceding each Quarterly Redemption Date with respect to the Series 2023 Bonds (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 2023 Prepayment Subaccount of the Series 2023 Redemption Account and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2023 Revenue Account for deposit into the Series 2023 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to the next highest integral multiple of \$5,000 (provided that there are sufficient funds remaining therein to pay Debt Service coming due on the Series 2023 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2023 Bonds in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2023 Prepayment Subaccount in accordance with the provisions for extraordinary redemption of the Series 2023 Bonds set forth in the form of Series 2023 Bonds attached to the First Supplemental Indenture and in accordance with the provisions of the 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 next preceding such May 1 or November 1), the Trustee shall first transfer from the Series 2023 Capitalized Interest Account to the Series 2023 Interest Account the lesser of (x) the amount of interest coming due on the Series 2023 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (y) the amount remaining in the Series 2023 Capitalized Interest Account.

Following the foregoing transfers, on each 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 from the amounts on deposit in the Series 2023 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, to the Series 2023 Interest Account of the Series 2023 Debt Service Account, an amount equal to the amount of interest payable on all Series 2023 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2023 Capitalized Interest Account in accordance with the First Supplemental Indenture, and less any other amount already on deposit in the Series 2023 Interest Account not previously credited;

SECOND, on May 1, 20[___], and each May 1 thereafter, to the Series 2023 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2023 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2023 Sinking Fund Account not previously credited;

THIRD, to the Series 2023 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2023 Reserve Account Requirement; and

FOURTH, the balance shall be retained in the Series 2023 Revenue Account.

On or after each November 2, the balance on deposit in the Series 2023 Revenue Account shall be retained therein.

(e) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2023 Revenue Account to the Series 2023 Rebate Account established for the Series 2023 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing, if any, to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

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 2023 Bonds shall be invested only in Investment Obligations, and further, earnings on the Series 2023 Acquisition and Construction Account, the Series 2023 Interest Account, and the Series 2023 Capitalized Interest Account, shall be retained, as realized, in such Accounts and used for the purpose of such Account. Earnings on investments in the Funds and Accounts other than the Series 2023 Reserve Account and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2023 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2023 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in the Master Indenture) in the Series 2023 Reserve Account as of the most recent date on which amounts on deposit in the Series 2023 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2023 Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2023 Reserve Account shall be deposited into the Series 2023 Capitalized Interest Account through [November 1, 2025], and, thereafter earnings in the Series 2023 Reserve Account shall be allocated to and deposited into the Series 2023 Revenue Account and used for the purpose of such Account; and

(ii) if as of the last date on which amounts on deposit in the Series 2023 Reserve Account were valued by the Trustee there was a deficiency (as defined in the Master Indenture), or if after such date withdrawals have been made from the Series 2023 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2023 Reserve Account shall be deposited into the Series 2023 Reserve Account until the amount on deposit therein is equal to the Series 2023 Reserve Account Requirement, and then earnings on investments in the Series 2023 Reserve Account shall be deposited into the Series 2023 Capitalized Interest Account through [November 1, 2025], and, thereafter shall be allocated to and deposited into the Series 2023 Revenue Account and used for the purpose of such Account.

Notwithstanding the foregoing, if there is a deficiency in the Series 2023 Reserve Account, prior to the deposit of any earnings in the Series 2023 Revenue Account, the amount of such proposed transfer shall instead be deposited into the Series 2023 Reserve Account until the balance on deposit therein is equal to the Series 2023 Reserve Account Requirement.

See “APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE” attached hereto.

Master Indenture Provisions Relating to Bankruptcy or Insolvency of a 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 three percent (3%) of the Series 2023 Assessments pledged to the Series 2023 Bonds (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”).

(b) The District acknowledges and agrees that, although Series 2023 Bonds were issued by the District, the Owners of the Series 2023 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:

(c) the District agrees that it shall seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2023 Bonds 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 2023 Assessments relating to the Series 2023 Bonds Outstanding, the Outstanding Series 2023 Bonds or any rights of the Trustee under the Indenture (provided, however, the Majority Owners shall be deemed to have consented to the proposed action if the District does not receive a response from the Majority Owners within sixty (60) days following written request for consent);

(d) the District agrees 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 2023 Assessments relating to the Series 2023 Bonds Outstanding, the Series 2023 Bonds Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee or the Majority Owners;

(e) the District agrees that it shall seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, the Majority Owners shall be deemed to have consented to the proposed action if the District does not receive a written response from the Majority Owners within sixty (60) days following request for consent);

(f) 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 2023 Assessments relating to the Series 2023 Bonds 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 2023 Assessments relating to the Series 2023 Bonds 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

(v) the District shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee 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 2023 Assessments relating to the Series 2023 Bonds Outstanding or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Series 2023 Assessments pledged to the Series 2023 Bonds Outstanding, (ii) to deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

The District acknowledges and agrees 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.

Notwithstanding the provisions of the immediately preceding paragraphs, nothing in this section 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 in such manner as it shall deem appropriate in its sole and absolute discretion. 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 2023 Assessments relating to the Series 2023 Bonds 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. See "BONDOWNERS' RISKS – Bankruptcy and Related Risks" herein.

Covenant Against Sale or Encumbrance

In the Master Indenture, the District will covenant that, until such time as there are no Series 2023 Bonds Outstanding, it will not sell, lease or otherwise dispose of or encumber the Series 2023 Project or any part thereof other than as provided therein in the Master Indenture. See "APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE" herein.

Prepayment of Series 2023 Assessments

The Series 2023 Assessment Proceedings provide that an owner of property subject to the Series 2023 Assessments may prepay the entire remaining balance of such Series 2023 Assessment at any time, or a portion of the remaining balance of such Series 2023 Assessments one time, if there is also paid, in addition to the prepaid principal balance of the Series 2023 Assessment, an amount equal to the interest that would otherwise be due on such prepaid amount on the next succeeding interest payment date for the Series 2023 Bonds or, if prepaid during the forty-five (45) day period preceding such interest payment date, to the interest payment date following such next succeeding interest payment date. Prepayment of the Series 2023 Assessments does not entitle the property owner to any discounts for early payment.

Pursuant to the Act and the Series 2023 Assessment Proceedings, an owner of property subject to the levy of Series 2023 Assessments may pay the entire balance of the Series 2023 Assessments remaining due, without interest, within thirty (30) days after the Series 2023 Project has been completed or acquired by the District, and the Board has adopted a resolution accepting the Series 2023 Project pursuant to Chapter 170.09, Florida Statutes. The Landowner, as the sole owner of the assessable property within the District, will covenant to waive this right on behalf of itself and its respective successors and assigns in connection with the issuance of the Series 2023 Bonds. See “BONDOWNERS’ RISKS – Prepayment and Redemption Risk” herein.

The Series 2023 Bonds are subject to extraordinary redemption as indicated under “DESCRIPTION OF THE SERIES 2023 BONDS – Redemption Provisions – Extraordinary Mandatory Redemption” from optional and required prepayments of Series 2023 Assessments by property owners.

Re-Assessment

Pursuant to the Master Indenture, if any Series 2023 Assessments shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or the District shall be satisfied that any such Series 2023 Assessments are so irregular or defective that they cannot be enforced or collected, or if the District shall have omitted to make such Series 2023 Assessments when it might have done so, the District shall either: (i) take all necessary steps to cause new Series 2023 Assessments to be made for the whole or any part of such improvement or against any property benefited by such improvement; or (ii) in its sole discretion, make up the amount of such Series 2023 Assessments from legally available moneys, which moneys shall be deposited into the Series 2023 Revenue Account. In case any such subsequent Series 2023 Assessments shall also be annulled, the District shall obtain and make other Series 2023 Assessments until valid Series 2023 Assessments shall be made.

Assignment of District’s Rights Under Collateral Assignment

Contemporaneously with the issuance of the Series 2023 Bonds, the Landowner and the District will enter into the Collateral Assignment and Assumption of Development and Contract Rights relating to the Series 2023 Project and the Development (the “Assignment Agreement”). The following description of the Assignment Agreement is qualified in its entirety by reference to the Assignment Agreement. Pursuant to the Assignment Agreement, the Landowner will

collaterally assign to the District, to the extent assignable on a non-exclusive basis, all of its development rights, land use entitlements and authorizations, approvals and permits relating to the Series 2023 Project and the Development (the “Development and Contract Rights”) as security for the Landowner’s payment and performance and discharge of its obligation to pay the Series 2023 Assessments when due. The assignment will become effective upon failure of the Landowner to pay the Series 2023 Assessments levied against the lands owned by the Landowner and the subsequent acquisition of such lands by the District or its assignee. Such Assignment Agreement is by its terms given on a non-exclusive basis, such that the Development and Contract Rights may be collaterally assigned on a non-exclusive basis to any party having a legal and/or equitable interest in and to the lands in the Development and each assignee has a right to utilize the Development and Contract Rights to their fully permitted capacity to cause the completion of the Series 2023 Project and the Development. Pursuant to the Indenture, but subject to the terms of the Assignment Agreement, and without intending to alter the same, the District assigns its rights under the Assignment Agreement to the Trustee for the benefit of the Owners, from time to time, of the Series 2023 Bonds. The Trustee shall not be deemed to have accepted any obligation under the Assignment Agreement by virtue of such assignment.

Completion Agreement

In connection with the issuance of the Series 2023 Bonds, the District and the Landowner will enter into the Agreement Regarding the Completion of Certain Improvements (Series 2023 Project) (the “Completion Agreement”) pursuant to which the Landowner will agree to provide funds to complete the Series 2023 Project to the extent that proceeds of the Series 2023 Bonds are insufficient therefor. Remedies for a default under the Completion Agreement include damages and/or specific performance.

True-Up Agreement

In connection with the issuance of the Series 2023 Bonds, the District and the Landowner will enter into the Agreement Regarding the True-Up and Payment of Special Assessments (the “True-Up Agreement”) pursuant to which the Landowner agrees to timely pay all Series 2023 Assessments on lands owned by the Landowner and subject to the Series 2023 Assessment and to pay, when requested by the District, any amount of the Series 2023 Assessments allocated to unplatted acres on lands owned by the Landowner in excess of the allocation in place at the time of issuance of the Series 2023 Bonds pursuant to the Assessment Methodology or any update thereto.

Enforcement of True-Up Agreement and Completion Agreement

Pursuant to the Indenture, the District, either through its own actions or actions caused to be taken through the Trustee, will covenant that it shall strictly enforce all of the provisions of the Completion Agreement and the True-Up 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 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 in the 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 Completion Agreement and the True-Up 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.

Owner Direction and Consent with Respect to Series 2023 Acquisition and Construction Account Upon Occurrence of Event of Default

In accordance with the provisions of the Indenture, the Series 2023 Bonds are secured solely by the Series 2023 Pledged Revenues and the Series 2023 Pledged Funds comprising the Series 2023 Trust Estate held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District acknowledges in the First Supplemental Indenture that (i) the Series 2023 Pledged Funds include, without limitation, all amounts on deposit in the Series 2023 Acquisition and Construction Account then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2023 Bonds, the Series 2023 Pledged Funds may not be used by the District (whether to pay Costs of the Series 2023 Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the Trustee notifying the District of such declared Event of Default the District had incurred a binding obligation with third parties for work on the Series 2023 Project and payment is for such work, and (iii) upon the occurrence of an Event of Default with respect to the Series 2023 Bonds, the Series 2023 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 Series 2023 Project that will cause the expenditure of additional funds from the Series 2023 Trust Estate after the occurrence and during the continuance of an Event of Default unless authorized in writing by the Majority Owners of the Series 2023 Bonds.

Events of Default and Remedies

The Master Indenture provides that each of the following shall be an “Event of Default” under the Indenture with respect to the Series 2023 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 2023 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 Series 2023 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 2023 Assessments shall have become Delinquent Assessments and, as the result thereof, the Trustee has withdrawn funds from the Series 2023 Reserve Account to pay Debt Service on the Series 2023 Bonds (a "Reserve Account Event") unless within ninety (90) days from the Reserve Account Event the District has either (i) replenished the amounts, if any, withdrawn from the Series 2023 Reserve Account, or (ii) the portion of the Delinquent Assessments giving rise to the Reserve Account Event are no longer Delinquent Assessments;

(h) More than twenty percent (20%) of the Operation and Maintenance Assessments levied by the District on tax parcels subject to the Series 2023 Assessments are not paid by the date such are due and payable, and such default continues for sixty (60) days after the date when due; and

(i) The District shall default in the due and punctual performance of any of the material covenants, conditions, agreements and provisions contained in the Series 2023 Bonds or the Indenture on the part of the District to be performed (other than a default in the payment of Debt Service on the Series 2023 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 2023 Bonds then Outstanding and affected by such default; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such thirty (30) day period, no Event of Default shall be deemed to have occurred or exist if the District shall commence such performance within such thirty (30) day period and shall diligently and continuously prosecute the same to completion.

Pursuant to the Indenture, the District will covenant and agree 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, the provisions for the foreclosure of liens of Delinquent 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 2023 Bonds. Notwithstanding anything to the contrary in the Indenture, and unless otherwise directed by the Majority Owners of the Series 2023 Bonds and allowed pursuant to federal or State law, the District will acknowledge and agree that (i) upon

failure of any property owner to pay an installment of Series 2023 Assessments collected directly by the District when due, that the entire Series 2023 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 one hundred twenty (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 (ii) 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 2023 Bonds is the Series 2023 Assessments imposed on the assessable lands within the District specially benefited by the Series 2023 Project pursuant to the Series 2023 Assessment Proceedings. See “ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS” herein and “APPENDIX D: ASSESSMENT METHODOLOGY” attached hereto.

