

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

April 17, 2026

PUBLIC HEARING AND REGULAR MEETING AGENDA

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

AGENDA

LETTER

Lake Hills 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
<https://lakehillscdd.net/>

April 10, 2026

Board of Supervisors
Lake Hills Community Development District

Dear Board Members:

The Board of Supervisors of Lake Hills Community Development District will hold Public Hearings and a Regular Meeting on April 17, 2026 at 11:00 a.m., at the Mission Resort + Club, 10400 Country Road 48, Howey-in-the-Hills, Florida 34737. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments
3. Public Hearing to Consider the Adoption of an Assessment Roll and the Imposition of Special Assessments Relating to the Financing and Securing of Certain Public Improvements
 - *Hear testimony from the affected property owners as to the propriety and advisability of making the improvements and funding them with special assessments on the property.*
 - *Thereafter, the governing authority shall meet as an equalizing board to hear any and all complaints as to the special assessments on a basis of justice and right.*
- A. Affidavit/Proof of Publication
- B. Mailed Notice to Property Owner(s)
- C. Master Engineer's Report *(for informational purposes)*
- D. Master Special Assessment Methodology Report *(for informational purposes)*
- E. Consideration of Resolution 2026-37, Making Certain Findings; Authorizing a Capital Improvement Plan; Adopting an Engineer's Report; Providing an Estimated Cost of Improvements; Adopting an Assessment Report; Equalizing, Approving, Confirming and Levying Debt Assessments; Addressing the Finalization of Special Assessments; Addressing the Payment of Debt Assessments and the Method of Collection; Providing for the Allocation of Debt Assessments and True-Up Payments; Addressing Government Property, and Transfers of Property to Units of Local, State and Federal Government; Authorizing an Assessment Notice; and Providing for Severability, Conflicts and an Effective Date

ATTENDEES:

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

4. Consideration of Resolution 2026-38, Amending Resolution 2026-32 to Re-Set the Date, Time and Location of the Public Hearing Regarding the District's Intent To Use the Uniform Method For The Levy, Collection, and Enforcement of Non-Ad Valorem Special Assessments as Authorized by Section 197.3632, Florida Statutes; Providing a Severability Clause; and Providing an Effective Date
5. Consideration of Resolution 2026-39, to Designate Date, Time and Place of Public Hearing and Authorization to Publish Notice of Such Hearing for the Purpose of Adopting Rules of Procedure; and Providing an Effective Date
6. Consideration of Resolution 2026-23, Designating the Location of the Local District Records Office and Providing an Effective Date
7. Consideration of Resolution 2026-25, Designating Dates, Times and Locations for Regular Meetings of the Board of Supervisors of the District for Remainder of Fiscal Year 2025/2026 and Providing for an Effective Date
8. Consideration of Resolution 2026-40, Designating Dates, Times and Locations for Regular Meetings of the Board of Supervisors of the District for Fiscal Year 2026/2027 and Providing for an Effective Date
9. Consideration of Duke Energy Florida Lighting Service Agreement # DEFFL60619096
10. Acceptance of Unaudited Financial Statements as of March 31, 2026
11. Approval of Minutes
 - A. March 6, 2026 Landowners' Meeting
 - B. March 6, 2026 Organizational Meeting
12. Staff Reports
 - A. District Counsel: *Kutak Rock LLP*
 - B. District Engineer (Interim): *Madden, Moorhead & Stokes, LLC*
 - C. District Manager: *Wrathell, Hunt and Associates, LLC*

- NEXT MEETING DATE: May 12, 2026 at 11:00 AM [Adoption FY2026 and FY2027 Budgets]

○ QUORUM CHECK

SEAT 1	KIMBERLY LOCHER	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 2	JEFFERY READER	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 3	MARLENE DEMARCO	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 4	CHARLIE CRAWFORD	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 5	ANGEL ALFONSO	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO

- Performance Measures/Standards & Annual Reporting Form (*for informational purposes*)

13. Board Members' Comments/Requests

14. Public Comments

15. Adjournment

Should you have any questions or concerns, please do not hesitate to contact me directly at (760) 918-6014.

Sincerely,
Jordan Lansford
Jordan Lansford
District Manager

FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE

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

PARTICIPANT PASSCODE: 236 6447

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

3

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

3A

The Villages®
DAILY SUN

Published Daily
State of Florida
County Of Sumter

Affidavit of Publication

Before the undersigned authority personally
Appeared **Amber Sevison** who on oath says that
he or she is Legal Ad Coordinator of the Villages
DAILY SUN, a daily newspaper published in
Sumter County, Florida with circulation in Lake,
Sumter and Marion Counties; that the attached
copy of advertisement, being a Legal Ad # **01299227**
in the matter of

NOTICE OF PUBLIC HEARING

was published in said newspaper in the issues of

MARCH 20, 2026
MARCH 27, 2026

Affiant further says that the Daily Sun is a newspaper
that complies with all legal requirements for publication in
chapter 50, Florida Statutes.

(Signature Of Affiant)

Sworn to and subscribed before me this 27

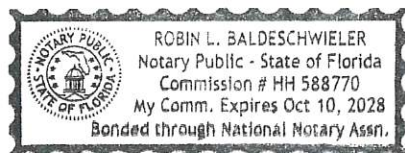
day March 2026.

Robin L Baldeschwieler, Notary

Personally Known _____ or

Production Identification _____

Type of Identification Produced



NOTICE OF PUBLIC HEARING TO CONSIDER IMPOSITION OF SPECIAL ASSESSMENTS PURSUANT TO SECTION 170.07, FLORIDA STATUTES, BY THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT

NOTICE OF PUBLIC HEARING TO CONSIDER ADOPTION OF ASSESSMENT ROLL PURSUANT TO SECTION 197.3632(4)(b), FLORIDA STATUTES, BY THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT

NOTICE OF MEETING OF THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT

In accordance with Chapters 170, 190 and 197, *Florida Statutes*, the Lake Hills Community Development District's ("District") Board of Supervisors ("Board") hereby provides notice of the following public hearings and public meeting:

NOTICE OF PUBLIC HEARINGS

DATE:	April 17, 2026
TIME:	11:00 a.m.
LOCATION:	Mission Resort + Club 10400 County Road 48 Howey-in-the-Hills, Florida 34737

The purpose of the public hearings announced above is to consider the imposition of special assessments ("Debt Assessments"), and adoption of assessment rolls to secure proposed bonds, on benefited lands within the District, and, to provide for the levy, collection and enforcement of the Debt Assessments. The proposed bonds to be secured by the Debt Assessments are intended to finance certain public infrastructure improvements, including, but not limited to, roadway improvements (onsite and offsite), stormwater management system, water and wastewater utility improvements (onsite and offsite), undergrounding of electrical conduit, landscape, hardscape, irrigation, wetland mitigation, recreational improvements, and other infrastructure improvements (together, "Project"), benefitting certain lands within the District. The Project is described in more detail in the *Engineer's Report*, dated March 2026 ("Engineer's Report"). Specifically, the Project includes a capital improvement plan or CIP to provide public infrastructure benefitting all lands within the District, as identified in the *Engineer's Report*.

The Debt Assessments are proposed to be levied as one or more assessment liens and allocated to the benefited lands within the District, as set forth in the *Master Special Assessment Methodology Report*, dated March 6, 2026 ("Assessment Report"). As further detailed in the Assessment Report, a unit of measurement to be applied against a parcel (referred to as "ERU" in the Assessment Report) for a product type not currently identified in the Assessment Report which may be developed as a result of development changes may be assigned an ERU factor and the resulting apportionment of Debt Assessments based upon the methodology for allocation of benefit as provided in the Assessment Methodology. Such determination may be made without the need for new public hearings under certain circumstances. At the conclusion of the public hearings, the Board will, by resolution, levy and impose Debt Assessments as finally approved by the Board. A meeting of the District's Board will also be held where the Board may consider any other business that may properly come before it.

The District is located entirely within the Town of Howey-in-the-Hills ("City") located in Lake County, Florida ("County"), and consists of approximately 218.93 +/- acres. The site is generally located west of State Road 19, north of County Road 48, and south of Lake Harris. A geographic depiction of the District is shown below. All lands within the District are expected to be improved in accordance with the reports identified above.

A description of the streets or other areas to be improved and the property to be assessed and the amount to be assessed to each piece or parcel of property may be ascertained at the "District's Office" located at c/o Wrathell, Hunt and Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431, Ph: (561) 571-0010. Also, a copy of the agendas and other documents referenced herein may be obtained from the District Office.

Proposed Debt Assessments

The proposed Debt Assessments are an amount not-to-exceed of \$112,190,000 (principal only; excluding interest, the fees and costs of collection or enforcement, and discounts for early payment), and are as follows:

Product Type	ERUs (per unit)	Maximum Principal Debt Assessment per Unit*	Maximum Annual Debt Assessment per Unit**
35' Villa (Paired)	0.60	\$119,733.19	\$11,436.12
Single Family 50'	1.00	\$199,555.32	\$19,060.20
Single Family 60'	1.20	\$239,466.38	\$22,872.24

*Amount includes principal only; excludes interest, collection fees and/or costs, and discounts for early payment
 **Amount includes estimated collection costs and early payment discounts

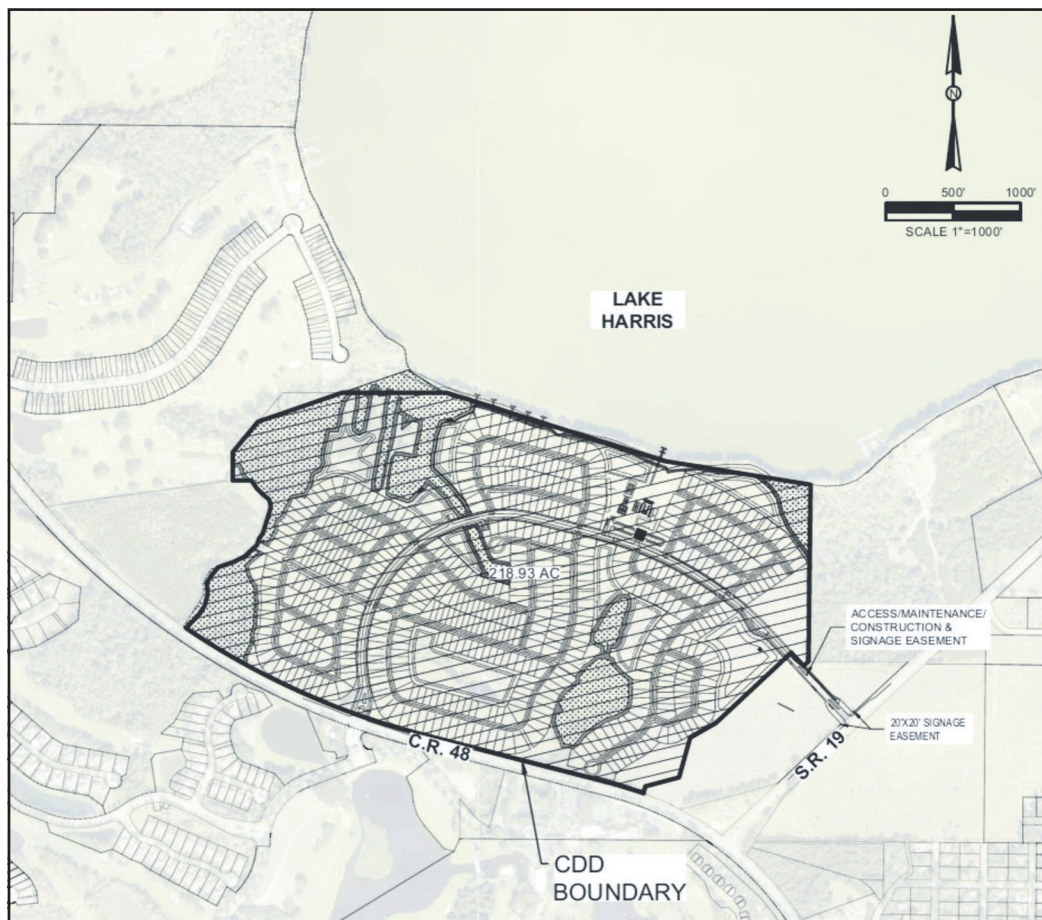
The assessments shall be paid in not more than thirty (30) annual installments subsequent to the issuance of debt to finance the improvements. These annual assessments will be collected on the County tax roll by the Tax Collector. Alternatively, the District may choose to directly collect and enforce these assessments.

The public hearings and meeting are open to the public and will be conducted in accordance with Florida law. The public hearings and meeting may be continued to a date, time, and place to be specified on the record. There may be occasions when staff or board members may participate by speaker telephone.

Any person requiring special accommodations because of a disability or physical impairment should contact the District Office at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Office.