The determination, order, levy, and collection of Series 2023 Assessments must be done in compliance with procedural requirements and guidelines provided by State law. Failure by the District, the Flagler County Tax Collector (the “Tax Collector”) or the Flagler County Property Appraiser (the “Property Appraiser”) to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2023 Assessments during any year. Such delays in the collection of Series 2023 Assessments, or complete inability to collect the Series 2023 Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Series 2023 Bonds. See “BONDOWNERS’ RISKS.” To the extent that landowners fail to pay the Series 2023 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 2023 Bonds.

For the Series 2023 Assessments to be valid, the Series 2023 Assessments must meet two requirements: (1) the benefit from the Series 2023 Project to the lands subject to the Series 2023 Assessments must exceed or equal the amount of the Series 2023 Assessments, and (2) the Series 2023 Assessments must be fairly and reasonably allocated across all such benefitted properties. The Certificate of the Methodology Consultant to be provided at the time of issuance of the Series 2023 Bonds will certify that these requirements have been met with respect to the Series 2023 Assessments.

Pursuant to the Act and the Series 2023 Assessment Proceedings, the District may collect the Series 2023 Assessments through a variety of methods. See “BONDOWNERS’ RISKS.” Initially, the District will directly issue annual bills to the Landowner requiring payment of the Series 2023 Assessments for lands that have not yet been platted and will enforce that bill through foreclosure proceedings. See “ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS” herein and “APPENDIX D: ASSESSMENT METHODOLOGY” hereto. As

lands within the District are platted, the Series 2023 Assessments will be added to the Flagler County tax roll and collected pursuant to the Uniform Method (as described below). 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, in certain circumstances the District shall directly levy, collect and enforce the Series 2023 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 2023 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 2023 Assessments and the ability to foreclose the lien of such Series 2023 Assessments upon the failure to pay such Series 2023 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 2023 Assessments. See “BONDOWNERS’ RISKS.”

Uniform Method Procedure

Subject to certain conditions, and for platted lands (as described above), the District may alternatively elect to collect the Series 2023 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 2023 Assessments to be levied and then collected in this manner.

If the Uniform Method of collection is used, the Series 2023 Assessments will be collected together with County, City, 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 2023

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 2023 Assessments.

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by Florida 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 2023 Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Series 2023 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 the debt service requirements on the Series 2023 Bonds.

Under the Uniform Method, if the Series 2023 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 2023 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 2023 Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2023 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 2023 Assessment Proceedings to discharge the lien of the Series 2023 Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2023 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 2023 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 2023 Assessments), interest, costs and charges on the real property described in the certificate.

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 (unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees), 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 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, the tax certificate is null and void. 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. If the property is purchased for an amount in excess of the statutory bid of the certificate holder, but such excess is not sufficient to pay all governmental liens of record, the excess shall be paid to each governmental unit pro rata.

Except for certain governmental liens 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 and liens against the property, including the Series 2023 Assessments, 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 2023 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 2023 Assessments, which is the primary source of payment of the Series 2023 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."

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 sections of this Limited Offering Memorandum. Certain additional risks are associated with the Series 2023 Bonds offered hereby and are set forth below. Prospective investors in the Series 2023 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 2023 Bonds and have the ability to bear the economic risks of such prospective investment,

including a complete loss of such investment. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2023 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 2023 Bonds.

Concentration of Land Ownership

As of the date of delivery of the Series 2023 Bonds, the Landowner owns [all] of the assessable lands within the District, which are the lands that will be subject to the Series 2023 Assessments securing the Series 2023 Bonds. Payment of the Series 2023 Assessments is primarily dependent upon their timely payment by the Landowner and the other future landowners in the District. Non-payment of the Series 2023 Assessments by any landowner could have a substantial adverse impact upon the District's ability to pay debt service on the Series 2023 Bonds. See "THE LANDOWNER AND THE DEVELOPMENT MANAGER" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" herein.

Bankruptcy and Related Risks

In the event of the institution of bankruptcy or similar proceedings with respect to the Landowner or any other owner of benefited property, delays could occur in the payment of debt service on the Series 2023 Bonds, as such bankruptcy could negatively impact the ability of: (i) the Landowner and any other landowner to pay the Series 2023 Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2023 Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Series 2023 Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2023 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 2023 Bonds, including, without limitation, enforcement of the obligation to pay Series 2023 Assessments and the ability of the District to foreclose the lien of the Series 2023 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 2023 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 2023 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 2023 BONDS – Master Indenture Provisions Relating to Bankruptcy or Insolvency of a Landowner." The District cannot express any view as to whether such delegation would be enforceable.

Series 2023 Assessments Are Non-Recourse

The principal security for the payment of the principal and interest on the Series 2023 Bonds is the timely collection of the Series 2023 Assessments. The Series 2023 Assessments do not constitute a personal indebtedness of the Landowner of the land subject thereto, but are secured by a lien on such land. There is no assurance that the Landowner or subsequent landowners will be able to pay the Series 2023 Assessments or that they will pay such Series 2023 Assessments even though financially able to do so. Neither the Landowner nor any other subsequent landowners have any personal obligation to pay the Series 2023 Assessments. Neither the Landowner nor any subsequent landowners are guarantors of payment of any Series 2023 Assessments, and the recourse for the failure of the Landowner or any subsequent landowners to pay the Series 2023 Assessments is limited to the collection proceedings against the land subject to such unpaid Series 2023 Assessments, as described herein. Therefore the likelihood of collection of the Series 2023 Assessments may ultimately depend on the market value of the land subject to the Series 2023 Assessments. While the ability of the Landowner or subsequent landowners to pay the Series 2023 Assessments is a relevant factor, the willingness of the Landowner or subsequent landowners to pay the Series 2023 Assessments, which may also be affected by the value of the land subject to the Series 2023 Assessments, is also an important factor in the collection of Series 2023 Assessments. The failure of the Landowner or subsequent landowners to pay the Series 2023 Assessments could render the District unable to collect delinquent Series 2023 Assessments, if any, 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 2023 Bonds.

Regulatory and Environmental Risks

The Development 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 – Zoning and Permitting" herein for more information.

The value of the land within the District, the ability to complete the Series 2023 Project, the development of and the success of the Development and the likelihood of timely payment of Debt Service on the Series 2023 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 2023 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” herein for information on environmental site assessments obtained or received by the Landowner. 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 the District.

Damage to District from Natural Disasters

The value of the lands subject to the Series 2023 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 2023 Bonds. The Series 2023 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 the Development and the sale of residential units therein, once such homes are built, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Landowner and the Development Manager. Moreover, the Landowner and the Development Manager have the right to modify or change plans for the 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 2023 Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the County, the City, or any other local special purpose or general purpose governmental entities. County, City, 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 2023 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 2023 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 2023 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 2023 Assessment, even though the landowner is not contesting the amount of the Series 2023 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 2023 Bonds

The Series 2023 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2023 Bonds in the event an Owner thereof determines to solicit purchasers for the Series 2023 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2023 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2023 Bonds, depending on the progress of development of the Development and the lands within the District, 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 2023 Assessments, may not adversely affect the timely payment of debt service on the Series 2023 Bonds because of the Series 2023 Reserve Account. The ability of the Series 2023 Reserve Account to fund deficiencies caused by delinquencies in the Series 2023 Assessments is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in the Series 2023 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 2023 Reserve Account to make up deficiencies. If the District has difficulty in collecting the Series 2023 Assessments, the Series 2023 Reserve Account would be rapidly depleted, and the ability of the District to pay debt service on the Series 2023 Bonds could be materially adversely affected. In addition, during an Event of Default under the Indenture, the Trustee may withdraw moneys from the Series 2023 Reserve Account and such other Funds, Accounts and subaccounts created under the Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. Owners should note that although the Indenture contains the Series 2023 Reserve Account Requirement for the Series 2023 Reserve Account, and a corresponding obligation on the part of the District to replenish the Series 2023 Reserve Account to the Series 2023 Reserve Account Requirement, if in fact the Series 2023 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 2023 Assessments in order to provide for the replenishment of the Series 2023 Reserve Account. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Reserve Account” herein for more information regarding the Series 2023 Reserve Account.

Legal Delays

If the District should commence a foreclosure action against a landowner for nonpayment of Series 2023 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 Owners of the Series 2023 Bonds to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Code, there are limitations on the amounts of proceeds from the Series 2023 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 paragraph, 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 governmental 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 was 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 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 Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that 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 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 Village Center CDD.

On February 23, 2016, the IRS issued a notice of proposed rulemaking containing proposed regulations (the “Proposed Regulations”) that provided guidance as to the definition of a political subdivision for purposes of the rules for tax-exempt bonds. However, on July 24, 2017, in response to Executive Order 13789 issued by President Trump, the Secretary of the Treasury (the “Secretary”) identified the Proposed Regulations among a list of eight regulations that (a) impose an undue financial burden on U.S. taxpayers, (b) add undue complexity to the federal tax laws, or (c) exceed the statutory authority of the IRS. On October 2, 2017, in his Second Report to the President on Identifying and Reducing Tax Regulatory Burdens, the Secretary reported that the Treasury Department and the IRS believed that the Proposed Regulations should be withdrawn in their entirety, and the Treasury Department and the IRS withdrew the Proposed Regulations on October 20, 2017. The Secretary further provided that the Treasury Department and the IRS would continue to study the legal issues relating to political subdivisions and may propose more targeted guidance in the future. Because the Proposed Regulations have been withdrawn, it is not possible to determine the extent to which all or a portion of the discussion herein regarding the Village Center CDD and the TAMs may continue to be applicable in the absence of further guidance from the IRS.

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 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 (6) years or when there are 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 members of the Board were elected by the Landowner within the District and none were elected by qualified electors. [The Landowner will certify as to its expectations as to the timing of the transition of control of the Board to qualified electors pursuant to the Act, and its expectations as to compliance with the Act by any members of the Board that it elects.][Confirm this certification will be provided] Such certification by the Landowner 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 2023 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 2023 Bonds are advised that, if the IRS does audit the Series 2023 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 2023 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 2023 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 2023 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 2023 Bonds would adversely affect the availability of any secondary market for the Series 2023 Bonds. Should interest on the Series 2023 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2023 Bonds be required to pay income taxes on the interest received on such Series 2023 Bonds and related penalties, but because the interest rates on such Series 2023 Bonds will not be adequate to compensate Owners of the Series 2023 Bonds for the income taxes due on such interest, the value of the Series 2023 Bonds may decline. See also “TAX MATTERS” herein.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATES ON THE SERIES 2023 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2023 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2023 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2023 BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2023 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

Since the Series 2023 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 political subdivisions, if the District is ever deemed by the IRS, judicially or otherwise, not to be a political subdivision for purposes of the Code, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of federal and state securities laws. Accordingly, the District and purchasers of Series 2023 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 2023 Bonds would need to ensure that subsequent transfers of the Series 2023 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 2023 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 2023 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 2023 Bonds. Prospective purchasers of the Series 2023 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation. See also “TAX MATTERS.”

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. On October 31, 2014, the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for community development district bonds. This report renews requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the “Executive Order”) directing the Office of Policy and Budget in the Executive Office of the Governor (“OPB”) to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. 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 2023 Bonds. It should be noted that Section 190.16(14) of the Act provides in pertinent part that “The state pledges to the holders of any bonds issued under the 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 impair the rights or remedies of such holders.”

Insufficient Resources or Other Factors Causing Failure to Complete the Series 2023 Project or the Construction of Homes within the Development

The cost to finish the Series 2023 Project may exceed the net proceeds from the Series 2023 Bonds. There can be no assurance, in the event the District does not have sufficient moneys on hand to complete the Series 2023 Project, that the District will be able to raise, through the issuance of additional bonds or otherwise, the moneys necessary to complete the Series 2023 Project. Further, the Indenture sets forth certain limitations on the issuance of additional bonds. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Additional Bonds” for more information.

Although the Landowner will agree to fund or cause to be funded the completion of the Series 2023 Project regardless of the insufficiency of proceeds from the Series 2023 Bonds, and will enter into a Completion Agreement with the District as evidence thereof, there can be no assurance that the Landowner will have sufficient resources to do so. Such obligation of the Landowner pursuant to such Completion Agreement is an unsecured obligation. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Completion Agreement” and “THE LANDOWNER AND THE DEVELOPMENT MANAGER” herein for more information.

Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the owners of the Series 2023 Bonds should it be necessary to institute proceedings due to the nonpayment of Series 2023 Assessments. Failure to complete or substantial delays in the completion of the Series 2023 Project due to litigation or other causes may reduce the value of the lands within the District and increase the length of time during which the Series 2023 Assessments will be payable from undeveloped property and may affect the willingness and ability of landowners to pay the Series 2023 Assessments when due and likewise the ability of the District to make full or punctual payment of Debt Service on the Series 2023 Bonds.

Further, there is a possibility that, even if the Development is developed, the Builders may not close on all or any of the lots therein, and such failure to close could negatively impact the construction of homes in the Development. The Builder Contracts may also be terminated by the Builders upon the occurrence or failure to occur of certain conditions set forth therein. See “THE DEVELOPMENT – Builder Contracts” herein for more information about the Builders and the Builder Contracts.

Infectious Viruses and/or Diseases

The COVID-19 outbreak severely impacted global financial markets, unemployment levels and commerce generally. Intermittent surges in COVID-19 cases, epidemic or pandemic diseases and/or government health and public safety restrictions thereto may occur from time to time. It is possible that delays in lot purchases by the Builders, construction delays, delays in the receipt of permits or other government approvals, supply chain delays, increased costs, delays in sales to end users or other delays could occur, or continue to occur, as applicable, as a result of the COVID-19 outbreak or other highly contagious or epidemic or pandemic diseases that adversely impact the Development. See also “BONDOWNERS’ RISKS – Economic Conditions and Changes in Development Plans” and “Insufficient Resources or Other Factors Causing Failure to Complete the Series 2023 Project or the Construction of Homes within the 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 2023 Bonds.

Prepayment and Redemption Risk

In addition to being subject to optional and mandatory sinking fund redemptions, the Series 2023 Bonds are subject to extraordinary mandatory redemption as a result of prepayments of the Series 2023 Assessments by the Landowner or subsequent owners of the property within the District. Any such redemptions of the Series 2023 Bonds would be at the principal amount of such Series 2023 Bonds being redeemed plus accrued interest to the date of redemption. In such event,

owners of the Series 2023 Bonds may not realize their anticipated rate of return on the Series 2023 Bonds and owners of any Premium Bonds (as defined herein) may receive less than the price they paid for the Series 2023 Bonds. See “DESCRIPTION OF THE SERIES 2023 BONDS – Redemption Provisions” and “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Prepayment of Series 2023 Assessments” herein for more information.

Payment of Series 2023 Assessments after Bank Foreclosure

In the event a bank forecloses on a property within the District because of a default on a mortgage in favor of such bank with respect thereto, 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 2023 Assessments levied on such property. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action on such property for failure to pay the Series 2023 Assessments.

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ESTIMATED SOURCES AND USES OF FUNDS

The table that follows summarizes the estimated sources and uses of proceeds of the Series 2023 Bonds:

Sources of Funds:	
Principal Amount	\$ _____
[Plus][Less][Net] Original Issue [Premium][Discount]	
Total Sources	_____
	<u>\$ _____</u>
Use of Funds:	
Deposit to Series 2023 Acquisition and Construction Account	
Deposit to Series 2023 Capitalized Interest Account ⁽¹⁾	\$ _____
Deposit to Series 2023 Reserve Account	
Costs of Issuance ⁽²⁾	_____
Total Uses	_____
	<u>\$ _____</u>

(1) Includes capitalized interest through [November] 1, 20[25].

(2) Costs of issuance include, without limitation, underwriter’s discount, legal fees and other costs associated with the issuance of the Series 2023 Bonds.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the Series 2023 Bonds:

Period Ending November 1	Series 2023 Bonds		Total Debt Service
	Principal	Interest	
2024	\$	\$	\$
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
Totals	\$	\$	\$

[Remainder of page intentionally left blank]

THE DISTRICT

General

The District is an independent local unit of special-purpose government of the State created in accordance with the Act by the Ordinance (described below). The District encompasses approximately 145.5 gross acres of land, located within the City of Palm Coast, Florida, in Flagler County, Florida. The District is generally located north of South US Highway 1, north of County Road 304, and south of Belle Terre Boulevard. District was established under Ordinance No. 2022-3, duly enacted by the City Council of the City on and effective as of January 4, 2022. The lands within the District are being developed as a residential community known as “[The Residence’s of Palm Coast]” (the “Development”). For more information, see “THE DEVELOPMENT” herein.

Governance

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 a Supervisor for the remainder of the unexpired term.

The landowners in the District elect two Supervisors to four-year terms and three Supervisors to two-year terms at bi-annual elections. After the first election of the Board, the next election by landowners will be the first Tuesday in the applicable November. Thereafter, the elections will take place every two years 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 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 an owner of the land within the District or of an affiliated entity thereof.

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

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
David Hansen *	Chair	November 2026
Michael Beebe *	Vice Chair	November 2024
Robert Atack *	Assistant Secretary	November 2024
Franklin J. Green *	Assistant Secretary	November 2026
Clifton Fischer *	Assistant Secretary	November 2024

*Affiliated with the Landowner or its affiliates.

A majority of the Supervisors constitutes a quorum for the purposes of conducting the business of the District and exercising its powers and for all other purposes. Action taken by the District shall be upon a vote of the majority of the Supervisors 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 “sunshine” or open meetings law.

Powers and Authority

As a special district, the District has only those powers specifically delegated to it by the Act and the Ordinance, or necessarily implied from powers specifically delegated to it. The Act provides that the District has the power to issue general obligation, revenue and special assessment bonds in any combination to pay all or part of the cost of infrastructure improvements authorized under the Act. The Act further provides that the District has the power to levy and assess taxes on all taxable real and tangible personal property, and to levy Special Assessments on specially benefited lands, within its boundaries to pay the principal of and interest on bonds issued and to provide for any sinking or other funds established in connection with any such bond issues. The Act also authorizes the District to impose assessments to maintain assets of the District and to pay operating expenses of the District. The District may also impose user fees, rates and charges and may enter into agreements with property owner associations within and without the boundaries of the District in order to defray its administrative, maintenance and operating expenses.

Among other provisions, the Act gives the District the right (i) to hold, control, and acquire by donation, purchase, condemnation, or dispose of, any public easements, dedications to public use, platted reservations for public purposes, or any reservations for those purposes authorized by the Act and to make use of such easements, dedications, or reservations for any of the purposes authorized by the Act, (ii) to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for various basic infrastructures, including District roads equal to or exceeding the specifications of the County in which such district roads are located, facilities for indoor and outdoor recreational, cultural and educational uses, and any other project within or without the boundaries of the District when a local government has issued a development order approving or expressly requiring the

construction or funding of the project by the District, or when the project is the subject of an agreement between the District and a governmental entity and is consistent with the local government comprehensive plan of the local government within which the project is to be located, (iii) to borrow money and issue bonds of the District, and (iv) to 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.

Also, pursuant to the Ordinance, the District has been granted special powers pursuant to Sections 190.012(1), 190.012(2)(a) and (d) of the Act and 190.012(3) of the Act. Such special powers include the right to (i) finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain systems, facilities, and basic infrastructures for (a) water management and control for the lands within the District and to connect some or any of such facilities with roads and bridges, (b) water supply, sewer, and wastewater management, reclamation, and reuse or any combination thereof, and to construct and operate connecting intercepting 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, (c) bridges or culverts that may be needed across any drain, ditch, canal, floodway, holding basin, excavation, public highway, tract, grade, fill, or cut and roadways over levees and embankments, and to construct any and all of such works and improvements across, through, or over any public right-of-way, highway, grade, fill or cut, (d) District roads equal to or exceeding the specifications of the County in which such District roads are located, and street lights, (e) buses, trolleys, transit shelters, ridesharing facilities and services, parking improvements, and related signage, (f) investigation and remediation costs associated with the cleanup of actual or perceived environmental contamination within the District under the supervision or direction of a competent governmental authority unless the covered costs benefit any person who is a landowner within the District and who caused or contributed to the contamination, (g) conservation areas, mitigation areas, and wildlife habitat, including the maintenance of any plant or animal species, and any related interest in real or personal property, and (h) any other project within or without the boundaries of the District when a local government issued a development order approving or expressly requiring the construction or funding of the project by the District, or when the project is the subject of an agreement between the District and a governmental entity and is consistent with the local government comprehensive plan of the local government within which the project is to be located, (ii) parks and facilities for indoor and outdoor recreational and cultural uses, (iii) security, including, but not limited to, guardhouses, fences and gates, electronic intrusion detection systems, and patrol cars, or industrial waste, and (iv) adopt and enforce appropriate rules in connection with the provision of one or more services through the District's systems and facilities.

The Act does not empower the District to adopt and enforce land use plans or zoning ordinances, and the Act does not empower the District to grant building permits; these functions are performed by the City and the County, as applicable, acting through their respective Commissions and departments of government.

The Act exempts all property of the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any owner of bonds of the District to pursue any remedy for enforcement of any lien or pledge of the District in connection with such bonds, including the Series 2023 Bonds.

The District Manager and Other Consultants

The chief administrative official of the District is the District Manager. The Act provides that the District Manager shall have charge and supervision of the works of the District and shall be 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. Wrathell, Hunt and Associates, LLC, serves as District Manager. The District Manager's corporate office is located at 2300 Glades Road, Suite 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 Kutak Rock, LLP, Tallahassee, Florida, as District Counsel; Bryant Miller and Olive P.A., Orlando, Florida, as Bond Counsel, and Wrathell, Hunt and Associates, LLC, also serves as Methodology Consultant for the Series 2023 Bonds.

No Existing Indebtedness

The District has not previously issued any other bonds or indebtedness.

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THE SERIES 2023 PROJECT [TO BE UPDATED AND CONFIRMED]

Series 2023 Project

The “Engineer’s Report for Palm Coast 145 Community Development District” dated November 30, 2021 and revised as of October 12, 2023 (the “Engineer’s Report”), prepared by Terra-Max Engineering, Inc. (the “District Engineer”), sets forth certain infrastructure improvements to be constructed in the District, including without limitation, water and sewer facilities, stormwater ponds, roadways, earthwork, retaining walls and bridges, landscaping and hardscaping and off-site improvements (including extension of water and sewer mains) and soft costs associated with the 339 single-family residential lots planned within the Development (collectively, the “Series 2023 Project”).

In the Engineer’s Report, the District Engineer estimates the total cost of the Series 2023 Project to be \$19,753,049, as more particularly set forth therein and as described below.

Project Component	
Water & Sewer Systems	\$4,665,182
Roadway Improvements	\$3,165,955
Earth Work	\$7,079,131
Stormwater Management	\$2,483,450
Retaining Walls/Bridges	\$0
Landscaping and Hardscaping	\$375,000
Soft Cost	\$799,592
Bonding	\$244,116
Contingency	<u>\$940,621</u>
Total	\$19,753,049

The net proceeds of the Series 2023 Bonds will finance construction and/or acquisition of a portion of the Series 2023 Project in the approximate amount of \$[_____]* Costs of the Series 2023 Project not funded by the Series 2023 Bonds are expected to be funded by Landowner equity. The Landowner will enter into the Completion Agreement at closing on the Series 2023 Bonds whereby it will agree to complete the Series 2023 Project to the extent not funded with proceeds of the Series 2023 Bonds. See “BONDOWNERS’ RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Series 2023 Project or the Construction of Homes within the Development” herein.

Land development associated with the Development will commence in the fall of 2023 and is expected to be completed by the third quarter of 2026. See “THE DEVELOPMENT – Development Plan and Status” herein for more information.

Upon completion, the water and sewer facilities in the Development will be owned and maintained by the City. The common area sidewalks, entry feature and signage, and the

* Preliminary, subject to change.

improvements comprising the stormwater management system will be owned and maintained by the District.

The District Engineer has indicated that all engineering permits necessary to construct the Series 2023 Project as set forth in the Engineer's Report have been obtained or are expected to be obtained in the ordinary course of development. In addition to the Engineer's Report, please refer to "THE DEVELOPMENT – Zoning and Permitting" herein for a more detailed description of the entitlement and permitting status of the Development.

See "APPENDIX A: ENGINEER'S REPORT" for more information regarding the above improvements.

ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS

The Master Special Assessment Methodology Report for Palm Coast 145 Community Development District dated January 24, 2022 (the "Assessment Methodology"), as may be supplemented, which allocates the Series 2023 Assessments to the lands within the District in proportion to the benefit derived from the Series 2023 Project, has been prepared by Wrathell, Hunt and Associates, LLC, Boca Raton, Florida (the "Methodology Consultant"). See "EXPERTS" herein for more information. The Assessment Methodology is included herein as APPENDIX D. Once the final terms of the Series 2023 Bonds are determined, the Assessment Methodology will be supplemented to reflect such final terms. Once levied and imposed, the Series 2023 Assessments are a first lien on the assessed lands within the District until paid or barred by operation of law, co-equal with other taxes and assessments levied by the District and other units of government. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

The Series 2023 Bonds are payable from and secured by a pledge of the Series 2023 Pledged Revenues and Series 2023 Pledged Funds, which consist primarily of revenues received by the District from the Series 2023 Assessments levied on the assessed lands within the District. Initially, the Series 2023 Assessments securing the Series 2023 Bonds will be levied on all of the approximately 145.5 acres within the District on an equal pro-rata gross acre basis. As parcels are platted within the Development, the debt will be transferred from gross acres to platted parcels on a first platted-first assigned basis based in accordance with the Assessment Methodology. See "APPENDIX D: ASSESSMENT METHODOLOGY" for more information.

Upon completion of platting of the District Lands, the estimated Series 2023 Assessments levied and allocated to platted units to pay Debt Service on the Series 2023 Bonds and the Series 2023 Bond estimated par per unit are expected to be as follows:

	# of Units Planned	Annual Series 2023 Assessment*	Series 2023 Bonds Total Par Per Unit*
Single Family - 50'	165	\$	\$
Single Family - 60'	174		
	<u>339</u>		

* Preliminary, subject to change. Annual assessments collected via the Uniform Method will be subject to a gross up to account for estimated County collection costs/payment discounts, which may fluctuate.

The District anticipates levying assessments to cover its operation and administrative costs that are initially expected not to exceed \$[350] per 50' unit and \$[350] per 60' unit annually. The land within the District has been and will continue to be subject to taxes and assessments imposed by taxing authorities other than the District. These taxes would be payable in addition to the Series 2023 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 City, the County and the School Board of Flagler County each levy ad valorem taxes 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" for more information.

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The information appearing below under the captions “THE DEVELOPMENT” and “THE LANDOWNER AND THE DEVELOPMENT MANAGER” has been furnished by the Landowner 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 Landowner and the Development Manager makes any representation or warranty as to the accuracy or completeness of such information supplied by them. The following information is provided by the Landowner 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 Landowner nor the Development Manager are guaranteeing payment of the Series 2023 Bonds or the Series 2023 Assessments.