Please note that all affected property owners have the right to appear and comment at the public hearings and meeting, and may also file written objections with the District Office within twenty (20) days of issuance of this notice. Each person who decides to appeal any decision made by the Board with respect to any matter considered at the public hearings or meeting is advised that person will need a record of proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

District Manager



RESOLUTION 2026-33

[MASTER 170.03 DECLARING RESOLUTION]

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE INFRASTRUCTURE IMPROVEMENTS WHOSE COST IS TO BE DEFRAYED BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAYED BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE PAID; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION.

WHEREAS, the Board of Supervisors (the "Board") of the Lake Hills Community Development District (the "District") hereby determines to undertake, install, plan, establish, construct or reconstruct, enlarge or extend, equip, acquire, operate, and/or maintain the infrastructure improvements (the "Improvements") described in the District's *Engineer's Report*, dated March 2026, attached hereto as **Exhibit A** and incorporated herein by reference; and

WHEREAS, it is in the best interest of the District to pay the cost of the Improvements by special assessments pursuant to Chapter 190, *Florida Statutes* (the "Assessments"); and

WHEREAS, the District is empowered by Chapter 190, Community Development Districts, Chapter 170, Supplemental and Alternative Method of Making Local Municipal Improvements, and Chapter 197, Tax Collections, Sales and Liens, *Florida Statutes*, to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain the Improvements and to impose, levy and collect the Assessments; and

WHEREAS, the District hereby determines that benefits will accrue to the property improved, the amount of those benefits, and that special assessments will be made in proportion to the benefits received as set forth in the District's *Master Special Assessment Methodology Report*, dated March 6, 2026, attached hereto as **Exhibit B** and incorporated herein by reference and on file at the office of the District Manager, c/o Wrathell, Hunt & Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431 (the "District Records Office"); and

WHEREAS, the District hereby determines that the Assessments to be levied will not exceed the benefit to the property improved.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. Recitals stated above are true and correct and by this reference are incorporated into and form a material part of this Resolution.

SECTION 2. Assessments shall be levied to defray a portion of the cost of the Improvements.

SECTION 3. The nature and general location of, and plans and specifications for, the Improvements are described in **Exhibit A**, which is on file at the District Records Office. **Exhibit B** is also on file and available for public inspection at the same location.

SECTION 4. The total estimated cost of the Improvements is \$81,777,630 (the "Estimated Cost").

SECTION 5. The Assessments will defray approximately \$112,190,000, which includes the Estimated Cost, plus financing-related costs, capitalized interest, a debt service reserve, and contingency, which is the anticipated maximum par value of any bonds and which includes the Estimated Cost, plus financing-related costs, capitalized interest, a debt service reserve, and contingency, as set forth more in **Exhibit B**, and which is in addition to interest and collection costs.

SECTION 6. The manner in which the Assessments shall be apportioned and paid is set forth in **Exhibit B**, as may be modified by supplemental assessment resolutions.

SECTION 7. The Assessments shall be levied, within the District, on all lots and lands adjoining and contiguous or bounding and abutting upon the Improvements or specially benefitted thereby and further designated by the assessment plat hereinafter provided for.

SECTION 8. There is on file, at the District Records Office, an assessment plat showing the area to be assessed, with certain plans and specifications describing the Improvements and the estimated cost of the Improvements, all of which shall be open to inspection by the public.

SECTION 9. With respect to each lien securing a series of bonds, the Assessments shall be paid in not more than (30) thirty yearly installments. The Assessments may be payable at the same time and in the same manner as are ad valorem taxes and collected pursuant to Chapter 197, *Florida Statutes*; provided, however, that in the event the uniform non-ad valorem assessment method of collecting the Assessments is not available to the District in any year, or if determined by the District to be in its best interest, the Assessments may be collected as is otherwise permitted by law. The decision to collect special assessments by any particular method - e.g., on the tax roll or by direct bill - does not mean that such method will be used to collect special assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

SECTION 10. The District Manager has caused to be made a preliminary assessment roll, in accordance with the method of assessment described in **Exhibit B** hereto, which shows the lots and lands assessed, the amount of benefit to and the assessment against each lot or parcel of land and the number of annual installments into which the assessment may be divided, which assessment roll is hereby adopted and approved as the District's preliminary assessment roll.

SECTION 11. The Board shall adopt a subsequent resolution to fix a time and place at which the owners of property to be assessed or any other persons interested therein may appear before the Board and be heard as to the propriety and advisability of the assessments or the making of the Improvements, the cost thereof, the manner of payment therefore, or the amount thereof to be assessed against each property as improved.

SECTION 12. The District Manager is hereby directed to cause this Resolution to be published twice (once a week for two (2) consecutive weeks) in a newspaper of general circulation within Lake County, provided that the first publication shall be at least twenty (20) days before and the last publication shall be at least one (1) week prior to the date of the hearing, and to provide such other notice as may be required by law or desired in the best interests of the District.

SECTION 13. This Resolution shall become effective upon its passage.

PASSED AND ADOPTED this 6th day of March, 2026.

Attest: **LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT**

/s/ Jordan Lansford /s/ Kimberly Locher
 Secretary/Assistant Secretary Chair/Vice Chair, Board of Supervisors

Exhibit A: *Engineer's Report*, dated March 2026
Exhibit B: *Master Special Assessment Methodology Report*, dated March 6, 2026

NOTICE OF PUBLIC HEARING TO CONSIDER IMPOSITION OF SPECIAL ASSESSMENTS PURSUANT TO SECTION 170.07, FLORIDA STATUTES, BY THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT

NOTICE OF PUBLIC HEARING TO CONSIDER ADOPTION OF ASSESSMENT ROLL PURSUANT TO SECTION 197.3632(4)(b), FLORIDA STATUTES, BY THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT

NOTICE OF MEETING OF THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT

In accordance with Chapters 170, 190 and 197, *Florida Statutes*, the Lake Hills Community Development District's ("District") Board of Supervisors ("Board") hereby provides notice of the following public hearings and public meeting:

RESOLUTION 2026-33 [MASTER 170.03 DECLARING RESOLUTION]

NOTICE OF PUBLIC HEARINGS

DATE:	April 17, 2026
TIME:	11:00 a.m.
LOCATION:	Mission Resort + Club 10400 County Road 48 Howey-in-the-Hills, Florida 34737

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The Debt Assessments are proposed to be levied as one or more assessment liens and allocated to the benefited lands within the District, as set forth in the *Master Special Assessment Methodology Report*, dated March 6, 2026 ("Assessment Report"). As further detailed in the Assessment Report, a unit of measurement to be applied against a parcel (referred to as "ERU" in the Assessment Report) for a product type not currently identified in the Assessment Report which may be developed as a result of development changes may be assigned an ERU factor and the resulting apportionment of Debt Assessments based upon the methodology for allocation of benefit as provided in the Assessment Methodology. Such determination may be made without the need for new public hearings under certain circumstances. At the conclusion of the public hearings, the Board will, by resolution, levy and impose Debt Assessments as finally approved by the Board. A meeting of the District's Board will also be held where the Board may consider any other business that may properly come before it.

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Proposed Debt Assessments

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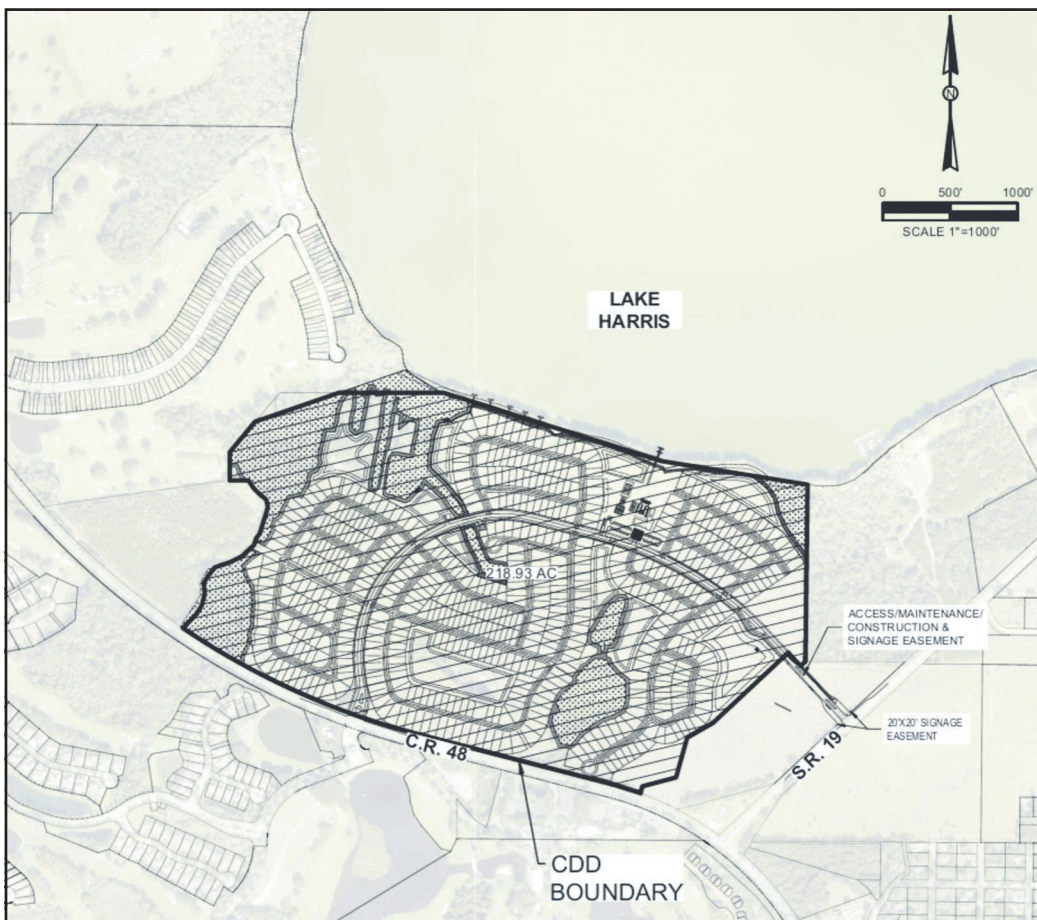
The assessments shall be paid in not more than thirty (30) annual installments subsequent to the issuance of debt to finance the improvements. These annual assessments will be collected on the County tax roll by the Tax Collector. Alternatively, the District may choose to directly collect and enforce these assessments.

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Any person requiring special accommodations because of a disability or physical impairment should contact the District Office at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Office.

Please note that all affected property owners have the right to appear and comment at the public hearings and meeting, and may also file written objections with the District Office within twenty (20) days of issuance of this notice. Each person who decides to appeal any decision made by the Board with respect to any matter considered at the public hearings or meeting is advised that person will need a record of proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

District Manager



A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE INFRASTRUCTURE IMPROVEMENTS WHOSE COST IS TO BE DEFRAYED BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAYED BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE PAID; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION.

WHEREAS, the Board of Supervisors (the "Board") of the Lake Hills Community Development District (the "District") hereby determines to undertake, install, plan, establish, construct or reconstruct, enlarge or extend, equip, acquire, operate, and/or maintain the infrastructure improvements (the "Improvements") described in the District's *Engineer's Report*, dated March 2026, attached hereto as **Exhibit A** and incorporated herein by reference; and

WHEREAS, it is in the best interest of the District to pay the cost of the Improvements by special assessments pursuant to Chapter 190, *Florida Statutes* (the "Assessments"); and

WHEREAS, the District is empowered by Chapter 190, Community Development Districts, Chapter 170, Supplemental and Alternative Method of Making Local Municipal Improvements, and Chapter 197, Tax Collections, Sales and Liens, *Florida Statutes*, to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain the Improvements and to impose, levy and collect the Assessments; and

WHEREAS, the District hereby determines that benefits will accrue to the property improved, the amount of those benefits, and that special assessments will be made in proportion to the benefits received as set forth in the District's *Master Special Assessment Methodology Report*, dated March 6, 2026, attached hereto as **Exhibit B** and incorporated herein by reference and on file at the office of the District Manager, c/o Wrathell, Hunt & Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431 (the "District Records Office"); and

WHEREAS, the District hereby determines that the Assessments to be levied will not exceed the benefit to the property improved.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. Recitals stated above are true and correct and by this reference are incorporated into and form a material part of this Resolution.

SECTION 2. Assessments shall be levied to defray a portion of the cost of the Improvements.

SECTION 3. The nature and general location of, and plans and specifications for, the Improvements are described in **Exhibit A**, which is on file at the District Records Office. **Exhibit B** is also on file and available for public inspection at the same location.

SECTION 4. The total estimated cost of the Improvements is \$81,777,630 (the "Estimated Cost").

SECTION 5. The Assessments will defray approximately \$112,190,000, which includes the Estimated Cost, plus financing-related costs, capitalized interest, a debt service reserve, and contingency, which is the anticipated maximum par value of any bonds and which includes the Estimated Cost, plus financing-related costs, capitalized interest, a debt service reserve, and contingency, as set forth more in **Exhibit B**, and which is in addition to interest and collection costs.