THE DEVELOPMENT

General

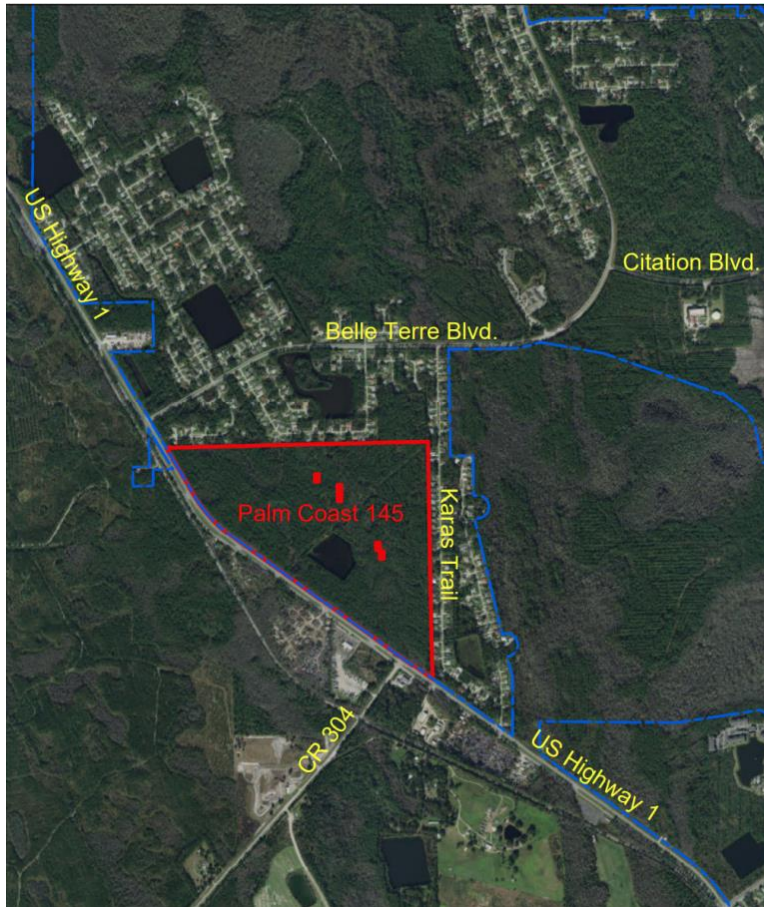
The District encompasses approximately 145.5 gross acres located within the municipal boundaries of the City (the “District Lands”). The District Lands are being developed as a planned residential community under the name [The Residence’s of Palm Coast] (the “Development”). At buildout, the Development is planned to contain approximately 339 single-family homes and recreation, open space and amenity areas.

The Development is highly accessible by a number of roadways and throughfares. The Development is generally located north of South US Highway 1, north of County Road 304, and south of Belle Terre Boulevard. The Development is located approximately 2 miles west of Interstate-95 and 20 miles from the Atlantic Ocean. Interstate-95 is the major north-south corridor along the eastern seaboard from Canada to Miami, and runs through the heart of the County.

The Development is conveniently located to shopping, entertainment and beaches. Palm Coast Beaches and Flagler Beach can be accessed from the Development in approximately twenty minutes. In addition, St. Augustine is located approximately 20 miles north of the Development and Daytona Beach is located approximately 35 miles south of the Development. The Flagler Executive Airport, the Daytona International Airport, the Jacksonville International Airport and the Orlando International Airport and are located approximately 4.9 miles north, 38 miles south 70 miles north and 100 miles southwest of the Development, respectively.

[Remainder of page intentionally left blank.]

A map showing the location of the Development and the surrounding community is set forth below:



The Series 2023 Bonds are being issued to finance a portion of the Series 2023 Project, which consists of public infrastructure improvements associated with the 339 single-family residential lots planned within the Development.

The land in the Development is owned by Palm Coast 145 Acquisition, LLC, a Florida limited liability company (the “Landowner”). The Landowner will install the master infrastructure and parcel infrastructure improvements within the Development. The Landowner has engaged Palm Coast 145 Management, LLC, a Florida limited liability company (the “Development Manager”) and an affiliate of the Landowner, to provide certain project development and management services with respect to the Development. See “THE LANDOWNER AND THE DEVELOPMENT MANAGER” herein for more information.

The Landowner has entered into builder contracts for the sale of developed parcels within the Development. [Closings are expected to occur or commence, as applicable, in the [4th] quarter of 20[23].]

Target homebuyers for built homes within the Development are [retirees] [young families]. Starting price points in the Development are expected to range from approximately \$[400,000] - \$[500,000]. See “– Residential Product Offerings” herein.

Land Acquisition and Development Finance Plan

The Landowner acquired title to the lands within the Development on August 20, 2021 from [Palm Coast 145 LLC] [an unaffiliated third party] for an aggregate purchase price of approximately \$5,100,000. A portion of the land purchase was funded with proceeds of a term loan provided by City National Bank (“City National”) in the amount of \$3,060,000 (the “Loan”). [The remaining portion of the land purchase in the amount of \$2,040,000 was funded with the Landowner’s equity.]

There is currently a mortgage on the land within the Development with City National. In connection with the land acquisition, and to secure the Loan, the Landowner executed a Mortgage, Assignments of Rents and Security Agreement in favor of City National (the “Mortgage”). [The Loan bears interest at a fixed rate of 5.00% per annum and has a final maturity of August 20, 2022.] **[Did this Loan mature or was there an extension? Has the Mortgage been satisfied and discharged?]** [Upon issuance of the Series 2023 Bonds, the City National will enter into an agreement with the District and the Developer acknowledging the superiority of the lien of the Series 2023 Assessments to the Mortgage.]

The total costs to develop the 339 lots planned for the Development is expected to be approximately \$[17,500,000]. As of [September 2023] the Landowner has incurred approximately \$[1,000,000] in development costs. Net proceeds of the Series 2023 Bonds in the approximate amount of \$[6,500,000],* to be deposited into the Series 2023 Acquisition and Construction Account, will be used to finance the acquisition and/or construction of a portion of the Series 2023 Project. Costs of the Series 2023 Project not funded by the Series 2023 Bonds are expected to be funded by Landowner equity. See “THE DEVELOPMENT – Finance and Development Plan” herein.

The Landowner will enter into a Completion Agreement at closing on the Series 2023 Bonds whereby it will agree to provide funding necessary to complete the Series 2023 Project to the extent not funded with proceeds of the Series 2023 Bonds. See “BONDOWNERS’ RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Series 2023 Project or the Construction of Homes within the Development” herein.

Development Plan and Status

Land development for the Development will commence in [the fall of 2023] and is expected to be completed by the [4th quarter of 2027]. The Landowner has entered into builder contracts for the sale of developed parcels within the Development.

* Preliminary, subject to change.

The Development Manager anticipates that the Builders will commence home sales in the Development in the [3rd calendar quarter of 2024] and that closings with homebuyers will commence in the [4th calendar quarter of 2024].

Based on sales at nearby communities, the Development Manager expects that homes will be closed with residential end users at the rate of approximately [42] homes per year until buildout. These anticipated absorption rates are 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 rates will occur or be realized in the timeframes anticipated.

Builder Contracts

Pulte Contract

The Landowner has entered into a Real Estate Purchase and Sale Contract dated July 6, 2023 (the “Pulte Contract”) with Pulte Home Company, LLC, a Michigan limited liability company (“Pulte”) for the purchase of one hundred fifty-two (152) finished single-family residential lots, consisting of: sixty-two (62) 50’ lots and ninety (90) 60’ lots, in three takedowns (the “Pulte Lots”).

The Pulte Contract provides for a base purchase price of \$90,000 per 50’ lot and \$95,000 per 60’ lot, for a total base purchase price of \$14,130,000. The base purchase price of the Pulte Lots is subject to three percent (3%) annual escalation. In addition, the Pulte Contract provides for the payment of additional consideration to the Landowner upon the closing of homes with end purchasers, subject to a formula set forth in the Pulte Contract but which will not exceed an amount equal to the difference between twenty-one percent (21%) of the sales price less the purchase price of the Pulte Lots.

Pursuant to the Pulte Contract, the first takedown shall occur within thirty (30) days of all work necessary to fully develop and improve the property and the lots for the immediate issuance of building permits and the construction of residential dwellings, but in no event later than [January 6, 2025]. The second takedown shall occur on or before the date that is eighteen (18) months after the first takedown. The third takedown shall occur on or before the date that is twelve (12) months after the second takedown. Pulte has made an initial deposit of \$100,000 and shall pay an additional deposit of \$1,500,000 within five (5) business days after the expiration of the inspection period (which expired on September 6, 2023).

DRB Contract

The Landowner has also entered into a Lot Purchase Agreement dated July 11, 2023 (the “DRB Contract”) with DRB Group Florida, LLC, a Delaware limited liability company (“DRB”) for the purchase of one hundred fifty-two (152) finished single-family residential lots, consisting of: sixty-two (62) 50’ lots and ninety (90) 60’ lots, in three takedowns (the “DRB Lots”). The DRB Contract provides for the base purchase price of \$90,000 per each 50’ lot and \$95,000 per each

60’ lot, for a total base purchase price of \$14,130,000. The base purchase price of the DRB Lots is subject to three percent (3%) annual escalation. In addition, the DRB Contract provides for the payment of additional consideration to the Landowner upon the closing of homes with end purchasers, subject to a formula set forth in the Pulte Contract but which will not exceed an amount equal to the difference between twenty-one percent (21%) of the sales price less the purchase price of the DRB Lots.

Pursuant to the DRB Contract, the first takedown shall occur on or before the later of (i) thirty (30) days after the receipt and satisfaction of the conditions set forth in the DRB Contract; and (ii) ninety (90) days after July 11, 2023. The second takedown shall occur within nine (9) months after the first takedown. The final takedown shall occur within nine (9) months after the date of the second takedown. DRB has made an initial deposit of \$50,000 and shall pay an additional deposit of \$500,000 within seventy-five (75) days after July 11, 2023, and a final deposit of \$1,000,000 within fifteen (15) days after the DRB’s receipt of written notice that the Landowner has obtain all approvals required under the DRB Contract.

Residential Product Offerings

The following table reflects the Development Manager’s current expectations for the homes to be constructed in the Development, all of which are subject to change:

Product	Est. Home Sizes (sf)	Bedrooms / Bathrooms	Expected Starting Home Prices
Single-Family 50’	[2088] square feet	[3-5]/[2-4]	[\$340k] to [\$460k]
Single-Family 60’	[2402] square feet	[3-4]/[2-4.5]	[\$435k] to [\$500k]

Public Schools

School age residents of the Development will attend [Bunnell Elementary School], [Buddy Taylor Middle School] and [Flagler-Palm Coast High School] which are located approximately [4.1] miles, [11] miles and [5.4] miles away from the Development, respectively, and which were rated by the State in 2022 (the most recent year for which grades are available) as C, C and C, respectively. The Flagler 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.

Zoning and Permitting

The land within the Development is zoned by the City as single family residential, which allows for the development of the Development into 339 single-family lots. The Landowner has received site plan approval from the City for the 339 lots within the Development. The Landowner have also received environmental resource permits from the St. Johns River Water Management District for development of the lands within the Development.

The District Engineer has certified that all permits and approvals for the Development by jurisdictional agencies to allow for the development contemplated herein have been received or

are expected to be received in the ordinary course. See “BONDOWNERS’ RISKS – Regulatory and Environmental Risks” herein and “APPENDIX A: ENGINEER’S REPORT” hereto.

Environmental

A Phase 1 Environmental Site Assessment was performed on the land within the Development in 2021, with a new assessment being performed now] (the “ESA”). The ESA did not identify any Recognized Environmental Conditions. [Provide copy of the ESA]

See “BONDOWNERS’ RISKS – Regulatory and Environmental Risks” herein or more information.

Utilities

The City of Palm Coast Public Utilities will provide water and sewer service to the Development. Florida Power & Light will provide electrical service to the Development. See “APPENDIX A: ENGINEER’S REPORT” attached hereto for more information regarding the ownership and maintenance of utilities within the Development. **[Provide copies of will serve letters]**

Taxes, Fees and Assessments

The Series 2023 Bonds are payable from and secured by a pledge of the Series 2023 Pledged Revenues, which consist primarily of revenues received by the District from the Series 2023 Assessments levied on lands within the District planned to include 339 single-family lots. The District will initially impose the Series 2023 Assessments across all of the lands within the District on an equal per acre basis. As parcels are platted, the Series 2023 Assessments will be allocated to platted lots in accordance with the Assessment Methodology. See “APPENDIX D: ASSESSMENT METHODOLOGY” for more information.

Upon platting of the District Lands, the Series 2023 Assessments levied and allocated to platted units to pay Debt Service on the Series 2023 Bonds and the Series 2023 Bond par amount per unit are expected to be as follows:

	# of Units Planned	Annual Series 2023 Assessment*	Series 2023 Bonds Total Par Per Unit*
Single Family – 50’	165	\$	\$
Single Family – 60’	174		
	<u>339</u>		

* Preliminary, subject to change. Annual assessments collected via the Uniform Method will be subject to a gross up to account for estimated County collection costs/payment discounts, which may fluctuate.

The District anticipates levying assessments to cover its operation and administrative costs that are initially expected not to exceed \$[350] per 50’ unit and \$[350] per 60’ unit annually, but such amounts are subject to change. In addition, residents will be required to pay homeowners’ association fees which are currently estimated to be \$[] per 50’ unit and \$[] per 60’ unit annually, which amounts are subject to change. The land within the District has been and will

continue to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate applicable to lands within the Development in 2023 is approximately [19.0291] millages. **[Update with 2023 millage rate]** These taxes would be payable in addition to the Series 2023 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 City, the County and the School Board of Flagler County each levy ad valorem taxes 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.

Amenities

[The Development will contain an approximately [2]-acre recreation area containing an approximately [2,000] square foot clubhouse ([2,000] square feet under air conditioning), [pickleball court], and [swimming pool] (collectively, the “Amenities”). Construction of the Amenities is expected to commence in the [4] quarter of [2024] and be completed by the [4] quarter of [2025], at a cost of approximately \$[2,000,000].

Competition

The following communities have been identified by the Landowner as being competitive with the Development because of their proximity to the Development, price ranges and project types. These communities include [Whiteview Village], [Wexford Reserve], [Hailfax at Plantation] and [Grand Reserve] in the Flagler County market. The Development is also expected to compete with communities in the coastal areas of Flagler Beach, including [Somerset], [Beachwalk], [Sawmill Branch] and [Coastal Gardens at Town Center]. The foregoing does not purport to summarize all of the existing or planned communities in the area of the Development.

THE LANDOWNER AND THE DEVELOPMENT MANAGER

The Landowner

All of the lands in the Development are owned by Palm Coast 145 Acquisition, LLC, a Florida limited liability company (the “Landowner”), a single purpose entity whose primary asset is its interest in the lands within the Development. The Landowner was formed on July 30, 2021 and is owned by Bradford S. Kline, with a 90% interest and the Meltzer Group, with a 10% interest, and is managed by Palm Coast 145 Management, LLC, a Florida limited liability company (the “Development Manager”). For more information regarding the Development Manager and its principal, Bradford S. Kline, see “– Development Manager” herein.

Development Manager

The Landowner is entering into a management agreement with the Development Manager to oversee development of the Development. The Development Manager was formed on [July 30, 2021] and is engaged in the business of [providing commercial and residential land acquisition and development planning, budgeting, due diligence services, construction management and

government liaison services.] Bradford S. Kline is the managing member of the Development Manager. Mr. Kline has overseen the development for over 15,000 residential units.

Bradford S. Kline, Managing Member of Palm Coast 145 Management, LLC

Bradford S. Kline has over forty years of experience as a principal in mixed-use developments in Maryland, Virginia and Delaware. Mr. Kline has developed over four million square feet of office, one million square feet of retail, 15,000 residential units, and 4 hotels.

Mr. Kline is the managing member and fifty percent owner of BP Realty which owns Watkins Mill Town Center and Spectrum in Gaithersburg, Maryland. This project included developed land zoned for one million square feet of office, three-hundred fifty-thousand square feet of retail and 1,500 multi-family units.

Mr. Kline is the managing member and fifty percent owner of Jefferson Place, a mixed-use development in Frederick, Maryland. This project included land developed for 825 residential condominium units, 228 apartments, one hundred thousand square feet of retail and one million square feet of office space.

Mr. Kline is also the owner and developer of Stafford Lakes Village. This project was developed on 900 acres in Stafford County, Virginia containing 900 single family homes, 300 apartments, extended stay hotel, and a Wal-Mart Shopping Center, and he is the owner and developer of Centerport mixed use development in Stafford County, Virginia, which included 500 residential lots and an industrial component now occupied by Federal Express.

In addition to the new construction multi-family units, Mr. Kline has owned and operated several apartment buildings in Washington, D.C. including a 100-unit building located at 5425 Connecticut Avenue in Washington, D.C., and 125 units in the 14th and U Streets NW Corridor in Washington, D.C. His first condominium project was completed in the early 1980's in the Dupont Circle Area.

The table below contains a list of certain additional residential communities developed by Mr. Kline. **[Confirm if Mr. Kline would like to update the list of recent projects]**

<u>Development</u>	<u>Location</u>	<u>Builder</u>
Lower Cascades	Sterling, Virginia	Pulte Centex
Loudoun Parkway	Loudoun County, Virginia	Pulte Centex
Quail Pond	Ashburn, Virginia	NV Homes
Crosen Lane	Morgan, West Virginia	Richmond American
Parks at Belle Terra	Ashburn, Virginia	NV Homes
Cedar Hunt	Chantilly, Virginia	Toll Brothers
Courtland Farms	Richmond, Virginia	Ryan Homes, NV Homes, Lennar
Bull Run Post Office Road	Loudoun County, Virginia	Ryland Homes
West Riding	Eastern Loudon County, Virginia	Pulte Centex
Sweetwater	Eastern Loudon County, Virginia	Pulte Centex
Ocean Breezes	Bethany Beach, Delaware	Ryan Homes
Whites Creek Landing	Bethany Beach, Delaware	Ryan Homes

Beau Ridge	Stafford, Virginia	D.R. Horton
Trail View	Ashburn, Virginia	Ryan Homes
Parklands	Gaithersburg, Maryland	NV Homes
Parklands South	Gaithersburg, Maryland	NV Homes
Casey South	Gaithersburg, Maryland	Craftmart Homes
Moon Glade Farms	Aldie, Virginia	Coscan Homes
South Fork	Loudoun County, Virginia	Dan Ryan Homes

TAX MATTERS

General

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2023 Bonds in order that interest on the Series 2023 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2023 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2023 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2023 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The District has covenanted in the Indenture with respect to the Series 2023 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2023 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2023 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2023 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2023 Bonds. Prospective purchasers of Series 2023 Bonds should be aware that the ownership of Series 2023 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2023 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2023 Bonds; (iii) the inclusion of interest on Series 2023 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2023 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2023 Bonds in “modified adjusted gross income” by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the District, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the

Series 2023 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2023 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDOWNERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDOWNERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2023 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2023 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2023 Bonds, under certain circumstances, to “backup withholding” at the rate specified in the Code with respect to payments on the Series 2023 Bonds and proceeds from the sale of Series 2023 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2023 Bonds. This withholding generally applies if the owner of Series 2023 Bonds (i) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2023 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters Relating to the Series 2023 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 2023 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2023 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 2023 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2023 Bonds.

Prospective purchasers of the Series 2023 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2023 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

On February 22, 2016, the Internal Revenue Service (the “IRS”) issued a notice of proposed rulemaking containing proposed regulations (the “Proposed Regulations”) that provide guidance as to the definition of a political subdivision for purposes of the rules for tax-exempt bonds. If adopted, the Proposed Regulations would have affected certain State and local governments that issue tax-exempt bonds, including community development districts such as the District. However, on July 24, 2017, in response to Executive Order 13789 issued by President Trump (the “Executive Order”), the Secretary of the Treasury (the “Secretary”) identified the Proposed Regulations among a list of eight regulations that (i) impose an undue financial burden on U.S. taxpayers, (ii) add undue complexity to the federal tax laws, or (iii) exceed the statutory authority of the IRS. On October 2, 2017, in his Second Report to the President on Identifying and Reducing Tax Regulatory Burdens, the Secretary reported that Treasury and the IRS believe that the Proposed Regulations should be withdrawn in their entirety, and the Treasury Department and the IRS withdrew the Proposed Regulations on October 20, 2017. The Secretary further provided that Treasury and the IRS will continue to study the legal issues relating to political subdivisions and may propose more targeted guidance in the future.

Because the Proposed Regulations have been withdrawn, it is not possible to determine the extent to which all or a portion of the discussion herein regarding the Villages and the Villages TAM (each as defined below) may continue to be applicable in the absence of further guidance from the IRS. Bond Counsel will render its opinion regarding the exclusion from gross income of interest on the Series 2023 Bonds as described below.

On May 30, 2013, the IRS delivered to Village Center CDD, a Florida special district established under Chapter 190, Florida Statutes, a private ruling, called a technical advice memorandum (the “Villages TAM”), in connection with the examination by the IRS of bonds issued by the Village Center CDD (the “Audited Bonds”). The Villages TAM concluded that, despite having certain eminent domain powers, the Village Center CDD is not a political subdivision permitted to issue tax-exempt bonds based on a number of facts including that its governing board is elected by a small group of landowners, and that it “was organized and operated to perpetuate private control and avoid indefinitely responsibility to a public electorate, either directly or through another elected state or local governmental body.”

The Villages TAM, as a private, non-precedential, ruling, binds only the IRS and the Village Center CDD, and only in connection with the Audited Bonds. Moreover, the cited legal basis for the Villages TAM is extremely limited, and, therefore, the value of the Villages TAM as guidance is also limited. Nonetheless, the breadth and force of the language used in the Villages TAM may reflect the disfavor of the IRS toward governmental entities with governing boards elected by landowners, and this position may lead the enforcement branch of the IRS to select bonds of other issuers with landowner-controlled boards for examination. In July 2016, the IRS closed the examination of the Audited Bonds with no change to their tax-exempt status. Although the audit was closed with no adverse impact on the Audited Bonds, the IRS’s motivations and rationale for closing the examination are unknown. The Village Center CDD refunded the Audited Bonds with taxable bonds in 2014.

Like the board of the Village Center CDD, the Board of Supervisors of the District is necessarily elected by the landowners in the District since there are not yet enough qualified

electors residing in the District to transition the Board of Supervisors to a resident-elected Board of Supervisors. The Act, which contains the uniform statutory charter for all community development districts and by which the District is governed, delegates to the District certain traditional sovereign powers including, but not limited to, eminent domain, ad valorem taxation and regulatory authority over rates, fees and charges for district facilities. On the basis of the Act and certain representations by the District forming a part of the District's tax certificate as to its reasonable expectations of transition to a resident-elected Board of Supervisors, it does not appear from the facts and circumstances that the District was organized to avoid indefinitely responsibility to a public electorate. On the basis of the foregoing and other factors, Bond Counsel has concluded that under current law the District is a political subdivision for purposes of Section 103 of the Code, notwithstanding that its Board of Supervisors is temporarily elected by landowners. Bond counsel intends to deliver its unqualified approving opinion in the form attached hereto as "APPENDIX D – FORM OF OPINION OF BOND COUNSEL."

The release of the Villages TAM may cause an increased risk of examination of the Series 2023 Bonds. Owners of the Series 2023 Bonds are advised that if the IRS does audit the Series 2023 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 2023 Bonds may have limited rights to participate in such procedure. The Indenture does not provide for any adjustment to the interest rates borne by the Series 2023 Bonds in the event of a change in the tax-exempt status of the Series 2023 Bonds. The commencement of an audit or an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2023 Bonds could adversely impact both liquidity and pricing of the Series 2023 Bonds in the secondary market.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Series 2023 Bonds maturing on _____ 1, 20__ through and including _____ 1, 20__ (collectively, the "Discount Bonds"), and 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 and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to 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 he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the 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. Bondowners of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bond.

Tax Treatment of Bond Premium

The difference between the principal amount of the Series 2023 Bonds maturing on _____ (collectively, the “Premium Bonds”), and 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 such Premium Bonds of the same maturity, and, if applicable, interest rate, was sold 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 each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such 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 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. Bondholders of the Premium Bonds are advised that they should consult with their own tax 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 2023 Bonds, that it will not limit or alter the rights of the issuer of such bonds, including the District, to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects, including the Series 2023 Project funded by the Series 2023 Bonds, 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 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 that 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 Florida law, the Series 2023 Bonds may initially be sold by the District only 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 transfer in any secondary market for the Series 2023 Bonds. Investment in the Series 2023 Bonds poses certain economic risks. No dealer, broker, salesman 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, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2023 Bonds upon an event of default under the respective 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 2023 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2023 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 and enacted before or after such delivery.

FINANCIAL STATEMENTS

Since its creation, the limited expenses of the District have been funded entirely by voluntary contributions of the Landowner. Therefore, as of the date of this Limited Offering Memorandum, the financial statements of the District would not contain any information material to an investment decision with respect to the Series 2023 Bonds.

The District will covenant in a Continuing Disclosure Agreement, the proposed form of which is set forth in APPENDIX E hereto, to provide its annual audit to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Markets Access repository ("EMMA") as described in APPENDIX E.

Beginning October 1, 2015, or 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, Florida Statutes, 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." [**Confirm that District has a website**]

LITIGATION

The District

There is no litigation of any nature now pending or, to the knowledge of the District threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2023 Bonds, or in any way contesting or affecting (i) the validity of the Series 2023 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 2023 Bonds, (iii) the existence or powers of the District or (iv) the validity of the Assessment Proceedings.

The Landowner and the Development Manager

The Landowner and the Development Manager have represented to the District 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 the ability of such Landowner and Development Manager to complete the development of the lands within the District, as described herein, materially and adversely affect the ability of the Landowner to pay the Series 2023 Assessments imposed against the land within the District owned by such Landowner or materially and adversely affect the ability of such Landowner to perform its various obligations described in this Limited Offering Memorandum.

NO RATING

No application for a rating of the Series 2023 Bonds has been made to any rating agency, nor is there any reason to believe that the District would have been successful in obtaining an investment grade rating for the Series 2023 Bonds had application been made.

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 on any bonds or other debt obligations since December 31, 1975.

CONTINUING DISCLOSURE

The District and the Landowner will enter into the Continuing Disclosure Agreement (the “Disclosure Agreement”) in the proposed form of APPENDIX E, for the benefit of the Series 2023 Bondholders (including owners of beneficial interests in such Series 2023 Bonds), to provide certain financial information and operating data relating to the District and the Development by certain dates prescribed in the Disclosure Agreement (the “Reports”) with the MSRB through the MSRB’s EMMA system. The specific nature of the information to be contained in the Reports is set forth in “APPENDIX E: PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT.” Under certain circumstances, the failure of the District or the Landowner 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 2023 Bondholders (including owners of beneficial interests in such Series 2023 Bonds) to bring an action for specific performance.

The District has not previously entered into a continuing disclosure undertaking pursuant to the Rule. The District will appoint Wrathell, Hunt and Associates, LLC as the dissemination agent in the Disclosure Agreement. The District and the Landowner fully anticipate satisfying all future disclosure obligations required pursuant to their respective continuing disclosure undertakings and the Rule.

UNDERWRITING

Morgan Stanley & Co. (the “Underwriter”), has agreed, pursuant to a contract with the District, subject to certain conditions, to purchase the Series 2023 Bonds from the District at a purchase price of \$_____ (par amount of the Series 2023 Bonds, [plus][less][net] an original issue [premium][discount] of \$_____ and 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 2023 Bonds if any Series 2023 Bonds are purchased.

The Series 2023 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.

The Underwriter has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, the Representative may distribute municipal securities to retail investors (who are “accredited investors” within the meaning of Rule 501(a) promulgated under the Securities Act) through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, the Underwriter may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2023 Bonds

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the District which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

CONTINGENT FEES

The District has retained Bond Counsel, District Counsel, the District Engineer, the District Manager/Methodology Consultant, the Underwriter (who 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 2023 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 2023 Bonds.