SECTION 6. The manner in which the Assessments shall be apportioned and paid is set forth in **Exhibit B**, as may be modified by supplemental assessment resolutions.

SECTION 7. The Assessments shall be levied, within the District, on all lots and lands adjoining and contiguous or bounding and abutting upon the Improvements or specially benefitted thereby and further designated by the assessment plat hereinafter provided for.

SECTION 8. There is on file, at the District Records Office, an assessment plat showing the area to be assessed, with certain plans and specifications describing the Improvements and the estimated cost of the Improvements, all of which shall be open to inspection by the public.

SECTION 9. With respect to each lien securing a series of bonds, the Assessments shall be paid in not more than (30) thirty yearly installments. The Assessments may be payable at the same time and in the same manner as are ad valorem taxes and collected pursuant to Chapter 197, *Florida Statutes*; provided, however, that in the event the uniform non-ad valorem assessment method of collecting the Assessments is not available to the District in any year, or if determined by the District to be in its best interest, the Assessments may be collected as is otherwise permitted by law. The decision to collect special assessments by any particular method - e.g., on the tax roll or by direct bill - does not mean that such method will be used to collect special assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

SECTION 10. The District Manager has caused to be made a preliminary assessment roll, in accordance with the method of assessment described in **Exhibit B** hereto, which shows the lots and lands assessed, the amount of benefit to and the assessment against each lot or parcel of land and the number of annual installments into which the assessment may be divided, which assessment roll is hereby adopted and approved as the District's preliminary assessment roll.

SECTION 11. The Board shall adopt a subsequent resolution to fix a time and place at which the owners of property to be assessed or any other persons interested therein may appear before the Board and be heard as to the propriety and advisability of the assessments or the making of the Improvements, the cost thereof, the manner of payment therefore, or the amount thereof to be assessed against each property as improved.

SECTION 12. The District Manager is hereby directed to cause this Resolution to be published twice (once a week for two (2) consecutive weeks) in a newspaper of general circulation within Lake County, provided that the first publication shall be at least twenty (20) days before and the last publication shall be at least one (1) week prior to the date of the hearing, and to provide such other notice as may be required by law or desired in the best interests of the District.

SECTION 13. This Resolution shall become effective upon its passage.

PASSED AND ADOPTED this 6th day of March, 2026.

Attest: **LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT**

/s/ Jordan Lansford Secretary/Assistant Secretary
/s/ Kimberly Locher Chair/Vice Chair, Board of Supervisors

Exhibit A: *Engineer's Report*, dated March 2026
Exhibit B: *Master Special Assessment Methodology Report*, dated March 6, 2026

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

3B

AFFIDAVIT OF MAILING

BEFORE ME, the undersigned authority, this day personally appeared Curtis Marcoux, who by me first being duly sworn and deposed says:

1. I am over eighteen (18) years of age and am competent to testify as to the matters contained herein. I have personal knowledge of the matters stated herein.
2. I, Curtis Marcoux, am employed by Wrathell, Hunt and Associates, LLC, and, in the course of that employment, serve as Financial Analyst for the Lake Hills Community Development District.
3. Among other things, my duties include preparing and transmitting correspondence relating to the Lake Hills Community Development District.
4. I do hereby certify that on March 16, 2026, and in the regular course of business, I caused the letter attached hereto as **Exhibit A**, to be sent notifying the affected landowner in the Lake Hills Community Development District of its rights under Chapters 170, 190 and 197, *Florida Statutes*, with respect to the District's anticipated imposition of debt special assessments. I further certify that the letters were sent to the addressees identified in **Exhibit A** and in the manner identified in **Exhibit A**.
5. I have personal knowledge of having sent the letter to the addressee, and those records are kept in the course of the regular business activity for my office.

FURTHER AFFIANT SAYETH NOT.


By: Curtis Marcoux

SWORN AND SUBSCRIBED before me by means of physical presence or online notarization this 16th day of March 2026, by Curtis Marcoux, for Wrathell, Hunt and Associates, LLC, who is personally known to me or has provided _____ as identification, and who did or did not take an oath.



DAPHNE GILLYARD
Notary Public
State of Florida
Comm# HH390392
Expires 8/20/2027

NOTARY PUBLIC

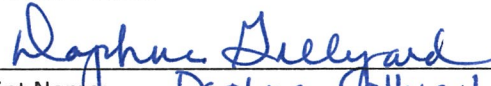

Print Name: Daphne Gillyard
Notary Public, State of Florida
Commission No.: HH390392
My Commission Expires: 8/20/2027

EXHIBIT A: Copy of Mailed Notice

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®

OFFICIAL USE

9589 0710 5270 2050 8379 92

Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	\$
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage	\$
Total Pos	\$
Sent To	
Street an	
City, Stat	



HR LAKE HILLS LLC
5850 TG LEE BLVD STE 200
ORLANDO, FL 32822

Lake Hills

Community Development District

2300 Glades Road, Suite 410W • Boca Raton, Florida 33431
Phone: (561) 571-0010 • Fax: (561) 571-0013 • Toll-free: (877) 276-0889

Via First Class U.S. Mail

March 16, 2026
HR LAKE HILLS LLC
5850 TG LEE BLVD STE 200
ORLANDO, FL 32822

**RE: Lake Hills Community Development District (“District”)
Notice of Public Hearings on Debt Assessments to Property
Parcel ID #(s): 222025000400001000, 222025000100001400, 232025000400000200,
232025000200000600, 232025000400001000**

Dear Property Owner:

In accordance with Chapters 170, 190 and 197, *Florida Statutes*, the District’s Board of Supervisors (“**Board**”) hereby provides notice of the following public hearings, and public meeting:

NOTICE OF PUBLIC HEARINGS

DATE:	April 17, 2026
TIME:	11:00 a.m.
LOCATION:	Mission Resort + Club 10400 County Road 48 Howey-in-the-Hills, Florida 34737

The purpose of the public hearings announced above is to consider the imposition of special assessments (“**Debt Assessments**”), and adoption of assessment rolls to secure proposed bonds, on certain benefited lands within the District, and, to provide for the levy, collection and enforcement of the Debt Assessments. The proposed bonds secured by the Debt Assessments are intended to finance certain public infrastructure improvements, including, but not limited to, roadway improvements (onsite and offsite), stormwater management system, water and wastewater utility improvements (onsite and offsite), undergrounding of electrical conduit, landscape, hardscape, irrigation, wetland mitigation, recreational improvements, and other infrastructure improvements (together, “**Project**”), benefitting certain lands within the District. The Project is described in more detail in the *Engineer’s Report*, dated March 2026 (“**Engineer’s Report**”). Specifically, the Project includes a capital improvement plan or CIP to provide public infrastructure benefitting all lands within the District, as identified in the Engineer’s Report. The Debt Assessments are proposed to be levied as one or more assessment liens and allocated to the benefitted lands within the District, as set forth in the *Master Special Assessment Methodology Report*, dated March 6, 2026 (“**Assessment Report**”). Copies of the Engineer’s Report and Assessment Report are attached hereto.

As required by Chapters 170, 190 and 197, *Florida Statutes*, the Assessment Report, together with the Engineer’s Report, describe in more detail the purpose of the Debt Assessments; the total Debt Assessment amount to be levied against each parcel of land within the District; the units of measurement to be applied against each parcel to determine the Debt Assessments; the number of such units contained within each parcel; and the total revenue the District will collect by the Debt Assessments. As further

detailed in the Assessment Report, a unit of measurement to be applied against a parcel (referred to as “ERU” in the Assessment Report”) for a product type not currently identified in the Assessment Report which may be developed as a result of development changes may be assigned an ERU factor and the resulting apportionment of Debt Assessments based upon the methodology for allocation of benefit as provided in the Assessment Methodology. Such determination may be made without the need for new public hearings under certain circumstances.

At the conclusion of the public hearings, the Board will, by resolution, levy and impose the Debt Assessments as finally approved by the Board. A meeting of the District will also be held where the Board may consider any other business that may properly come before it.

The Debt Assessments constitute a lien against benefitted property located within the District just as do each year’s property taxes. For the Debt Assessments, the District may elect to have the County Tax Collector collect the assessments, or alternatively may collect the assessments by sending out an annual bill. For delinquent assessments that were initially directly billed by the District, the District may initiate a foreclosure action or may place the delinquent assessments on the next year’s county tax bill. **IT IS IMPORTANT TO PAY YOUR ASSESSMENT BECAUSE FAILURE TO PAY WILL CAUSE A TAX CERTIFICATE TO BE ISSUED AGAINST THE PROPERTY WHICH MAY RESULT IN LOSS OF TITLE, OR FOR DIRECT BILLED ASSESSMENTS, MAY RESULT IN A FORECLOSURE ACTION, WHICH ALSO MAY RESULT IN A LOSS OF TITLE.** The District’s decision to collect assessments on the tax roll or by direct billing does not preclude the District from later electing to collect those or other assessments in a different manner at a future time.

The District is located entirely within the Town of Howey-in-the-Hills (“City”) located in Lake County, Florida (“County”), and consists of approximately 218.93 +/- acres. The site is generally located west of State Road 19, north of County Road 48, and south of Lake Harris. All lands within the District are expected to be improved in accordance with the reports identified above. A geographic description of the property to be assessed and the amount to be assessed to each piece or parcel of property may be ascertained at the “**District’s Office**” located at c/o Wrathell, Hunt and Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431 (877) 276-0889. Also, a copy of the agendas and other documents referenced herein may be obtained from the District Office.

The public hearings and meeting are open to the public and will be conducted in accordance with Florida law. The public hearings and meeting may be continued to a date, time, and place to be specified on the record. There may be occasions when staff or board members may participate by speaker telephone. Any person requiring special accommodations because of a disability or physical impairment should contact the District Office at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Office.

Please note that all affected property owners have the right to appear and comment at the public hearings and meeting, and may also file written objections with the District Office within twenty (20) days of issuance of this notice. Each person who decides to appeal any decision made by the Board with respect to any matter considered at the public hearings or meeting is advised that person will need a record of proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

If you have any questions, please do not hesitate to contact the District Office.

Sincerely,

Jordan Lansford

Jordan Lansford
District Manager

ATTACHMENTS: Engineer's Report and Assessment Report (with Legal Descriptions of Lands)

ENGINEER'S REPORT

PREPARED FOR:

BOARD OF SUPERVISORS
LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT

ENGINEER:

MADDEN MOOREHEAD & STOKES, LLC
431 E. Horatio Ave., STE 260
Maitland, Florida 32751

March 2026

**LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT
ENGINEER'S REPORT**

1. INTRODUCTION

The purpose of this report is to provide a description of the capital improvement plan (“CIP”) and estimated costs of the CIP, for the LAKE HILLS Community Development District (“District” or “CDD”).

2. GENERAL SITE DESCRIPTION

The District consists of 218.93 acres of land and is located entirely within the Town of Howey in The Hills, Florida (“Town”). The site is generally located west of State Road 19, North of County Road 48, and South of Lake Harris.

3. PROPOSED CAPITAL IMPROVEMENT PLAN

The CIP is intended to provide public infrastructure improvements for the entire development. The following chart shows the planned product types for the District:

PRODUCT TYPES			
Product Type	Phase 1	Phases 2 & 3	Total Units
50's SF	112	209	321
60's SF	84	68	152
35'Villa (Paired)	18	80	98
TOTAL	214	357	571

NOTE: All units are subject to conversion to other types, as permitted by applicable development approvals. Additional units, unit types and land uses may be incorporated in the future as permitted by applicable development approvals.

The CIP infrastructure for the project is as follows:

Roadway Improvements:

The Town has approved soft gates on the onsite roads and the District intends to finance, construct, and/or acquire the onsite roads and, upon final completion, convey the onsite roads to the Town for ownership; provided however, the internal roads (i.e., the onsite roads inside the soft gates) will be operated and maintained by the CDD. The onsite roads outside the soft gates are intended to be operated and maintained by the Town.

The District also intends to finance improvements to certain off-site public roads located outside of the gates, including the County Road 48 round-a-bout and any proportionate share costs related to the State Road 19 and signal costs.

Onsite roads include the roadway asphalt, base, and subgrade, roadway curb and gutter, striping and signage and sidewalks within such rights-of-way. Alternatively, the Developer may elect to have the District only finance, operate, and maintain the sidewalks within rights-of-way abutting non-lot lands. All roads will be designed in accordance with applicable design requirements.

Stormwater Management System

The stormwater collection and outfall system is a combination of roadway curbs, curb inlets, pipe, control structures and open lakes designed to treat and attenuate stormwater runoff from District lands. The stormwater system is designed consistent with the applicable design requirements for stormwater/floodplain management systems. The District will finance, own, operate and maintain the stormwater system.