EXPERTS

Terra-Max Engineering, Inc., as District Engineer, has prepared the Engineer’s Report included herein as APPENDIX A, which report should be read in its entirety. Wrathell, Hunt and Associates, LLC, as the District Manager, has prepared the Assessment Methodology included

herein as APPENDIX D, which report should be read in its entirety. As a condition to closing on the Series 2023 Bonds, both the District Engineer and the Methodology Consultant will consent to the inclusion of their reports in this Limited Offering Memorandum.

VALIDATION

Bonds issued pursuant to the terms of the Master Indenture have been validated by a judgment of the Circuit Court of the Seventh Judicial Circuit Court of Florida in and for Flagler County, Florida, rendered on April 6, 2022. 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 2023 Bonds are subject to the approval of Bryant Miller and Olive P.A., Orlando, Florida, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Greenberg Traurig, P.A. Miami, Florida. Certain legal matters will be passed upon for the District by its counsel, Kutak Rock LLP, Tallahassee, Florida. Certain legal matters will be passed upon for the Landowner by its counsel, Pavese Law Firm.

The form of opinion of Bond Counsel attached hereto as APPENDIX C is based on existing law, which is subject to change, and is further based on factual representations made to Bond Counsel as of the date hereof. Bond Counsel assumes no duty to update or supplement its opinion 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 opinion is not a guarantee of a particular result and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents 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 2023 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 2023 Bonds and may not be reproduced or used, as a whole or in part, for any 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 2023 Bonds.

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AUTHORIZATION AND APPROVAL

The execution and delivery of this Limited Offering Memorandum has been duly authorized by the Board of Supervisors of Palm Coast 145 Community Development District.

**PALM COAST 145 COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Chairperson, Board of Supervisors

APPENDIX A
ENGINEER'S REPORT

APPENDIX B

**PROPOSED FORMS OF MASTER INDENTURE
AND FIRST SUPPLEMENTAL INDENTURE**

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX D
ASSESSMENT METHODOLOGY

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

EXHIBIT D

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the “Disclosure Agreement”) dated [____], 2023 is executed and delivered by the **PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT** (the “Issuer” or “District”), **PALM COAST 145 ACQUISITION, LLC**, a Florida limited liability company (the “Landowner”) and **WRATHELL HUNT & ASSOCIATES, LLC**, as dissemination agent (together with its successors and assigns, the “Dissemination Agent”) in connection with the issuance of \$[____] Palm Coast 145 Community Development District Special Assessment Bonds, Series 2023 (the “Series 2023 Bonds”). The Series 2023 Bonds are being issued pursuant to a Master Trust Indenture dated as of November 1, 2023 (the “Master Indenture”), as supplemented by the First Supplemental Trust Indenture dated as of November 1, 2023 (the “First Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each entered into by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the mutual promises and other consideration contained herein, the District, the Landowner 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 District and the Landowner for the benefit of the Owners (as defined herein) of the Series 2023 Bonds and to assist the Participating Underwriter (as defined herein) of the Series 2023 Bonds in complying with the applicable provisions of the Rule (as defined herein). The Issuer and the Landowner have 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 the Landowner to provide additional information, the Issuer and the Landowner, as applicable, each agrees 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 District, 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 District, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“Annual Filing Date” means the date set forth in Section 4(a) hereof by which the Annual Report is to be filed with the Repository.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Assessments” shall mean the non-ad valorem special assessments pledged to the payment of the Series 2023 Bonds pursuant to the Indenture.

“Audited Financial Statements” means the financial statements of the District 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)(B) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Beneficial Owners” 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 Series 2023 Bonds (including persons holding Series 2023 Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bond for federal income tax purposes.

“Builder” shall mean any purchaser, commercial developer or builder, as applicable, of parcels within the Development.

“Business Day” means a day other than (a) a Saturday, Sunday or day on which banks located in the city in which the designated corporate trust office of the Trustee and Paying Agent 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.

“Development” shall have the meaning ascribed to such term in the Limited Offering Memorandum.

“Disclosure Representative” shall mean (i) as to the District, the District Manager or its designee, or such other person as the District shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent on behalf of the District; and (ii) as to each entity constituting 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 Wrathell Hunt & Associates, LLC, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District pursuant to Section 10 hereof and which has filed with the District and Trustee a written acceptance of such designation.

“District Manager” shall mean the person or entity serving as District Manager to the District from time to time.

“EMMA” means the Electronic Municipal Market Access system, a service of the MSRB, or any successor thereto.

“Fiscal Year” shall mean the fiscal year of the District, which is 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.

“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.

“Limited Offering Memorandum” shall mean the Limited Offering Memorandum dated [_____] , 2023 prepared in connection with the issuance of the Series 2023 Bonds.

“Listed Event” shall mean any of the events listed in Section 7 of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“MSRB Website” shall mean <http://www.emma.msrb.org>.

“Obligated Person(s)” shall mean, with respect to the Series 2023 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 Series 2023 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the District, and for purposes of this Disclosure Agreement only, the Landowner, and its respective affiliates, successors or assigns (excluding homebuyers who are end users), for so long as the Landowner or its respective affiliates, successors or assigns (excluding homebuyers who are end users) are the owner of District lands responsible for payment of at least 20% of the Assessments.

“Owners” shall have the meaning ascribed thereto in the Indenture with respect to the Series 2023 Bonds and shall include Beneficial Owners of the Series 2023 Bonds, including those that have the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Series 2023 Bonds (including persons holding Series 2023 Bonds through nominees, depositories or other intermediaries), or are treated as the owner of any Series 2023 Bonds for federal income tax purposes.

“Participating Underwriter” shall mean, Morgan Stanley & Co LLC, in its capacity as the original underwriter of the Series 2023 Bonds required to comply with the Rule in connection with the offering of the Series 2023 Bonds.

“Quarterly Filing Date” shall mean for the calendar 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, 2024.

“Quarterly Filing Date” shall mean the dates set forth in Section 5 hereof by which Quarterly Reports are required to be filed with the Repository.

“Quarterly Report” shall mean any Quarterly Report provided by the Landowner or any Obligated Person, their respective successors or assigns pursuant to, and as described in, Sections 5 and 6 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 currently 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 Securities and Exchange Commission for such purpose is the MSRB, which currently accepts continuing disclosure submissions through its EMMA web portal.

“Rule” shall mean Rule 15c2-12 adopted by the SEC 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.

3. Content of Annual Reports.

(a) The Annual Report shall contain or incorporate by reference the following Annual Financial Information with respect to the District, which includes an update of the financial information and operating data of the District to the extent presented in the Limited Offering Memorandum:

(i) The amount of Assessments levied for the most recent prior Fiscal Year.

(ii) The amount of Assessments collected from property owners during the most recent prior Fiscal Year.

(iii) If available from the County Tax Collector with respect to platted lots if such Assessments are being collected pursuant to the Uniform Method, the amount of Assessment delinquencies greater than 150 calendar days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of Assessments due in any year, a list of delinquent property owners.

(iv) If available from the County Tax Collector with respect to platted lots if such Assessments are being collected pursuant to the Uniform Method, the amount of tax certificates sold for lands within the District subject to Assessments, if any, and the balance, if any, remaining for sale from the most recent prior Fiscal Year.

(v) The balances in all Funds and Accounts for the Series 2023 Bonds. Upon written request of the Owners, the District shall provide any Owners and the Dissemination Agent with this information more frequently than annually and in such case, shall provide such information within thirty (30) calendar days of the date of any written request from the Owners or the Dissemination Agent.

(vi) The total amount of Series 2023 Bonds Outstanding as of the filing date of the Annual Report.

(vii) The amount of principal and interest due on the Series 2023 Bonds in the current Fiscal Year.

(viii) The most recent Audited Financial Statements of the District.

(ix) Any amendment or waiver of the provisions hereof as described in Section 11 hereof.

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. Any or all of the items listed above may be incorporated by reference from other documents, including offering documents of debt issues of the District or related public entities, which have been submitted to the Repository. If the document incorporated by reference is a final offering document, it must be available from the Repository. The District shall clearly identify each such other document so incorporated by reference.

(b) The District and the Landowner each represent and warrant 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 and the Landowner each acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, the Landowner (to the extent set forth in Sections 5 and 6 of this Disclosure Agreement), 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, the Landowner, or others as thereafter disseminated by the Dissemination Agent.

(c) 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.

4. Provision of Annual Reports.

(a) Subject to the following sentence, the District shall provide the Annual Report to the Dissemination Agent no later than one hundred eighty (180) days after the close of the District's Fiscal Year (the "Annual Filing Date"), commencing with the Fiscal Year ending September 30, 2024, in an electronic format as prescribed by a Repository; *provided, however*, the District shall also provide to the Dissemination Agent its Audited Financial Statements for Fiscal Year ended September 30, 2024 no later than the Audit Filing Date (as defined herein). 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 3(a) of this Disclosure Agreement; *provided that* the Audited Financial Statements of the District may be submitted separately from the balance of the Annual Report, and may be submitted up to, but no later than, nine months after the close of the District's Fiscal Year or consistent with State law (the "Audit Filing Date"). Provided that if the Audited Financial Statements are not available at the time of the filing of the

Annual Report, unaudited financial statements prepared in accordance with generally accepted accounting principles are required to be delivered as part of the Annual Report. If the District's Fiscal Year changes, the District, shall give notice of such change in the same manner as for a Listed Event under Section 7. Promptly upon receipt of an electronic copy of the Annual Report, and no later than the Annual Filing Date, the Dissemination Agent shall provide the Annual Report to the Repository, in an electronic format as prescribed by the MSRB. If submitted separately from the balance of the Annual Report, promptly upon receipt of an electronic copy of the Audited Financial Statements, and no later than the Audit Filing Date, the Dissemination Agent shall provide the Audited Financial Statements to the Repository, in an electronic format as prescribed by the MSRB.

(b) If on the fifteenth (15th) calendar day prior to each Annual Filing Date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Disclosure Representative of the District by telephone and in writing (which may be by e-mail) to remind the District of its undertaking to provide the Annual Report pursuant to Section 4(a) above. Upon such reminder, the Disclosure Representative of the District, shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report in accordance with Section 4(a) above, or (ii) instruct the Dissemination Agent in writing that the District, will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 7(a)(xvii) has occurred and to send a notice to the Repository in a timely manner and in an electronic format as required by such Repository in substantially the form attached as Exhibit A hereto.

5. Content of Quarterly Reports.

(a) Each Obligated Person (other than the Issuer) for purposes of this Disclosure Agreement, shall provide a Quarterly Report to the Dissemination Agent no later than fifteen (15) days prior to each Quarterly Filing Date. Promptly upon receipt of an electronic copy of the Quarterly Report, but in any event within ten (10) days after receipt thereof, the Dissemination Agent shall provide a Quarterly Report to the Repository. At such time as the Landowner is no longer an Obligated Person, the Landowner will no longer be obligated to prepare any Quarterly Report pursuant to this Disclosure Agreement.

(b) Each Quarterly Report shall address the following information for each Obligated Person to the extent available:

(i) The number of single-family residential units planned on property subject to the Assessments.

(ii) The number of single-family residential units developed on property subject to the Assessments.

(iii) The number of lots subject to Assessments under contract with a Builder and the name of such Builder.

(iv) The number of lots subject to Assessments closed with a Builder and the name of such Builder.

(v) If provided to the Landowner by a Builder, the number of residential units subject to Assessments under contract with end users (quarterly and cumulative).

(vi) If provided to the Landowner by a Builder, the number of residential units subject to Assessments closed with end users (quarterly and cumulative).

(vii) The estimated date of complete build-out of residential units subject to Assessments.

(viii) Whether the Landowner has made any bulk sale of the land subject to the Assessments other than as contemplated by the Limited Offering Memorandum.

(ix) The status of development approvals for the Development.

(x) Materially adverse changes or determinations to permits/approvals for the Development which necessitate changes to the Landowner's land-use or other plans for the Development.

(xi) Updated plan of finance for the Development (i.e., status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Landowner, additional mortgage debt, etc.).

(xii) Any event that would have a material adverse impact on the implementation of the Development as described in the Limited Offering Memorandum or on the Landowner's ability to undertake the Development as described in the Limited Offering Memorandum.

(c) Any of the items listed in subsection (b) above may be incorporated by reference from other documents which are available to the public on the MSRB Website or filed with the SEC. The Landowner shall clearly identify each such other document so incorporated by reference.

(d) If the Landowner sells, assigns or otherwise transfers ownership of real property in the Development to a third party, which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof, including but not limited to, any third party which will own at least twenty percent (20%) of the real property within the Development subject to the Assessments (a "Transfer"), the Landowner hereby agrees to require such third party to assume the disclosure obligations of the Landowner hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Landowner involved in such Transfer shall promptly notify the District and the Dissemination Agent in writing of the Transfer. For purposes of Sections 3(b), 5, 6 and 9 hereof, the term "Landowner" shall be deemed to include each of the Landowner and any third party that becomes an Obligated Person hereunder as a result of a Transfer. In the event that the Landowner remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Landowner from its obligations hereunder.

6. Provision of Quarterly Reports.

(a) The Landowner, so long as it is an Obligated Person for purposes of this Disclosure Agreement, shall prepare and provide a Quarterly Report in an electronic format as prescribed by the MSRB which contains the information in Section 5(b) of this Disclosure Agreement to the Dissemination Agent no later than the Quarterly Filing Date for such Quarterly Report. Promptly upon receipt of an electronic copy of each Quarterly Report, and no later than the Quarterly Filing Date, the Dissemination Agent shall provide each Quarterly Report to the Repository, in an electronic format as prescribed by the MSRB.

(b) If on the fifteenth (15th) calendar day prior to each Quarterly Filing Date the Dissemination Agent has not received a copy of the Quarterly Report due on such Quarterly Filing Date, the Dissemination Agent shall contact the Landowner by telephone and in writing (which may be by e-mail) to remind the Landowner of its undertaking to provide the Quarterly Report pursuant to Section 5. Upon such reminder, the Landowner shall either (i) provide the Dissemination Agent with an electronic copy of the Quarterly Report in accordance with Section 6(a) above, or (ii) instruct the Dissemination Agent in writing that the respective Landowner will not be able to file the Quarterly Report within the time required under this Disclosure Agreement and state the date by which such Quarterly Report will be provided and instruct the Dissemination Agent to immediately send a notice to the Repository in electronic format as required by such Repository in substantially the form attached as Exhibit A hereto.

(c) If the Dissemination Agent has not received a Quarterly Report that contains the information in Section 5(b) of this Disclosure Agreement by 12:00 noon on the first Business Day following each Quarterly Filing Date, a Listed Event described in Section 7(b)(vi) shall have occurred and the District and Landowner hereby irrevocably direct the Dissemination Agent to send a notice to the Repository in a timely manner and in an electronic format as required by the Repository in substantially the form attached as Exhibit A hereto, with a copy to the District.

7. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 7, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the District and the Series 2023 Bonds 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 the format prescribed by the MSRB and in a timely manner not in excess of ten (10) Business Days after the occurrence of the event (however, the District shall provide notice within ten (10) Business Days after it has actual knowledge of the occurrence of the events listed in paragraphs (xv) and (xvi) (below), with the exception of the event described in (xvii) below, which notices shall be given in a timely manner:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;¹
- (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 Series 2023 Bonds, or other material events affecting the tax status of the Series 2023 Bonds;
- (vii) Modifications to rights of the holders of the Series 2023 Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Series 2023 Bonds, if material (including property leased, mortgaged or pledged as such security). The sale of any real property securing repayment of the Series 2023 Bonds owned by a Landowner within the District to an end user in the ordinary course of the Landowner’s respective business shall not be a Listed Event for purposes of the foregoing;
- (xi) Rating changes;²
- (xii) Bankruptcy, insolvency, receivership or similar event of the District 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 District 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 District 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 District or any Obligated Person;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the District or any Obligated Person or the sale of all or substantially all of the assets of the District 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 a trustee, if material;

¹ There is no credit enhancement for the Series 2023 Bonds as of the date hereof.

² The Series 2023 Bonds are not rated as of the date hereof.

(xv) Incurrence of a Financial Obligation of the Issuer or any 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 any 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 a Financial Obligation of the Issuer or any Obligated Person, any of which reflect financial difficulties; and

(xvii) Failure to timely file (A) any Annual Report or Audited Financial Statement as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 3(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.

In addition to the foregoing, the District has agreed to provide certain information concerning amendments to the accounting principles it applies to the preparation of the District's Audited Financial Statements, as a part of the District's Annual Financial Information, pursuant to the provisions of Section 11 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 Event described in Section 7(a)(xvii), 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 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 Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) Business Day after the occurrence of the Listed Event).

(c) Each Obligated Person shall notify the Issuer and the Dissemination Agent of the occurrence of a Listed Event described in subsection (a)(x), but only to the extent not in the ordinary course of business, and subsections (a)(xii), (xiii), (xv) or (xvi) above as to such Obligated Person in compliance with the notification and filing requirements provided in Section 7(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.

8. Prior Undertakings. The Landowner has not entered into any prior continuing disclosure undertakings in connection with the Rule.

9. Termination of Disclosure Agreement. In addition to any other provision of this Disclosure Agreement relating to termination, the District's and the Landowner's obligation under

this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2023 Bonds, so long as there is no remaining liability of the District and/or the Landowner, or if the Rule is repealed or no longer in effect. If such termination occurs prior to the final maturity of the Series 2023 Bonds, the District and/or the Landowner shall give notice of such termination in the same manner as for a Listed Event under Section 7.

10. Dissemination Agent.

(a) The Dissemination Agent acknowledges and certifies it understands, and agrees to perform such duties, but only such duties, as are specifically set forth in this Disclosure Agreement, and no implied duties or obligations of any kind shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Dissemination Agent may conclusively rely, as to the truth, accuracy and completeness of the statements set forth therein, upon all notices, reports, certificates or other materials furnished to the Dissemination Agent pursuant to this Disclosure Agreement, and in the case of notices and reports required to be furnished to the Dissemination Agent pursuant to this Disclosure Agreement, the Dissemination Agent shall have no duty whatsoever to examine the same to determine whether they conform to the requirements of this Disclosure Agreement.

(b) The Dissemination Agent shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Dissemination Agent unless it shall be proven that the Dissemination Agent was grossly negligent or engaged in willful misconduct in ascertaining the pertinent facts related thereto.

(c) The Dissemination Agent shall perform its rights and duties under this Disclosure Agreement using the same standard of care as a prudent person would exercise under the circumstances, and the Dissemination Agent shall not be liable for any action taken or failure to act in good faith under this Disclosure Agreement unless it shall be proven that the Dissemination Agent was grossly negligent or engaged in willful misconduct.

(d) The Dissemination Agent may perform any of its duties hereunder by or through attorneys or agents selected by it with reasonable care, and shall be entitled to the advice of counsel concerning all matters arising hereunder, and may in all cases pay such reasonable compensation as it may deem proper to all such attorneys and agents. The Dissemination Agent shall not be responsible for the acts, negligence or misconduct of any such attorneys, agents or counsel.

(e) None of the provisions of this Disclosure Agreement or any notice or other document delivered in connection herewith shall require the Dissemination Agent to advance, expend or risk its own funds or otherwise incur financial liability in the performance of any of the Dissemination Agent's duties or rights under this Disclosure Agreement.

(f) Except as expressly provided in this Disclosure Agreement, the Dissemination Agent shall not be required to monitor the compliance of the District and/or any Landowner with the provisions of this Disclosure Agreement or to exercise any remedy, institute a suit or take any action of any kind without indemnification satisfactory to the Dissemination Agent.

(g) The Dissemination Agent may resign at any time by giving at least thirty (30) days prior written notice thereof to the District. The Dissemination Agent may be removed for good

cause at any time by written notice to the Dissemination Agent from the District or removed without cause by thirty (30) days prior written notice to the Dissemination Agent from the District, provided that such removal shall not become effective until a successor Dissemination Agent has been appointed by the District under this Disclosure Agreement.

(h) In the event the Dissemination Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Dissemination Agent for any reason, the District shall promptly appoint a successor. Notwithstanding any provision to the contrary in this Disclosure Agreement or elsewhere, the District may appoint itself to serve as Dissemination Agent hereunder.

(i) Any company or other legal entity into which the Dissemination Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Dissemination Agent may be a party or any company to whom the Dissemination Agent may sell or transfer all or substantially all of its agency business shall be the successor dissemination agent hereunder without the execution or filing of any paper or the performance of any further act and shall be authorized to perform all rights and duties imposed upon the Dissemination Agent by this Disclosure Agreement, anything in this Disclosure Agreement to the contrary notwithstanding.

(j) The District agrees that the Dissemination Agent is a bona fide agent of the District and may receive from the Trustee or the District directly or the Trustee may deliver to the Dissemination Agent at its request and at the expense of the District any information or reports it requests that the District has a right to request that is readily available to, and is in the possession of the Trustee or the District, as the case may be (inclusive of balances, payments, etc.).

11. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District, the Landowner and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, 6 or 7, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District and/or the Landowner, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would in the opinion of counsel expert in federal securities laws, have complied with the requirements of the Rule at the time of the original issuance of the Series 2023 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners or Beneficial Owners of the Series 2023 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interest of the Owners or Beneficial Owners of the Series 2023 Bonds.

Notwithstanding the foregoing, the District, the Landowner and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District and/or the Landowner, as applicable, shall describe such amendment in its next Annual Report or Quarterly Report, respectively, and 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 District and the Landowner. 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; 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.

12. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District or the Landowner 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, Quarterly Report, or notice of occurrence of a potential Listed Event or other material event described herein, in addition to that which is required by this Disclosure Agreement. If the District or the Landowner chooses to include any information in any Annual Report, Quarterly Report, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District or the Landowner shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Quarterly Report, or notice of occurrence of a Listed Event.

13. Default. In the event of a failure of the District, the Landowner, the Disclosure Representative of the District, the Disclosure Representative of the Landowner or a Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Owners of more than 50% aggregate principal amount of Outstanding Series 2023 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 action in mandamus or specific performance by court order, to cause the District, the Landowner, the Disclosure Representative, of the District, the Disclosure Representative of the Landowner or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. 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 District, the Landowner, the Disclosure Representative of the District, the Disclosure Representative of the Landowner or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Landowner, the Dissemination Agent, the Participating Underwriter, the Trustee, and

Beneficial Owners of the Series 2023 Bonds, and shall create no rights in any other person or entity.

15. Tax Roll and Budget. Upon the request of the Dissemination Agent, the Trustee or any Beneficial Owner, 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 County Tax Collector and the Issuer's most recent adopted budget.

16. 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 in the possession of the Trustee which the Dissemination Agent requests in writing.

17. 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.

18. Severability. In case any part of this Disclosure Agreement is held to be illegal or invalid, such illegality or invalidity shall not affect the remainder or any other section of this Disclosure Agreement. This Disclosure Agreement shall be construed or enforced as if such illegal or invalid portion was not contained therein, nor shall such illegality or invalidity of any application of this Disclosure Agreement affect any legal and valid application.

19. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

20. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida or federal court having jurisdiction in the County.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

[SEAL]

ATTEST:

**PALM COAST 145 COMMUNITY
DEVELOPMENT DISTRICT**

Craig Wrathell
Secretary

By: _____
David Hansen
Chairman, Board of Supervisors

PALM COAST 145 ACQUISITION, LLC, a
Florida limited liability company, as Landowner

By: _____
Name: Bradford Kline
Title:

**WRATHELL HUNT & ASSOCIATES,
LLC**, as Dissemination Agent

By: _____
Name: _____
Title: _____

CONSENTED TO AND AGREED TO BY:

WRATHELL HUNT & ASSOCIATES, LLC,
as District Manager

By: _____
Name: _____
Title: _____

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,** as Trustee
(acknowledged and agreed to for purposes of
Sections 10(j), 13, 14 and 16)

By: _____
Vice President

EXHIBIT A
FORM OF NOTICE TO REPOSITORY
OF FAILURE TO FILE [ANNUAL REPORT] [AUDITED FINANCIAL STATEMENTS]
[QUARTERLY REPORT]

Name of District: Palm Coast 145 Community Development District

Name of Bond Issue: \$[_____] Palm Coast 145 Community Development District
Special Assessment Bonds, Series 2023

Obligated Person(s) Palm Coast 145 Community Development District
Palm Coast 145 Acquisition, LLC

Date of Issuance: [_____] , 2023

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 Series 2023 Bonds as required by [Section 4][Section 6] of the Continuing Disclosure Agreement dated [_____] , 2023, among the District, the Landowner and the Dissemination Agent named therein. The District has advised the undersigned that it anticipates that the [Annual Report][Audited Financial Statements][Quarterly Report] will be filed by _____, 20____.

Dated: _____, 20____

DISSEMINATION AGENT

cc: Issuer
Trustee

PALM COAST 145
COMMUNITY DEVELOPMENT DISTRICT

6



TERRA - MAX
ENGINEERING

October 03, 2023

Board of Supervisors
Palm Coast 145 Community Development District
2300 Glades Road, Suite 410W
Boca Raton, FL 33431

RE: Proposal for Updating Community Development District (CDD) Engineering Report – Proposed Single Family Subdivision – 145 Acre Property (Parcel ID: 25-12-30-1500-00010-0010) Palm Coast, Flagler County. Proposal Number: PC-0340-21

Terra-Max Engineering, Inc. (TME) appreciates the opportunity to present this letter proposal for providing engineering services for the above referenced project. This proposal presents a recommended scope of services and contains a time and cost estimate for providing those services.

PROJECT LOCATION

We understand that the project consists of one parcel totaling 145.46 acres located on the northeast side of US-1, west of Karas Trail, and south of Kathleen Trail, Palm Coast; within Section 25, Township 12 South, Range 30 East. The property is currently zoned by the City of Palm Coast as MPD with a future land use of Industrial/Residential/Conservation.

PROPOSED SCOPE OF SERVICES

The scope of work consist of the following tasks:

Task 1: CDD Engineer Report Update \$5,950.00

- Meetings/ Coordination with Client, Architect and City Staff, as needed,
- Generate a Construction Estimate for the Infrastructure funded by the District,
- Report Preparation.

PROJECT SCHEDULE

Based on our understanding we are prepared to initiate the work immediately upon your authorization to proceed. We anticipate submittal of CDD Report within 45 days from receiving authorization.

ESTIMATED COSTS

The estimated cost per task is shown above. We estimate the mileage and direct **project expenses** at **\$350.00**. Additional work required beyond the scope of services included in this proposal will be invoiced on a time and expense basis (Exhibit "B"). The Client will be contacted for authorization should additional work beyond the estimated budget be required to complete the scope of services.

AUTHORIZATION

To authorize us to proceed with this project, please execute and return to us a copy of the attached Proposal Acceptance Sheet, Exhibit "A". Authorization should be indicated by the person or firm responsible for payment of our invoice. Please note the attached Acceptance Sheet forms a part of this proposal and that our terms are "Net 15 Days."

CLOSURE

TME appreciates the opportunity to submit this proposal, and we look forward to working with you on this project. If you have any questions or if we can provide any additional information, please feel free to call us at your convenience.

Sincerely,

Terra-Max Engineering, Inc.



Momtaz Barq, P.E.