NOTE: No private earthwork is included in the CIP. Accordingly, the District will not fund any costs of any grading of lots or the transportation of any fill to such lots.

Water, Wastewater and Irrigation Utilities:

As part of the CIP, the District intends to finance, construct, and/or acquire potable water and wastewater and a portion of the irrigation distribution infrastructure (irrigation system).

Wastewater improvements for the project will include an onsite gravity collection system, offsite and onsite force main and onsite lift stations.

The irrigation water system will be provided by the Lake Hills Water Conservation Authority (“**Irrigation Authority**”) that will provide irrigation supply to the District and to adjacent properties within the Lake Hills zoning boundary. This entity will construct, own and maintain the irrigation water supply system and trunk line distribution system located in Summerlane Drive. The District intends to finance, own and maintain the portion of the distribution system connecting the trunk line distribution system in Summerlane Drive to the lot lines (i.e., point of connection), which will allow for the provision of irrigation service throughout the District.

The water distribution and wastewater collection systems for all phases will be constructed and/or acquired by the District and then dedicated to the Town and/or Central Lake CDD for ownership, operation, and maintenance. The CIP will only include laterals to the lot lines (i.e., point of connection). The portion of the irrigation water distribution system connecting the Trunkline to lot lines throughout the CDD may be constructed and/or acquired by the District and owned and maintained by the District.

As part of the potable and wastewater utilities, the District may also pay utility connection fees, including but not limited to Town Water Impact Fees, and wastewater connection fees as part of the CIP. Any such fees funded by District would be the subject of an acquisition agreement between the applicable developer and the District.

Perimeter Hardscape, Landscape, and Irrigation:

The District may finance, construct, and/or acquire landscaping, irrigation and/or hardscaping within District common areas, easements, and/or public rights-of-way. The project will at a minimum meet or exceed Town

and Lake Hills Water Conservation Authority (“**Irrigation Authority**”) Consumptive Use Permit design requirements.

Perimeter landscaping, irrigation and hardscaping may be owned, maintained and/or funded by the District. Such infrastructure, to the extent that it is located in the offsite rights-of-way owned by a local general purpose government may be maintained by the CDD pursuant to a right-of-way agreement or permit.

Streetlights / Undergrounding of Electrical Utility Lines

The District intends to lease street lights through an agreement with Duke Energy and will fund the street lights through an annual operations and maintenance assessment. As such, streetlights are not included as part of the CIP.

The CIP does however include the incremental cost of undergrounding of electrical utility lines within right-of-way utility easements throughout the community. Any lines and transformers located in such areas would be owned by the local utility provider and not paid for by the District as part of the CIP.

Environmental Conservation

The District will provide onsite conservation areas in order to offset wetland impacts associated with the construction of the development. The District will be responsible for the design, permitting, construction, maintenance, and government reporting of the environmental mitigation. These costs are included within the CIP.

Public Park

The development is planned to include a minimum four (4) acre park featuring a playground, picnic area, and passive recreational space dedicated to the Town for the benefit of the public. The public park will be financed, constructed, and/or acquired by the District and/or Developer and is anticipated to include a dog park including fencing and surfacing; benches, picnic tables, bike racks; playground equipment; 24 paved parking spaces; and trash/recycling. Upon completion, the public park will be conveyed to the Town for ownership and, at the Town’s own cost, operation and administrative management under the Town’s parks and recreation program; provided however, the District will, at its own cost, be responsible for routine maintenance of the public park.

Professional Services

The CIP also includes various professional services. These include: (i) engineering, surveying and architectural fees, (ii) permitting and plan review costs, and (iii) development/construction management services fees that are required for the design, permitting, construction, and maintenance acceptance of the public improvements and community facilities.

NOTE: In the event that impact fee credits are generated from any roadway, utilities or other improvements funded by the District, any such credits, if any, will be the subject of an acquisition agreement between the applicable developer and the District. However no impact fee credits are expected.

4. PERMITTING/CONSTRUCTION COMMENCEMENT

All necessary permits for the construction of the CIP have either been obtained, are currently under review, or will be submitted to the respective governmental authorities and are reasonable expected to be obtained in the future. They include the following:

Town of Howey in The Hills Main Blvd and Mass Grading: Approved

Town of Howey in The Hills Phase 1 Subdivision: Approved

Lake County ROW: Pending

SJRWMD Main Blvd and Mass Grading: Approved

SJRWMD Phase 1 Subdivision: Pending

FDEP Drinking Water Main Blvd: Dryline Permit Approved

FDEP Drinking Water Phase 1: Not yet submitted

FDEP Wastewater Permit Main Blvd: Approved

FDEP Wastewater Permit Phase 1: Not yet submitted

5. CIP COST ESTIMATE / MAINTENANCE RESPONSIBILITIES

The table below presents, among other things, a cost estimate for the CIP. It is our professional opinion that the costs set forth below are reasonable and consistent with market pricing. An ownership exhibit is enclosed at the end of this report.

CIP COST ESTIMATE	
IMPROVEMENT	ESTIMATED COST
Internal Public Roadways (Inside Gates)	\$12,000,000
Public Roadways (Outside Gates)	\$2,846,000
Public Sitework and Storm Drainage	\$14,275,000
Water and Wastewater Systems	\$28,550,000
Irrigation Collection/Distribution System	\$2,125,000
Differential Cost of Undergrounding Conduit	\$3,597,300
On-Site Wetland Mitigation	\$150,000
Off-Site Improvements - Utilities	\$1,500,000
Off-Site Improvements - Turn Lanes	\$750,000
Off-Site Sewer Capacity/CIAC	\$2,850,000
Off-Site Water Capacity	\$1,700,000
Public Park	\$2,500,000
Professional Services	\$1,500,000
Contingency	\$7,434,330
Total	\$81,777,630

- a. The probable costs estimated herein do not include anticipated carrying cost, interest reserves or other anticipated CDD expenditures that may be incurred.
- b. The developer reserves the right to finance any of the improvements outlined above, and have such improvements owned and maintained by a property owner's or homeowner's association, in which case such items would not be part of the CIP.
- c. The District may enter into an agreement with a third-party, or an applicable property owner's or homeowner's association, to maintain any District-owned improvements, subject to the approval of the District's bond counsel.
- d. The District has entered into an interlocal agreement with the Town whereby the District will be responsible for the maintenance of the internal roads and certain limited maintenance of the public park.

6. CONCLUSIONS

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

It is further our opinion that:

- the estimated cost of the CIP as set forth herein is reasonable based on prices currently being experienced in the jurisdiction in which the District is located, and is not greater than the lesser of the actual cost of construction or the fair market value of such infrastructure;
- all of the improvements comprising the CIP are required by applicable development approvals issued pursuant to Section 380.06, Florida Statutes;
- the CIP is feasible to construct, there are no technical reasons existing at this time that would prevent the implementation of the CIP, and it is reasonable to assume that all necessary regulatory approvals will be obtained in due course; and
- the assessable property within the District will receive a special benefit from the CIP that is at least equal to such costs.

Also, the CIP will constitute a system of improvements that will provide benefits, both general, and special and peculiar, to all lands within the District. The general public, property owners, and property outside the District will benefit from the provisions of the District's CIP; however, these are incidental to the District's CIP, which is designed solely to provide special benefits peculiar to property within the District. Special and peculiar benefits accrue to property within the District and enables properties within its boundaries to be developed.

The CIP will be owned by the District or other governmental units, except as otherwise allowed by law. All of the CIP is or will be located on lands owned or to be owned by the District or another governmental entity or on perpetual easements in favor of the District or other governmental entity. The CIP, and any cost estimates set forth herein, do not include any earthwork, grading or other improvements on private lots or property without access pursuant to a perpetual easement. The District will pay the lesser of the cost of the components of the CIP or the fair market value.

Please note that the CIP as presented herein is based on current plans and market conditions which are subject to change. Accordingly, the CIP, as used herein, refers to sufficient public infrastructure of the

kinds described herein (i.e., stormwater/floodplain management, sanitary sewer, potable water, etc.) to support the development and sale of the planned residential units in the District, which (subject to true-up determinations) number and type of units may be changed with the development of the site. Stated differently, during development and implementation of the public infrastructure improvements as described for the District, it may be necessary to make modifications and/or deviations for the plans, and the District expressly reserves the right to do so.

David Stokes, P.E.
Florida License #66527
MADDEN MOORHEAD & STOKES, LLC
431 E. Horatio Ave., STE 260
Maitland, Florida 32751

LAKE HILLS CDD

Proposed Facilities and Services Chart

FACILITY	FUNDED BY	OWNED BY	MAINTAINED BY
Public Rights-of-Way¹			
<i>Internal (Inside Gates) – Onsite</i>	CDD/Developer	Town	CDD
<i>External (Outside Gates) – Offsite</i>	CDD/Developer	Town/County	Town/County
<i>CR 48 Turn Lanes & Roundabout – Offsite</i>	CDD/Developer	County	County
Water and Wastewater Systems²			
<i>Potable Water – Onsite</i>	CDD/Developer	Town	Town
<i>Potable Water – Offsite</i>	CDD/Developer	Town	Town
<i>Irrigation Distribution System – Onsite Trunk Line & Offsite</i>	Developer	Developer or Irrigation Authority	Developer or Irrigation Authority
<i>Irrigation Distribution System – Onsite Trunk Line to Lot POC³</i>	CDD/Developer	CDD	CDD
<i>Sewer – Up to CR48 POC⁴ (Onsite)</i>	CDD/Developer	Town	Town
<i>Sewer – From CR48 POC to CL Plant⁵ (Offsite)</i>	CDD/Developer	Central Lake CDD	Central Lake CDD
Stormwater Management System	CDD/Developer	CDD	CDD
Electrical	CDD ⁶ /Developer	Duke Energy	Duke Energy
Wetland Mitigation - Onsite	CDD/Developer	CDD	CDD
Public Park - Onsite	CDD/Developer	Town ⁷	CDD

¹ As referred to in this chart, Rights-of-Way includes the roadway and any sidewalks and/or trails running adjacent to such roadway.

² The Water and Wastewater System improvements referenced herein are further described in and subject to that certain Utility Service Agreement dated March 10, 2025, between the Town and HR Lake Hills LLC, and recorded as Instrument #2025029504 in the Official Records for Lake County, Florida.

³ “**Lot POC**” refers to the point of connection at the lot lines for tracts within the CDD boundaries. Inclusive of irrigation utility improvements from the trunk line distribution system in Summerlane Drive to the Lot POC.

⁴ “**CR48 POC**” refers to the Point of Connection on CR48. Inclusive of wastewater utility improvements from the collection lines to the lift station(s) and force main extension to the POC.

⁵ “**CL Plant**” refers to Central Lake CDD’s wastewater-treatment plant. Inclusive of wastewater utility improvements from the POC to CL Plant.

⁶ CDD eligible funding limited to the differential cost of undergrounding the electrical conduit.

⁷ As part of its ownership, the Town’s responsibilities for the Public Park include all operations, reservations, and Town elected capital improvements, with the CDD’s role limited solely to on-going maintenance and repair.

LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT

Master Special Assessment Methodology Report

March 6, 2026



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 Master Special Assessment Methodology Report (the "Report") was developed to provide a financing plan and a special assessment methodology for the Lake Hills Community Development District (the "District"), located entirely within the Town of Howey in The Hills, Florida, as related to funding the costs of public infrastructure improvements (the "Capital Improvement Plan" or "CIP") contemplated to be provided by the District.

1.2 Scope of the Report

This Report presents the projections for financing the District's Capital Improvement Plan described in the Engineer's Report developed by Madden Moorehead & Stokes, LLC (the "District Engineer") and dated March 2026 (the "Engineer's Report"), as well as describes the method for the allocation of special benefits and the apportionment of special assessment debt resulting from the provision and funding of the Capital Improvement Plan.

1.3 Special Benefits and General Benefits

The public infrastructure improvements undertaken and funded by the District as part of the Capital Improvement Plan create special and peculiar benefits, different in kind and degree from the general and incidental benefits to the public at large. However, as discussed within this Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits which accrue to the assessable property within the District. The District's Capital Improvement Plan enables properties within its boundaries to be developed.

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

The Capital Improvement Plan will provide public infrastructure improvements which are all necessary in order to make the assessable lands within the District developable and saleable. Even though the exact value of the benefits provided by the Capital Improvement Plan is hard to estimate at this point, it is nevertheless greater than the costs associated with providing the same.

1.4 Organization of the Report

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

Section Three provides a summary of the Capital Improvement Plan as determined by the District Engineer.

Section Four discusses the financing program for the District.

Section Five introduces the special assessment methodology for the District.

2.0 Development Program

2.1 Overview

The District serves the Lake Hills development (the "Development"), a master planned residential development located within the Town of Howey in The Hills, Florida. The District currently consists of approximately 218.93 +/- acres and is generally located west of State Road 19, North of County Road 48, and South of Lake Harris.

2.2 The Development Program

The development of Lake Hills is anticipated to be conducted by HR Lake Hills, LLC or an affiliated entity and Toll Southeast, Inc. (collectively, the "Developer"). Based upon the information provided by the Developer and the District Engineer, the current development plan envisions a total of 571 residential dwelling units, although 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 Capital Improvement Plan

3.1 Overview

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

3.2 The Capital Improvement Plan

The Capital Improvement Plan needed to serve the Development is projected to consist of improvements which will serve all of the lands in the District. The District, however, reserves the right to create distinct assessment areas to coincide with the phases of development. The Capital Improvement Plan consists of roadways (onsite and offsite), clearing/grading of public lands, stormwater management system, water & wastewater systems (onsite and offsite), hardscaping, landscape, irrigation, undergrounding of electrical conduit, wetland mitigation, recreational, various offsite improvements, and professional services as set forth in more detail in the Engineer's Report. At the time of this writing, the total cost of the Capital Improvement Plan is estimated to be approximately \$81,777,630.

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 public infrastructure improvements that comprise the Capital Improvement Plan will serve and provide benefit to all land uses in the District and will comprise an interrelated system of improvements, which means all of the improvements will serve the entire District and all improvements will be interrelated such that they will reinforce one another.

Table 2 in the *Appendix* illustrates the specific components of the Capital Improvement Plan 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. As of the time of writing of this Report, the District will most likely acquire completed improvements from the Developer, although the District maintains the complete flexibility to 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 Capital Improvement Plan as described in *Section 3.2* in one financing transaction, the District would have to issue approximately \$112,190,000 in par amount of special assessment bonds (the "Bonds") as illustrated in Table 3 in the *Appendix*.

Please note that the purpose of this Report is to allocate the benefit of the Capital Improvement Plan to the various land uses in the District and based on such benefit allocation to apportion the maximum debt necessary to fund the Capital Improvement Plan. 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 approximate principal amount of \$112,190,000, in one or more Series with various maturities, to finance approximately \$81,777,630 in Capital Improvement Plan costs. The Bonds as projected under this financing plan would be structured to be amortized in 30 annual installments following a not-to-exceed 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 either on May 1 or on November 1.

In order to finance the CIP, the District would need to borrow more funds and incur indebtedness in the total amount of approximately \$112,190,000. The difference is comprised of funding debt service reserves, paying capitalized interest, underwriter's discount and costs of issuance. 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 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 Capital Improvement Plan outlined in *Section 3.2* and described in more detail in the Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to the properties within the boundaries of the District and general benefits accruing to areas outside the District but being only incidental in nature. The debt incurred in financing the public infrastructure will be secured by assessing properties within the District that derive special and peculiar benefits from the Capital Improvement Plan. All properties within the District that receive special benefits from the Capital Improvement Plan will be assessed for their fair share of the debt issued in order to finance all or a portion of the Capital Improvement Plan.

5.2 Benefit Allocation

The most current development plan for the District envisions the development of 571 residential dwelling units, developed in one or more phases, although phasing, unit numbers and land use types may change throughout the development period.

The public infrastructure improvements that comprise the Capital Improvement Plan will comprise an interrelated system of improvements, which means all of the improvements will serve the entire District and improvements will be interrelated such that they will reinforce one another.

By allowing for the land in the District to be developable, both the public infrastructure improvements that comprise the Capital Improvement Plan 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 public improvements provide basic infrastructure to all land within the District and benefit all land within the District as an integrated system of public improvements.

As stated previously, the public infrastructure improvements included in the Capital Improvement Plan 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 special 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 special assessment amount levied for, the improvement or debt allocated to that parcel.

The benefit associated with the Capital Improvement Plan of the District is proposed to be allocated to the different product types within the District in proportion to their density of development and intensity of use of the 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 type contemplated to be developed within the District based on the densities of development and the intensities of use of master 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, such as Townhomes, will use and benefit from the improvements which are part of the Capital Improvement Plan less than products with larger lot sizes, such as Single-Family units. For instance, generally and on average products with smaller lot sizes, such as Townhomes, will produce less storm water runoff, may produce fewer vehicular trips, and may need less water/sewer capacity than products with larger lot sizes, such as Single-Family units. Additionally, the value of the products with larger lot sizes, such as Single-Family units, is likely to appreciate by more in terms of dollars than that of the products with smaller lot sizes, such as Townhomes, 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 by each product type from the District's public infrastructure improvements that are part of the Capital Improvement Plan. As the development plan associated with the District land is preliminary and

subject to change, there is a possibility that certain product types may be created which are not currently contemplated within Table 4 herein.

Table 5 in the *Appendix* presents the apportionment of the non-ad valorem special assessments associated with the Bonds funding the District's Capital Improvement Plan (the "Bond Assessments") to the 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 projected Bond Assessments per unit.

Amenities - No Bond Assessments are allocated herein to any private amenities or other common areas planned for the development. If owned by a homeowner's association or a master property owner's association, the amenities and common areas would be considered a common element for the exclusive benefit of property owners. Accordingly, any benefit to the amenities and common areas would directly benefit all platted lots in the District. If the amenities are owned by the District, then they would be governmental property not subject to the Bond Assessments and would be open to the general public, subject to District rules and policies. As such, no Bond Assessments will be assigned to the amenities and common areas.

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

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 Assessments will initially be levied on all of the gross acres of land in the District. Consequently, the Bond Assessments in the total amount of \$112,190,000 will be preliminary levied on approximately 218.93 +/- gross acres on an equal pro-rata gross acre basis at a rate of \$512,446.90 per acre.

As the land is platted, the Bond Assessments will be allocated to each platted parcel on a first platted-first assigned basis based on the planned use for that platted parcel as reflected in Table 5 in the

Appendix. Such allocation of Bond Assessments to platted parcels will reduce the amount of Bond Assessments levied on unplatted gross acres within the District.

Transferred Property. In the event unplatted land is sold to a third party not affiliated with the Developer (the “Transferred Property”), the Bond Assessments will be assigned to such Transferred Property at the time of the sale based on the maximum total number of ERUs assigned by the Developer 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 Report. The owner of the Transferred Property will be responsible for the total Bond Assessments applicable to the Transferred Property, regardless of the total number of ERUs ultimately actually platted. This total Bond Assessment is allocated to the Transferred Property at the time of the sale. If the Transferred Property is subsequently sub-divided into smaller parcels, the total 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, public infrastructure 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.

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

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

The public infrastructure improvements which are part of the Capital Improvement Plan make the land in the District developable and saleable and when implemented jointly as parts of the Capital Improvement Plan, 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 public improvements is delineated in Table 4 (expressed as the ERU factors) in the *Appendix*.

The apportionment of the Bond 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 Capital Improvement Plan by different product types. Accordingly, no acre or parcel of property within the District will be liened for the payment of any non-ad valorem special 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 ERUs as set forth in Table 1 in the *Appendix* ("Development Plan"). At such time as lands are to be platted (or re-platted) or site plans are to be approved (or re-approved), the plat or site plan (either, herein, "Proposed Plat") shall be presented to the District for a "true-up" review as follows:

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

b. If a Proposed Plat within the District has more than the anticipated ERUs (and Bond Assessments) such that the Remaining Unplatted Developable Lands would be assigned fewer ERUs (and Bond Assessments) than originally contemplated in the Development Plan, then the District may undertake a pro rata reduction of Bond Assessments for all assessed properties within the District, may allocate additional ERUs/densities for a future bond financing, or may otherwise address such net decrease as permitted by law.

c. If a Proposed Plat within the District has fewer than the anticipated ERUs (and Bond Assessments) such that the Remaining Unplatted Developable Lands would have to be assigned more ERUs (and Bond Assessments) in order to fully assign all of the ERUs originally contemplated in 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.).

With respect to the foregoing true-up analysis, the District's Assessment Consultant, in consultation with the District Engineer and District Counsel, shall determine in his or her reasonable discretion what amount of ERUs (and thus Bond Assessments) are able to be imposed on the Remaining Unplatted Developable Lands within the District, taking into account a Proposed Plat, by reviewing: a) the original, overall development plan showing the number and type of units reasonably planned within the District, b) the revised, overall development plan showing the number and type of units reasonably planned within the District, c) proof of the amount of entitlements for the Remaining Unplatted Developable Lands within the District, 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 will conduct new proceedings under Chapters 170, 190 and 197, Florida Statutes upon the advice of District Counsel.

Any True-Up Payment shall become due and payable that tax year by the landowner of the lands subject to the Proposed Plat within the District, 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 quarterly redemption date that occurs at least 45 days after the True-Up Payment (or the second succeeding quarterly redemption date if such True-Up Payment is made within forty-five (45) calendar days before a quarterly redemption 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 payment has been satisfactorily made. Further, upon the District's review of the final plat for the developable acres within the District, 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.

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 any applicable True-Up Agreement and assessment resolution(s).

5.7 Assessment Roll

Based on the equal assessment per gross acre allocation proposed in Section 5.2, the Bond Assessments in the amount of \$112,190,000 are proposed to be levied over the area described in Exhibit "A". Excluding any capitalized interest period, Bond Assessments shall be paid in no more than thirty (30) annual principal installments.

5.8 Additional Items Regarding Bond Assessment Imposition and Allocation

Master Lien - This Report is intended to establish the necessary benefit and fair and reasonable allocation findings for a master assessment lien, which may give rise to one or more individual assessment liens relating to individual bond issuances necessary to fund all or a portion of the project referenced herein comprising the Capital Improvement Plan. All such liens shall be within the benefit

limits established herein and using the allocation methodology described herein, and shall be described in one or more supplemental reports.

System of Improvements - As noted herein, the Capital Improvement Plan functions as a system of improvements. Among other implications, this means that proceeds from any particular bond issuance can be used to fund improvements within any benefitted property or designated assessment area within the District, regardless of where the Bond Assessments are levied, provided that Bond Assessments are fairly and reasonably allocated across all benefitted properties.

Contributions - As set forth in any supplemental report, and for any particular bond issuance, the Developer may opt to “buy down” the Bond Assessments on particular product types and/or lands using a contribution of cash, infrastructure or other consideration, and in order for Bond Assessments to reach certain target levels. Note that any “true-up,” as described herein, shall require a payment to satisfy “true-up” obligations. Any amounts contributed by the Developer to pay down Bond Assessments will not be eligible for “deferred costs,” or any other form of repayment, if any are provided for in connection with any particular bond issuance.

New Unit Types. As noted herein, this report identifies the anticipated product types for the development, and associates particular ERU factors with each product type. If new product types are identified in the course of development, the District’s Assessment Consultant – without a further hearing – may determine the ERU factor for the new product type on a front footage basis, provided that such determination is made on a pro-rated basis and derived from the front footage of existing product types and their corresponding ERUs. For example, if a Single Family 50’ unit has an ERU of 1.00, and a Single Family 60’ unit has an ERU of 1.20, then a new Single Family 55’ unit would have an ERU of 1.10.