Principal Engineer

MMB/ahs

PC-0340-21.docx



Appendix A

Work Order # 2

_____, 2023

Palm Coast 145 Community Development District
City of Palm Coast, Florida

Subject: **Work Authorization Number** _____
Palm Coast 145 Community Development District

Dear Chairman, Board of Supervisors:

Terra-Max Engineering, Inc. ("**Engineer**") is pleased to submit this work authorization to provide engineering services for the PALM COAST 145 Community Development District ("**District**"). We will provide these services pursuant to our current agreement dated _____ ("**Engineering Agreement**") as follows:

I. Scope of Work

The District will engage Engineer to:

- Perform those services as necessary pursuant to the Engineering Agreement including attendance at Board of Supervisors meetings and preparation of reports or other activities as directed by the Board of Supervisors.
- Perform all services related to administration of the District construction projects in an efficient, lawful and satisfactory manner.
- Act as Purchasing Agent for the District with respect to the direct purchase of construction materials for the District's improvements in accordance with the procurement procedures adopted by the Board of Supervisors and/or the terms of any applicable construction contracts.

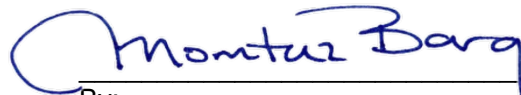
II. Fees

The District will compensate Engineer pursuant to the hourly rate schedule contained in the Engineering Agreement. The District will reimburse Engineer all direct costs which include items such as printing, drawings, travel, deliveries, et cetera, pursuant to the Engineering Agreement.

This proposal, together with the Engineering Agreement, represents the entire understanding between the District and Engineer with regard to the referenced work authorization. If you wish to accept this work authorization, please sign both copies where indicated, and return one complete copy to our office. Upon receipt, we will promptly schedule our services.

APPROVED AND ACCEPTED

Sincerely,



By: _____
Authorized Representative of
PALM COAST 145 Community Development
District

By: Momtaz Barq

Date: October 03, 2023

PALM COAST 145
COMMUNITY DEVELOPMENT DISTRICT

7

RESOLUTION 2024-02

A RESOLUTION BY THE BOARD OF SUPERVISORS OF THE PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT DESIGNATING THE PRIMARY ADMINISTRATIVE OFFICE AND PRINCIPAL HEADQUARTERS OF THE DISTRICT; DESIGNATING THE LOCATION OF THE LOCAL DISTRICT RECORDS OFFICE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Palm Coast 145 Community Development District (“**District**”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*; and

WHEREAS, the District desires to designate its primary administrative office as the location where the District’s public records are routinely created, sent, received, maintained, and requested, for the purposes of prominently posting the contact information of the District’s Record’s Custodian in order to provide citizens with the ability to access the District’s records and ensure that the public is informed of the activities of the District in accordance with Chapter 119, *Florida Statutes*; and

WHEREAS, the District additionally desires to specify the location of the District’s principal headquarters for the purpose of establishing proper venue under the common law home venue privilege applicable to the District; 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 PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT:

1. PRIMARY ADMINISTRATIVE OFFICE. The District’s primary administrative office for purposes of Chapter 119, *Florida Statutes*, shall be located at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

2. PRINCIPAL HEADQUARTERS. The District’s principal headquarters for purposes of establishing proper venue shall be located within Flagler County, Florida.

3. SECTION 3. The District’s local records office shall be located at _____.

4. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this _____ day of _____, 2023.

ATTEST:

**PALM COAST 145 COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

PALM COAST 145
COMMUNITY DEVELOPMENT DISTRICT

UNAUDITED
FINANCIAL
STATEMENTS

**PALM COAST 145
COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL STATEMENTS
UNAUDITED
SEPTEMBER 30, 2023**

**PALM COAST 145
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash	\$ 153	\$ -	\$ 153
Due from Landowner	8,268	-	8,268
Prepaid expense	5,200	-	5,200
Total assets	<u>\$ 13,621</u>	<u>\$ -</u>	<u>\$ 13,621</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,207	\$ -	\$ 2,207
Due to Landowner	-	8,330	8,330
Accrued taxes payable	214	-	214
Landowner advance	6,000	-	6,000
Total liabilities	<u>8,421</u>	<u>8,330</u>	<u>16,751</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred receipts	3,068	-	3,068
Unearned revenue	5,200	-	5,200
Total deferred inflows of resources	<u>8,268</u>	<u>-</u>	<u>8,268</u>
Fund balances:			
Restricted for:			
Debt service	-	(8,330)	(8,330)
Unassigned	<u>(3,068)</u>	<u>-</u>	<u>(3,068)</u>
Total fund balances	<u>(3,068)</u>	<u>(8,330)</u>	<u>(11,398)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,621</u>	<u>\$ -</u>	<u>\$ 13,621</u>

**PALM COAST 145
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	<u>Current Month</u>	<u>Year to Date</u>	<u>Budget</u>	<u>% of Budget</u>
REVENUES				
Landowner contribution	\$ -	\$ 20,581	\$ 104,749	20%
Total revenues	<u>-</u>	<u>20,581</u>	<u>104,749</u>	20%
EXPENDITURES				
Professional & administrative				
Supervisors	-	1,507	6,459	23%
Management/accounting/recording	1,000	12,000	48,000	25%
Legal	90	1,300	25,000	5%
Engineering	-	-	2,000	0%
Audit	-	-	5,000	0%
Arbitrage rebate calculation*	-	-	500	0%
Dissemination agent*	-	-	1,000	0%
Trustee*	-	-	5,000	0%
Telephone	16	200	200	100%
Postage	-	-	500	0%
Printing & binding	42	500	500	100%
Legal advertising	-	499	1,500	33%
Annual special district fee	-	175	175	100%
Insurance	-	5,000	5,500	91%
Contingencies/bank charges	-	-	500	0%
Website hosting & maintenance	-	1,680	705	238%
Meeting room	-	-	2,000	0%
Website ADA compliance	-	210	210	100%
Total expenditures	<u>1,148</u>	<u>23,071</u>	<u>104,749</u>	22%
Excess/(deficiency) of revenues over/(under) expenditures	(1,148)	(2,490)	-	
Fund balances - beginning	(1,920)	(578)	-	
Fund balances - ending	<u>\$ (3,068)</u>	<u>\$ (3,068)</u>	<u>\$ -</u>	

*These items will be realized when bonds are issued

**PALM COAST 145
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	<u>Current Month</u>	<u>Year To Date</u>
REVENUES	<u>\$ -</u>	<u>\$ -</u>
Total revenues	<u>-</u>	<u>-</u>
 EXPENDITURES		
Debt service	<u>-</u>	<u>-</u>
Total debt service	<u>-</u>	<u>-</u>
 Excess/(deficiency) of revenues over/(under) expenditures	 - -	 - -
 Fund balances - beginning	 <u>(8,330)</u>	 <u>(8,330)</u>
Fund balances - ending	<u>\$ (8,330)</u>	<u>\$ (8,330)</u>

PALM COAST 145
COMMUNITY DEVELOPMENT DISTRICT

MINUTES

DRAFT

**MINUTES OF MEETING
PALM COAST 145
COMMUNITY DEVELOPMENT DISTRICT**

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The Board of Supervisors of the Palm Coast 145 Community Development District held a Public Hearing and Regular Meeting on August 22, 2023 at 2:00 p.m., at the Hilton Garden Inn Palm Coast Town Center, 55 Town Center Boulevard, Palm Coast, Florida 32164.

Present at the meeting were:

David Hansen	Chair
Michael Beebe	Vice Chair
Franklin J. Green	Assistant Secretary
Robert Attack	Assistant Secretary

Also present were:

Andrew Kantarzhi	District Manager
Cindy Cerbone	Wrathell, Hunt and Associates, LLC (WHA)
Jamie Sanchez	Wrathell, Hunt and Associates, LLC (WHA)
Jonathan Johnson (via telephone)	District Counsel
Naila Hanson (via telephone)	Greenberg Traurig

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Kantarzhi called the meeting to order at 2:02 p.m.

Supervisors Hansen, Green and Attack were present. Supervisor Beebe was not present at roll call. Supervisor Fischer was not present.

SECOND ORDER OF BUSINESS

Public Comments

No members of the public spoke.

THIRD ORDER OF BUSINESS

**Public Hearing on Adoption of Fiscal Year
2023/2024 Budget**

A. Proof/Affidavit of Publication

39 **B. Consideration of Resolution 2023-05, Relating to the Annual Appropriations and**
 40 **Adopting the Budget for the Fiscal Year Beginning October 1, 2023, and Ending**
 41 **September 30, 2024; Authorizing Budget Amendments; and Providing an Effective**
 42 **Date**

43 Mr. Kantarzhi presented the Resolution 2023-05. He stated that the Fiscal Year 2024
 44 budget is unchanged from when it was last presented.

45 **Mr. Beebe arrived at the meeting.**

46

47 **On MOTION by Mr. Atack and seconded by Mr. Hansen, with all in favor, the**
 48 **Public Hearing was opened.**

49

50

51 No members of the public spoke.

52

53 **On MOTION by Mr. Atack and seconded by Mr. Hansen, with all in favor, the**
 54 **Public Hearing was closed.**

55

56

57 **On MOTION by Mr. Atack and seconded by Mr. Hansen, with all in favor,**
 58 **Resolution 2023-05, Relating to the Annual Appropriations and Adopting the**
 59 **Budget for the Fiscal Year Beginning October 1, 2023, and Ending September**
 60 **30, 2024; Authorizing Budget Amendments; and Providing an Effective Date,**
 61 **was adopted.**

62

63

64 **FOURTH ORDER OF BUSINESS**

**Consideration of Fiscal Year 2024 Budget
 Funding Agreement**

65

66

67 Mr. Kantarzhi presented the Fiscal Year 2024 Budget Funding Agreement.

68

69 **On MOTION by Mr. Beebe and seconded by Mr. Atack, with all in favor, the**
 70 **Fiscal Year 2024 Budget Funding Agreement, was approved.**

71

72

73 **FIFTH ORDER OF BUSINESS**

**Consideration of Resolution 2023-02,
 Designating Dates, Times and Locations for
 Regular Meetings of the Board of**

74

75

76 Supervisors of the District for Fiscal Year
77 2023/2024 and Providing for an Effective
78 Date

79
80 Mr. Kantarzhi presented Resolution 2023-02 and read the title. He noted that the
81 December meeting was scheduled one week early to accommodate the Christmas holiday.

82
83 **On MOTION by Mr. Atack and seconded by Mr. Hansen, with all in favor,**
84 **Resolution 2023-02, Designating Dates, Times and Locations for Regular**
85 **Meetings of the Board of Supervisors of the District for Fiscal Year 2023/2024**
86 **and Providing for an Effective Date, was adopted.**

87
88
89 **SIXTH ORDER OF BUSINESS** **Consideration of Resolution 2023-04,**
90 **Designating the Primary Administrative**
91 **Office and Principal Headquarters of the**
92 **District; Designating the Location of the**
93 **Local District Records Office; and Providing**
94 **an Effective Date**

95
96 This item was deferred.

97
98 **SEVENTH ORDER OF BUSINESS** **Update: Bond Financing**

99
100 Ms. Hanson stated the bond process commenced and the necessary emails were sent.

101 Mr. Johnson stated Staff expects to have additional meetings in October and J.W.
102 Howard is developing the timeline for the bond issuances.

103
104 **EIGHTH ORDER OF BUSINESS** **Acceptance of Unaudited Financial**
105 **Statements as of July 31, 2023**

106
107 Mr. Kantarzhi presented the Unaudited Financial Statements as of July 31, 2023.

108
109 **On MOTION by Mr. Green and seconded by Mr. Hansen, with all in favor, the**
110 **Unaudited Financial Statements as of July 31, 2023, were accepted.**

111
112

113 **NINTH ORDER OF BUSINESS**

Approval of May 23, 2023 Regular Meeting Minutes

114
115
116
117

Mr. Kantarzhi presented the May 23, 2023 Regular Meeting Minutes.

On MOTION by Mr. Beebe and seconded by Mr. Green, with all in favor, the May 23, 2023 Regular Meeting Minutes, as presented, were approved.

118
119
120
121

122 **TENTH ORDER OF BUSINESS**

Staff Reports

123
124

A. District Counsel: Kutak Rock LLP

There was no report.

125
126

B. District Engineer: Terra-Max Engineering, Inc.

There was no report.

127
128

C. District Manager: Wrathell, Hunt and Associates, LLC

- **NEXT MEETING DATE: September 26, 2023 at 2:00 PM**

129
130

- **QUORUM CHECK**

The next meeting will be held on September 26, 2023, unless cancelled.

131
132

133 **ELEVENTH ORDER OF BUSINESS**

Board Members' Comments/Requests

134
135
136

There were no Board Members' comments or requests.

137 **TWELFTH ORDER OF BUSINESS**

Public Comments

138
139

There were no public comments.

141 **THIRTEENTH ORDER OF BUSINESS**

Adjournment

142
143
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On MOTION by Mr. Atack and seconded by Mr. Green, with all in favor, the meeting adjourned at 2:20 p.m.

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Secretary/Assistant Secretary

Chair/Vice Chair

PALM COAST 145
COMMUNITY DEVELOPMENT DISTRICT

STAFF
REPORTS

PALM COAST 145 COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS FISCAL YEAR 2023/2024 MEETING SCHEDULE

LOCATION

*Flagler County Government Services Building
1769 E. Moody Blvd., Bldg. 2, 1st Floor Conference Room, Bunnell, Florida 32110*

DATE	POTENTIAL DISCUSSION/FOCUS	TIME
October 24, 2023	Regular Meeting	2:00 PM
November 28, 2023	Regular Meeting	2:00 PM
December 19, 2023*	Regular Meeting	2:00 PM
January 23, 2024	Regular Meeting	2:00 PM
February 27, 2024	Regular Meeting	2:00 PM
March 26, 2024	Regular Meeting	2:00 PM
April 23, 2024	Regular Meeting	2:00 PM
May 28, 2024	Regular Meeting	2:00 PM
June 25, 2024	Regular Meeting	2:00 PM
July 23, 2024	Regular Meeting	2:00 PM
August 27, 2024	Regular Meeting	2:00 PM
September 24, 2024	Regular Meeting	2:00 PM

***Exception**

December meeting is one (1) week earlier to accommodate the Christmas holiday.