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 Capital Improvement Plan. 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 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

Lake Hills

Community Development District

Development Plan

Product Type	Total Number of Units
35' Villa (Paired)	98
Single Family 50'	321
Single Family 60'	152
Total	571

Table 2

Lake Hills

Community Development District

CIP Project Costs

Improvement	Total Costs
Internal Public Roadways (Inside Gates)	\$12,000,000.00
Public Roadways (Outside Gates)	\$2,846,000.00
Public Sitework and Storm Drainage	\$14,275,000.00
Water and Wastewater Systems	\$28,550,000.00
Irrigation Collection/Distribution System	\$2,125,000.00
Differential Cost of Undergrounding Conduit	\$3,597,300.00
On-Site Wetland Mitigation	\$150,000.00
Off-Site Improvements - Utilities	\$1,500,000.00
Off-Site Improvements - Turn Lanes	\$750,000.00
Off-Site Sewer Capacity/CIAC	\$2,850,000.00
Off-Site Water Capacity	\$1,700,000.00
Public Park	\$2,500,000.00
Professional Services	\$1,500,000.00
Contingency	\$7,434,330.00
Total	\$81,777,630.00

Table 3

Lake Hills

Community Development District

Preliminary Sources and Uses of Funds

Sources

Bond Proceeds:	
Par Amount	\$112,190,000.00
Total Sources	\$112,190,000.00

Uses

Project Fund Deposits:	
Project Fund	\$81,777,630.00
Other Fund Deposits:	
Debt Service Reserve Fund	\$9,965,549.75
Capitalized Interest Fund	\$17,950,400.00
Delivery Date Expenses:	
Costs of Issuance	\$250,000.00
Underwriter's Discount	\$2,243,800.00
Rounding	\$2,620.25
Total Uses	\$112,190,000.00

Financing Assumptions

Coupon Rate: 8%
Capitalized Interest Period: 24 months
Term: 30 Years
Underwriter's Discount: 2%
Cost of Issuance: \$250,000
MADs: \$9,965,549.75

Table 4

Lake Hills

Community Development District

Benefit Allocation

Product Type	Total Number of		
	Units	ERU Weight	Total ERU
35' Villa (Paired)	98	0.60	58.80
Single Family 50'	321	1.00	321.00
Single Family 60'	152	1.20	182.40
Total	571		562.20

Table 5

Lake Hills

Community Development District

Assessment Apportionment

Product Type	Total Number of Units	Total Cost Allocation*	Total Bond Assessment Apportionment	Bond Assessment Apportionment per Unit	Annual Bond Assessment Payment per Unit**
35' Villa (Paired)	98	\$8,553,049.88	\$11,733,852.72	\$119,733.19	\$11,436.12
Single Family 50'	321	\$46,692,670.28	\$64,057,257.20	\$199,555.32	\$19,060.20
Single Family 60'	152	\$26,531,909.84	\$36,398,890.07	\$239,466.38	\$22,872.24
Total	571	\$81,777,630.00	\$112,190,000.00		

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

** Includes county collection costs estimated at 3% (subject to change) and an early collection discount allowance estimated at 4% (subject to change)

Exhibit "A"

Bond Assessments in the estimated amount of \$112,190,000 are proposed to be levied over the area as described below:

LEGAL DESCRIPTION:

A PARCEL OF LAND IN SECTIONS 22 AND 23, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA, FLORIDA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF THE SOUTHWEST 1/4 OF SECTION 23, TOWNSHIP 20 SOUTH RANGE 25 EAST; THENCE RUN ALONG THE WEST LINE OF THE SOUTHWEST 1/4 OF SECTION 23; THENCE NORTH 00°53'14" EAST, A DISTANCE OF 1,171.08 FEET TO THE POINT OF BEGINNING BEING A POINT LYING ON THE NORTHERLY RIGHT-OF-WAY LINE OF COUNTRY ROAD 48 AS RECORDED IN THE FLORIDA DEPARTMENT OF TRANSPORTATION MAP PROJECT NUMBER 1093, AND BEING A POINT OF CURVATURE OF A NON TANGENT CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 5,679.58 FEET, AND A CHORD WHICH BEARS, NORTH 59°46'18" WEST, A DISTANCE OF 758.74 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT, A DISTANCE OF 758.74 FEET; THENCE NORTH 44°41'43" EAST, A DISTANCE OF 60.17 FEET; THENCE NORTH 43°19'28" EAST, A DISTANCE OF 79.11 FEET; THENCE NORTH 33°05'49" EAST, A DISTANCE OF 77.04 FEET; THENCE NORTH 15°11'17" EAST, A DISTANCE OF 86.38 FEET; THENCE NORTH 03°18'57" WEST, A DISTANCE OF 90.56 FEET; THENCE NORTH 33°15'37" EAST, A DISTANCE OF 67.93 FEET; THENCE NORTH 39°23'51" EAST, A DISTANCE OF 72.50 FEET; THENCE NORTH 70°53'11" EAST, A DISTANCE OF 126.00 FEET; THENCE NORTH 62°48'57" EAST, A DISTANCE OF 92.31 FEET; THENCE NORTH 45°53'15" EAST, A DISTANCE OF 82.59 FEET; THENCE NORTH 48°23'33" EAST, A DISTANCE OF 36.23 FEET; THENCE NORTH 18°18'32" EAST, A DISTANCE OF 52.57 FEET; THENCE NORTH 35°54'02" EAST, A DISTANCE OF 44.70 FEET; THENCE NORTH 17°43'54" EAST, A DISTANCE OF 71.17 FEET; THENCE NORTH 17°10'37" EAST, A DISTANCE OF 98.36 FEET; THENCE NORTH 14°29'52" EAST, A DISTANCE OF 38.06 FEET; THENCE NORTH 12°45'36" WEST, A DISTANCE OF 54.43 FEET; THENCE NORTH 50°02'00" WEST, A DISTANCE OF 62.21 FEET; THENCE NORTH 46°22'09" WEST, A DISTANCE OF 62.41 FEET; THENCE NORTH 33°26'04" WEST, A DISTANCE OF 51.05 FEET; THENCE NORTH 33°46'03" WEST, A DISTANCE OF 20.29 FEET; THENCE NORTH 89°51'26" WEST, A DISTANCE OF 138.19 FEET; THENCE NORTH 00°12'03" EAST, A DISTANCE OF 209.83 FEET; THENCE NORTH 39°31'51" EAST, A DISTANCE OF 291.83 FEET; THENCE NORTH 70°57'18" EAST, A DISTANCE OF 1,176.87 FEET TO A POINT ON THE MEANDER LINE OF LAKE HARRIS WITH THE PROPERTY BOUNDARY BEING THE ACTUAL WATER LINE, SAID POINT TO BE KNOWN AS REFERENCE POINT "A"; THENCE LONG SAID MEANDER LINE THE FOLLOWING THREE (3) COURSES: 1) SOUTH 57°54'36" EAST, A DISTANCE OF 295.07 FEET; 2) THENCE SOUTH 72°34'01" EAST, A DISTANCE OF 1730.05 FEET; 3) THENCE SOUTH 80°48'31" EAST, A DISTANCE OF 1102.10 FEET TO THE END OF SAID MEANDER LINE;

THENCE SOUTH 00°40'13" WEST, A DISTANCE OF 1312.20 FEET; THENCE SOUTH 46°59'45" WEST, A DISTANCE OF 50.00 FEET; THENCE NORTH 43°00'59" WEST, A DISTANCE OF 134.76 FEET; THENCE SOUTH 46°59'01" WEST, A DISTANCE OF 765.92 FEET; THENCE SOUTH 60°15'03" WEST, A DISTANCE OF 218.37 FEET; THENCE SOUTH 15°38'16" WEST, A DISTANCE OF 306.32 FEET; THENCE SOUTH 75°08'12" WEST, A DISTANCE OF 258.80 FEET; THENCE SOUTH 15°36'38" WEST, A DISTANCE OF 52.62 FEET TO A POINT OF CURVATURE OF A NON-TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 2,341.83 FEET AND A CHORD WHICH BEARS NORTH 72°36'05" WEST AND A DISTANCE OF 223.10 FEET; THENCE ALONG SAID CURVE TO THE LEFT A DISTANCE OF 223.18 FEET; THENCE NORTH 75°35'20" WEST, A DISTANCE OF 1,460.31 FEET TO A POINT OF CURVATURE OF A NON-TANGENT CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 5,679.58 FEET AND A CHORD WHICH BEARS NORTH 69°35'43" WEST AND A DISTANCE OF 1,186.12 FEET; THENCE ALONG SAID CURVE TO THE RIGHT A DISTANCE OF 1,188.29 FEET TO THE POINT OF BEGINNING,

CONTAINING 220.21 ACRES, MORE OR LESS.

LESS AND EXCEPT

BEGINNING AT REFERENCE POINT "A", SAID POINT BEING THE POINT OF BEGINNING THENCE SOUTH 57°54'36" EAST, A DISTANCE OF 295.07 FEET; THENCE SOUTH 89°52'31" WEST, A DISTANCE OF 708.55 FEET; THENCE NORTH 70°57'18" EAST, A DISTANCE OF 485.12 FEET TO THE POINT OF BEGINNING,

CONTAINING 1.28 ACRES, MORE OR LESS.

TOTAL LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT BOUNDARY
CONTAINING 218.93 ACRES, MORE OR LESS.

Exhibit “B”

The Bond Assessments lien is being placed on property described in the attached legal description. For notice purposes, listed below are the potentially applicable County Property Appraiser parcels, and property owners, developers/potential property owners, and developers that will be included on a mailing list related to debt assessments:

222025000400001000 – HR LAKE HILLS LLC

222025000100001400 – HR LAKE HILLS LLC

232025000400000200 – HR LAKE HILLS LLC

232025000200000600 – HR LAKE HILLS LLC

232025000400001000 – HR LAKE HILLS LLC

HR LAKE HILLS LLC
5850 TG LEE BLVD STE 200
ORLANDO, FL 32822

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

3C

ENGINEER'S REPORT

PREPARED FOR:

BOARD OF SUPERVISORS
LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT

ENGINEER:

MADDEN MOOREHEAD & STOKES, LLC
431 E. Horatio Ave., STE 260
Maitland, Florida 32751

March 2026

**LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT
ENGINEER'S REPORT**

1. INTRODUCTION

The purpose of this report is to provide a description of the capital improvement plan (“CIP”) and estimated costs of the CIP, for the LAKE HILLS Community Development District (“District” or “CDD”).

2. GENERAL SITE DESCRIPTION

The District consists of 218.93 acres of land and is located entirely within the Town of Howey in The Hills, Florida (“Town”). The site is generally located west of State Road 19, North of County Road 48, and South of Lake Harris.

3. PROPOSED CAPITAL IMPROVEMENT PLAN

The CIP is intended to provide public infrastructure improvements for the entire development. The following chart shows the planned product types for the District:

PRODUCT TYPES			
Product Type	Phase 1	Phases 2 & 3	Total Units
50's SF	112	209	321
60's SF	84	68	152
35'Villa (Paired)	18	80	98
TOTAL	214	357	571

NOTE: All units are subject to conversion to other types, as permitted by applicable development approvals. Additional units, unit types and land uses may be incorporated in the future as permitted by applicable development approvals.

The CIP infrastructure for the project is as follows:

Roadway Improvements:

The Town has approved soft gates on the onsite roads and the District intends to finance, construct, and/or acquire the onsite roads and, upon final completion, convey the onsite roads to the Town for ownership; provided however, the internal roads (i.e., the onsite roads inside the soft gates) will be operated and maintained by the CDD. The onsite roads outside the soft gates are intended to be operated and maintained by the Town.

The District also intends to finance improvements to certain off-site public roads located outside of the gates, including the County Road 48 round-a-bout and any proportionate share costs related to the State Road 19 and signal costs.

Onsite roads include the roadway asphalt, base, and subgrade, roadway curb and gutter, striping and signage and sidewalks within such rights-of-way. Alternatively, the Developer may elect to have the District only finance, operate, and maintain the sidewalks within rights-of-way abutting non-lot lands. All roads will be designed in accordance with applicable design requirements.

Stormwater Management System

The stormwater collection and outfall system is a combination of roadway curbs, curb inlets, pipe, control structures and open lakes designed to treat and attenuate stormwater runoff from District lands. The stormwater system is designed consistent with the applicable design requirements for stormwater/floodplain management systems. The District will finance, own, operate and maintain the stormwater system.

NOTE: No private earthwork is included in the CIP. Accordingly, the District will not fund any costs of any grading of lots or the transportation of any fill to such lots.

Water, Wastewater and Irrigation Utilities:

As part of the CIP, the District intends to finance, construct, and/or acquire potable water and wastewater and a portion of the irrigation distribution infrastructure (irrigation system).

Wastewater improvements for the project will include an onsite gravity collection system, offsite and onsite force main and onsite lift stations.

The irrigation water system will be provided by the Lake Hills Water Conservation Authority (“**Irrigation Authority**”) that will provide irrigation supply to the District and to adjacent properties within the Lake Hills zoning boundary. This entity will construct, own and maintain the irrigation water supply system and trunk line distribution system located in Summerlane Drive. The District intends to finance, own and maintain the portion of the distribution system connecting the trunk line distribution system in Summerlane Drive to the lot lines (i.e., point of connection), which will allow for the provision of irrigation service throughout the District.

The water distribution and wastewater collection systems for all phases will be constructed and/or acquired by the District and then dedicated to the Town and/or Central Lake CDD for ownership, operation, and maintenance. The CIP will only include laterals to the lot lines (i.e., point of connection). The portion of the irrigation water distribution system connecting the Trunkline to lot lines throughout the CDD may be constructed and/or acquired by the District and owned and maintained by the District.

As part of the potable and wastewater utilities, the District may also pay utility connection fees, including but not limited to Town Water Impact Fees, and wastewater connection fees as part of the CIP. Any such fees funded by District would be the subject of an acquisition agreement between the applicable developer and the District.

Perimeter Hardscape, Landscape, and Irrigation:

The District may finance, construct, and/or acquire landscaping, irrigation and/or hardscaping within District common areas, easements, and/or public rights-of-way. The project will at a minimum meet or exceed Town

and Lake Hills Water Conservation Authority (“**Irrigation Authority**”) Consumptive Use Permit design requirements.

Perimeter landscaping, irrigation and hardscaping may be owned, maintained and/or funded by the District. Such infrastructure, to the extent that it is located in the offsite rights-of-way owned by a local general purpose government may be maintained by the CDD pursuant to a right-of-way agreement or permit.

Streetlights / Undergrounding of Electrical Utility Lines

The District intends to lease street lights through an agreement with Duke Energy and will fund the street lights through an annual operations and maintenance assessment. As such, streetlights are not included as part of the CIP.

The CIP does however include the incremental cost of undergrounding of electrical utility lines within right-of-way utility easements throughout the community. Any lines and transformers located in such areas would be owned by the local utility provider and not paid for by the District as part of the CIP.

Environmental Conservation

The District will provide onsite conservation areas in order to offset wetland impacts associated with the construction of the development. The District will be responsible for the design, permitting, construction, maintenance, and government reporting of the environmental mitigation. These costs are included within the CIP.

Public Park

The development is planned to include a minimum four (4) acre park featuring a playground, picnic area, and passive recreational space dedicated to the Town for the benefit of the public. The public park will be financed, constructed, and/or acquired by the District and/or Developer and is anticipated to include a dog park including fencing and surfacing; benches, picnic tables, bike racks; playground equipment; 24 paved parking spaces; and trash/recycling. Upon completion, the public park will be conveyed to the Town for ownership and, at the Town’s own cost, operation and administrative management under the Town’s parks and recreation program; provided however, the District will, at its own cost, be responsible for routine maintenance of the public park.

Professional Services

The CIP also includes various professional services. These include: (i) engineering, surveying and architectural fees, (ii) permitting and plan review costs, and (iii) development/construction management services fees that are required for the design, permitting, construction, and maintenance acceptance of the public improvements and community facilities.

NOTE: In the event that impact fee credits are generated from any roadway, utilities or other improvements funded by the District, any such credits, if any, will be the subject of an acquisition agreement between the applicable developer and the District. However no impact fee credits are expected.

4. PERMITTING/CONSTRUCTION COMMENCEMENT

All necessary permits for the construction of the CIP have either been obtained, are currently under review, or will be submitted to the respective governmental authorities and are reasonable expected to be obtained in the future. They include the following:

Town of Howey in The Hills Main Blvd and Mass Grading: Approved

Town of Howey in The Hills Phase 1 Subdivision: Approved

Lake County ROW: Pending

SJRWMD Main Blvd and Mass Grading: Approved

SJRWMD Phase 1 Subdivision: Pending

FDEP Drinking Water Main Blvd: Dryline Permit Approved

FDEP Drinking Water Phase 1: Not yet submitted

FDEP Wastewater Permit Main Blvd: Approved

FDEP Wastewater Permit Phase 1: Not yet submitted

5. CIP COST ESTIMATE / MAINTENANCE RESPONSIBILITIES

The table below presents, among other things, a cost estimate for the CIP. It is our professional opinion that the costs set forth below are reasonable and consistent with market pricing. An ownership exhibit is enclosed at the end of this report.

CIP COST ESTIMATE	
IMPROVEMENT	ESTIMATED COST
Internal Public Roadways (Inside Gates)	\$12,000,000
Public Roadways (Outside Gates)	\$2,846,000
Public Sitework and Storm Drainage	\$14,275,000
Water and Wastewater Systems	\$28,550,000
Irrigation Collection/Distribution System	\$2,125,000
Differential Cost of Undergrounding Conduit	\$3,597,300
On-Site Wetland Mitigation	\$150,000
Off-Site Improvements - Utilities	\$1,500,000
Off-Site Improvements - Turn Lanes	\$750,000
Off-Site Sewer Capacity/CIAC	\$2,850,000
Off-Site Water Capacity	\$1,700,000
Public Park	\$2,500,000
Professional Services	\$1,500,000
Contingency	\$7,434,330
Total	\$81,777,630

- a. The probable costs estimated herein do not include anticipated carrying cost, interest reserves or other anticipated CDD expenditures that may be incurred.
- b. The developer reserves the right to finance any of the improvements outlined above, and have such improvements owned and maintained by a property owner's or homeowner's association, in which case such items would not be part of the CIP.
- c. The District may enter into an agreement with a third-party, or an applicable property owner's or homeowner's association, to maintain any District-owned improvements, subject to the approval of the District's bond counsel.
- d. The District has entered into an interlocal agreement with the Town whereby the District will be responsible for the maintenance of the internal roads and certain limited maintenance of the public park.

6. CONCLUSIONS

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

It is further our opinion that:

- the estimated cost of the CIP as set forth herein is reasonable based on prices currently being experienced in the jurisdiction in which the District is located, and is not greater than the lesser of the actual cost of construction or the fair market value of such infrastructure;
- all of the improvements comprising the CIP are required by applicable development approvals issued pursuant to Section 380.06, Florida Statutes;
- the CIP is feasible to construct, there are no technical reasons existing at this time that would prevent the implementation of the CIP, and it is reasonable to assume that all necessary regulatory approvals will be obtained in due course; and
- the assessable property within the District will receive a special benefit from the CIP that is at least equal to such costs.

Also, the CIP will constitute a system of improvements that will provide benefits, both general, and special and peculiar, to all lands within the District. The general public, property owners, and property outside the District will benefit from the provisions of the District's CIP; however, these are incidental to the District's CIP, which is designed solely to provide special benefits peculiar to property within the District. Special and peculiar benefits accrue to property within the District and enables properties within its boundaries to be developed.

The CIP will be owned by the District or other governmental units, except as otherwise allowed by law. All of the CIP is or will be located on lands owned or to be owned by the District or another governmental entity or on perpetual easements in favor of the District or other governmental entity. The CIP, and any cost estimates set forth herein, do not include any earthwork, grading or other improvements on private lots or property without access pursuant to a perpetual easement. The District will pay the lesser of the cost of the components of the CIP or the fair market value.

Please note that the CIP as presented herein is based on current plans and market conditions which are subject to change. Accordingly, the CIP, as used herein, refers to sufficient public infrastructure of the

kinds described herein (i.e., stormwater/floodplain management, sanitary sewer, potable water, etc.) to support the development and sale of the planned residential units in the District, which (subject to true-up determinations) number and type of units may be changed with the development of the site. Stated differently, during development and implementation of the public infrastructure improvements as described for the District, it may be necessary to make modifications and/or deviations for the plans, and the District expressly reserves the right to do so.

David Stokes

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Maitland, Florida 32751

LAKE HILLS CDD

Proposed Facilities and Services Chart

FACILITY	FUNDED BY	OWNED BY	MAINTAINED BY
Public Rights-of-Way¹			
<i>Internal (Inside Gates) – Onsite</i>	CDD/Developer	Town	CDD
<i>External (Outside Gates) – Offsite</i>	CDD/Developer	Town/County	Town/County
<i>CR 48 Turn Lanes & Roundabout – Offsite</i>	CDD/Developer	County	County
Water and Wastewater Systems²			
<i>Potable Water – Onsite</i>	CDD/Developer	Town	Town
<i>Potable Water – Offsite</i>	CDD/Developer	Town	Town
<i>Irrigation Distribution System – Onsite Trunk Line & Offsite</i>	Developer	Developer or Irrigation Authority	Developer or Irrigation Authority
<i>Irrigation Distribution System – Onsite Trunk Line to Lot POC³</i>	CDD/Developer	CDD	CDD
<i>Sewer – Up to CR48 POC⁴ (Onsite)</i>	CDD/Developer	Town	Town
<i>Sewer – From CR48 POC to CL Plant⁵ (Offsite)</i>	CDD/Developer	Central Lake CDD	Central Lake CDD
Stormwater Management System	CDD/Developer	CDD	CDD
Electrical	CDD ⁶ /Developer	Duke Energy	Duke Energy
Wetland Mitigation - Onsite	CDD/Developer	CDD	CDD
Public Park - Onsite	CDD/Developer	Town ⁷	CDD

¹ As referred to in this chart, Rights-of-Way includes the roadway and any sidewalks and/or trails running adjacent to such roadway.

² The Water and Wastewater System improvements referenced herein are further described in and subject to that certain Utility Service Agreement dated March 10, 2025, between the Town and HR Lake Hills LLC, and recorded as Instrument #2025029504 in the Official Records for Lake County, Florida.

³ “**Lot POC**” refers to the point of connection at the lot lines for tracts within the CDD boundaries. Inclusive of irrigation utility improvements from the trunk line distribution system in Summerlane Drive to the Lot POC.

⁴ “**CR48 POC**” refers to the Point of Connection on CR48. Inclusive of wastewater utility improvements from the collection lines to the lift station(s) and force main extension to the POC.

⁵ “**CL Plant**” refers to Central Lake CDD’s wastewater-treatment plant. Inclusive of wastewater utility improvements from the POC to CL Plant.

⁶ CDD eligible funding limited to the differential cost of undergrounding the electrical conduit.

⁷ As part of its ownership, the Town’s responsibilities for the Public Park include all operations, reservations, and Town elected capital improvements, with the CDD’s role limited solely to on-going maintenance and repair.

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

3D

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

Master Special Assessment Methodology Report

March 6, 2026



Provided by:

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1.0 Introduction

1.1 Purpose

This Master Special Assessment Methodology Report (the "Report") was developed to provide a financing plan and a special assessment methodology for the Lake Hills Community Development District (the "District"), located entirely within the Town of Howey in The Hills, Florida, as related to funding the costs of public infrastructure improvements (the "Capital Improvement Plan" or "CIP") contemplated to be provided by the District.

1.2 Scope of the Report

This Report presents the projections for financing the District's Capital Improvement Plan described in the Engineer's Report developed by Madden Moorehead & Stokes, LLC (the "District Engineer") and dated March 2026 (the "Engineer's Report"), as well as describes the method for the allocation of special benefits and the apportionment of special assessment debt resulting from the provision and funding of the Capital Improvement Plan.

1.3 Special Benefits and General Benefits

The public infrastructure improvements undertaken and funded by the District as part of the Capital Improvement Plan create special and peculiar benefits, different in kind and degree from the general and incidental benefits to the public at large. However, as discussed within this Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits which accrue to the assessable property within the District. The District's Capital Improvement Plan enables properties within its boundaries to be developed.

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

The Capital Improvement Plan will provide public infrastructure improvements which are all necessary in order to make the assessable lands within the District developable and saleable. Even though the exact value of the benefits provided by the Capital Improvement Plan is hard to estimate at this point, it is nevertheless greater than the costs associated with providing the same.

1.4 Organization of the Report

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

Section Three provides a summary of the Capital Improvement Plan as determined by the District Engineer.

Section Four discusses the financing program for the District.

Section Five introduces the special assessment methodology for the District.

2.0 Development Program

2.1 Overview

The District serves the Lake Hills development (the "Development"), a master planned residential development located within the Town of Howey in The Hills, Florida. The District currently consists of approximately 218.93 +/- acres and is generally located west of State Road 19, North of County Road 48, and South of Lake Harris.

2.2 The Development Program

The development of Lake Hills is anticipated to be conducted by HR Lake Hills, LLC or an affiliated entity and Toll Southeast, Inc. (collectively, the "Developer"). Based upon the information provided by the Developer and the District Engineer, the current development plan envisions a total of 571 residential dwelling units, although 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 Capital Improvement Plan

3.1 Overview

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

3.2 The Capital Improvement Plan

The Capital Improvement Plan needed to serve the Development is projected to consist of improvements which will serve all of the lands in the District. The District, however, reserves the right to create distinct assessment areas to coincide with the phases of development. The Capital Improvement Plan consists of roadways (onsite and offsite), clearing/grading of public lands, stormwater management system, water & wastewater systems (onsite and offsite), hardscaping, landscape, irrigation, undergrounding of electrical conduit, wetland mitigation, recreational, various offsite improvements, and professional services as set forth in more detail in the Engineer's Report. At the time of this writing, the total cost of the Capital Improvement Plan is estimated to be approximately \$81,777,630.

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 public infrastructure improvements that comprise the Capital Improvement Plan will serve and provide benefit to all land uses in the District and will comprise an interrelated system of improvements, which means all of the improvements will serve the entire District and all improvements will be interrelated such that they will reinforce one another.

Table 2 in the *Appendix* illustrates the specific components of the Capital Improvement Plan 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. As of the time of writing of this Report, the District will most likely acquire completed improvements from the Developer, although the District maintains the complete flexibility to 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 Capital Improvement Plan as described in *Section 3.2* in one financing transaction, the District would have to issue approximately \$112,190,000 in par amount of special assessment bonds (the "Bonds") as illustrated in Table 3 in the *Appendix*.

Please note that the purpose of this Report is to allocate the benefit of the Capital Improvement Plan to the various land uses in the District and based on such benefit allocation to apportion the maximum debt necessary to fund the Capital Improvement Plan. 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 approximate principal amount of \$112,190,000, in one or more Series with various maturities, to finance approximately \$81,777,630 in Capital Improvement Plan costs. The Bonds as projected under this financing plan would be structured to be amortized in 30 annual installments following a not-to-exceed 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 either on May 1 or on November 1.

In order to finance the CIP, the District would need to borrow more funds and incur indebtedness in the total amount of approximately \$112,190,000. The difference is comprised of funding debt service reserves, paying capitalized interest, underwriter's discount and costs of issuance. 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 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 Capital Improvement Plan outlined in *Section 3.2* and described in more detail in the Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to the properties within the boundaries of the District and general benefits accruing to areas outside the District but being only incidental in nature. The debt incurred in financing the public infrastructure will be secured by assessing properties within the District that derive special and peculiar benefits from the Capital Improvement Plan. All properties within the District that receive special benefits from the Capital Improvement Plan will be assessed for their fair share of the debt issued in order to finance all or a portion of the Capital Improvement Plan.

5.2 Benefit Allocation

The most current development plan for the District envisions the development of 571 residential dwelling units, developed in one or more phases, although phasing, unit numbers and land use types may change throughout the development period.

The public infrastructure improvements that comprise the Capital Improvement Plan will comprise an interrelated system of improvements, which means all of the improvements will serve the entire District and improvements will be interrelated such that they will reinforce one another.

By allowing for the land in the District to be developable, both the public infrastructure improvements that comprise the Capital Improvement Plan 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 public improvements provide basic infrastructure to all land within the District and benefit all land within the District as an integrated system of public improvements.

As stated previously, the public infrastructure improvements included in the Capital Improvement Plan 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 special 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 special assessment amount levied for, the improvement or debt allocated to that parcel.

The benefit associated with the Capital Improvement Plan of the District is proposed to be allocated to the different product types within the District in proportion to their density of development and intensity of use of the 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 type contemplated to be developed within the District based on the densities of development and the intensities of use of master 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, such as Townhomes, will use and benefit from the improvements which are part of the Capital Improvement Plan less than products with larger lot sizes, such as Single-Family units. For instance, generally and on average products with smaller lot sizes, such as Townhomes, will produce less storm water runoff, may produce fewer vehicular trips, and may need less water/sewer capacity than products with larger lot sizes, such as Single-Family units. Additionally, the value of the products with larger lot sizes, such as Single-Family units, is likely to appreciate by more in terms of dollars than that of the products with smaller lot sizes, such as Townhomes, 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 by each product type from the District's public infrastructure improvements that are part of the Capital Improvement Plan. As the development plan associated with the District land is preliminary and

subject to change, there is a possibility that certain product types may be created which are not currently contemplated within Table 4 herein.

Table 5 in the *Appendix* presents the apportionment of the non-ad valorem special assessments associated with the Bonds funding the District's Capital Improvement Plan (the "Bond Assessments") to the 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 projected Bond Assessments per unit.

Amenities - No Bond Assessments are allocated herein to any private amenities or other common areas planned for the development. If owned by a homeowner's association or a master property owner's association, the amenities and common areas would be considered a common element for the exclusive benefit of property owners. Accordingly, any benefit to the amenities and common areas would directly benefit all platted lots in the District. If the amenities are owned by the District, then they would be governmental property not subject to the Bond Assessments and would be open to the general public, subject to District rules and policies. As such, no Bond Assessments will be assigned to the amenities and common areas.

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

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 Assessments will initially be levied on all of the gross acres of land in the District. Consequently, the Bond Assessments in the total amount of \$112,190,000 will be preliminary levied on approximately 218.93 +/- gross acres on an equal pro-rata gross acre basis at a rate of \$512,446.90 per acre.

As the land is platted, the Bond Assessments will be allocated to each platted parcel on a first platted-first assigned basis based on the planned use for that platted parcel as reflected in Table 5 in the

Appendix. Such allocation of Bond Assessments to platted parcels will reduce the amount of Bond Assessments levied on unplatted gross acres within the District.

Transferred Property. In the event unplatted land is sold to a third party not affiliated with the Developer (the “Transferred Property”), the Bond Assessments will be assigned to such Transferred Property at the time of the sale based on the maximum total number of ERUs assigned by the Developer 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 Report. The owner of the Transferred Property will be responsible for the total Bond Assessments applicable to the Transferred Property, regardless of the total number of ERUs ultimately actually platted. This total Bond Assessment is allocated to the Transferred Property at the time of the sale. If the Transferred Property is subsequently sub-divided into smaller parcels, the total 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, public infrastructure 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.

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

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

The public infrastructure improvements which are part of the Capital Improvement Plan make the land in the District developable and saleable and when implemented jointly as parts of the Capital Improvement Plan, 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 public improvements is delineated in Table 4 (expressed as the ERU factors) in the *Appendix*.

The apportionment of the Bond 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 Capital Improvement Plan by different product types. Accordingly, no acre or parcel of property within the District will be liened for the payment of any non-ad valorem special 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 ERUs as set forth in Table 1 in the *Appendix* ("Development Plan"). At such time as lands are to be platted (or re-platted) or site plans are to be approved (or re-approved), the plat or site plan (either, herein, "Proposed Plat") shall be presented to the District for a "true-up" review as follows:

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

b. If a Proposed Plat within the District has more than the anticipated ERUs (and Bond Assessments) such that the Remaining Unplatted Developable Lands would be assigned fewer ERUs (and Bond Assessments) than originally contemplated in the Development Plan, then the District may undertake a pro rata reduction of Bond Assessments for all assessed properties within the District, may allocate additional ERUs/densities for a future bond financing, or may otherwise address such net decrease as permitted by law.

c. If a Proposed Plat within the District has fewer than the anticipated ERUs (and Bond Assessments) such that the Remaining Unplatted Developable Lands would have to be assigned more ERUs (and Bond Assessments) in order to fully assign all of the ERUs originally contemplated in 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.).

With respect to the foregoing true-up analysis, the District's Assessment Consultant, in consultation with the District Engineer and District Counsel, shall determine in his or her reasonable discretion what amount of ERUs (and thus Bond Assessments) are able to be imposed on the Remaining Unplatted Developable Lands within the District, taking into account a Proposed Plat, by reviewing: a) the original, overall development plan showing the number and type of units reasonably planned within the District, b) the revised, overall development plan showing the number and type of units reasonably planned within the District, c) proof of the amount of entitlements for the Remaining Unplatted Developable Lands within the District, 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 will conduct new proceedings under Chapters 170, 190 and 197, Florida Statutes upon the advice of District Counsel.

Any True-Up Payment shall become due and payable that tax year by the landowner of the lands subject to the Proposed Plat within the District, 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 quarterly redemption date that occurs at least 45 days after the True-Up Payment (or the second succeeding quarterly redemption date if such True-Up Payment is made within forty-five (45) calendar days before a quarterly redemption 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 payment has been satisfactorily made. Further, upon the District's review of the final plat for the developable acres within the District, 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.

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 any applicable True-Up Agreement and assessment resolution(s).

5.7 Assessment Roll

Based on the equal assessment per gross acre allocation proposed in Section 5.2, the Bond Assessments in the amount of \$112,190,000 are proposed to be levied over the area described in Exhibit "A". Excluding any capitalized interest period, Bond Assessments shall be paid in no more than thirty (30) annual principal installments.

5.8 Additional Items Regarding Bond Assessment Imposition and Allocation

Master Lien - This Report is intended to establish the necessary benefit and fair and reasonable allocation findings for a master assessment lien, which may give rise to one or more individual assessment liens relating to individual bond issuances necessary to fund all or a portion of the project referenced herein comprising the Capital Improvement Plan. All such liens shall be within the benefit

limits established herein and using the allocation methodology described herein, and shall be described in one or more supplemental reports.

System of Improvements - As noted herein, the Capital Improvement Plan functions as a system of improvements. Among other implications, this means that proceeds from any particular bond issuance can be used to fund improvements within any benefitted property or designated assessment area within the District, regardless of where the Bond Assessments are levied, provided that Bond Assessments are fairly and reasonably allocated across all benefitted properties.

Contributions - As set forth in any supplemental report, and for any particular bond issuance, the Developer may opt to “buy down” the Bond Assessments on particular product types and/or lands using a contribution of cash, infrastructure or other consideration, and in order for Bond Assessments to reach certain target levels. Note that any “true-up,” as described herein, shall require a payment to satisfy “true-up” obligations. Any amounts contributed by the Developer to pay down Bond Assessments will not be eligible for “deferred costs,” or any other form of repayment, if any are provided for in connection with any particular bond issuance.

New Unit Types. As noted herein, this report identifies the anticipated product types for the development, and associates particular ERU factors with each product type. If new product types are identified in the course of development, the District’s Assessment Consultant – without a further hearing – may determine the ERU factor for the new product type on a front footage basis, provided that such determination is made on a pro-rated basis and derived from the front footage of existing product types and their corresponding ERUs. For example, if a Single Family 50’ unit has an ERU of 1.00, and a Single Family 60’ unit has an ERU of 1.20, then a new Single Family 55’ unit would have an ERU of 1.10.

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 Capital Improvement Plan. 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 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

Lake Hills

Community Development District

Development Plan

Product Type	Total Number of Units
35' Villa (Paired)	98
Single Family 50'	321
Single Family 60'	152
Total	571

Table 2

Lake Hills

Community Development District

CIP Project Costs

Improvement	Total Costs
Internal Public Roadways (Inside Gates)	\$12,000,000.00
Public Roadways (Outside Gates)	\$2,846,000.00
Public Sitework and Storm Drainage	\$14,275,000.00
Water and Wastewater Systems	\$28,550,000.00
Irrigation Collection/Distribution System	\$2,125,000.00
Differential Cost of Undergrounding Conduit	\$3,597,300.00
On-Site Wetland Mitigation	\$150,000.00
Off-Site Improvements - Utilities	\$1,500,000.00
Off-Site Improvements - Turn Lanes	\$750,000.00
Off-Site Sewer Capacity/CIAC	\$2,850,000.00
Off-Site Water Capacity	\$1,700,000.00
Public Park	\$2,500,000.00
Professional Services	\$1,500,000.00
Contingency	\$7,434,330.00
Total	\$81,777,630.00

Table 3

Lake Hills

Community Development District

Preliminary Sources and Uses of Funds

Sources

Bond Proceeds:	
Par Amount	\$112,190,000.00
Total Sources	\$112,190,000.00

Uses

Project Fund Deposits:	
Project Fund	\$81,777,630.00
Other Fund Deposits:	
Debt Service Reserve Fund	\$9,965,549.75
Capitalized Interest Fund	\$17,950,400.00
Delivery Date Expenses:	
Costs of Issuance	\$250,000.00
Underwriter's Discount	\$2,243,800.00
Rounding	\$2,620.25
Total Uses	\$112,190,000.00

Financing Assumptions

Coupon Rate: 8%
Capitalized Interest Period: 24 months
Term: 30 Years
Underwriter's Discount: 2%
Cost of Issuance: \$250,000
MADs: \$9,965,549.75

Table 4

Lake Hills

Community Development District

Benefit Allocation

Product Type	Total Number of		
	Units	ERU Weight	Total ERU
35' Villa (Paired)	98	0.60	58.80
Single Family 50'	321	1.00	321.00
Single Family 60'	152	1.20	182.40
Total	571		562.20

Table 5

Lake Hills

Community Development District

Assessment Apportionment

Product Type	Total Number of Units	Total Cost Allocation*	Total Bond Assessment Apportionment	Bond Assessment Apportionment per Unit	Annual Bond Assessment Payment per Unit**
35' Villa (Paired)	98	\$8,553,049.88	\$11,733,852.72	\$119,733.19	\$11,436.12
Single Family 50'	321	\$46,692,670.28	\$64,057,257.20	\$199,555.32	\$19,060.20
Single Family 60'	152	\$26,531,909.84	\$36,398,890.07	\$239,466.38	\$22,872.24
Total	571	\$81,777,630.00	\$112,190,000.00		

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

** Includes county collection costs estimated at 3% (subject to change) and an early collection discount allowance estimated at 4% (subject to change)

Exhibit "A"

Bond Assessments in the estimated amount of \$112,190,000 are proposed to be levied over the area as described below:

LEGAL DESCRIPTION:

A PARCEL OF LAND IN SECTIONS 22 AND 23, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA, FLORIDA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF THE SOUTHWEST 1/4 OF SECTION 23, TOWNSHIP 20 SOUTH RANGE 25 EAST; THENCE RUN ALONG THE WEST LINE OF THE SOUTHWEST 1/4 OF SECTION 23; THENCE NORTH 00°53'14" EAST, A DISTANCE OF 1,171.08 FEET TO THE POINT OF BEGINNING BEING A POINT LYING ON THE NORTHERLY RIGHT-OF-WAY LINE OF COUNTRY ROAD 48 AS RECORDED IN THE FLORIDA DEPARTMENT OF TRANSPORTATION MAP PROJECT NUMBER 1093, AND BEING A POINT OF CURVATURE OF A NON TANGENT CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 5,679.58 FEET, AND A CHORD WHICH BEARS, NORTH 59°46'18" WEST, A DISTANCE OF 758.74 FEET; THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT, A DISTANCE OF 758.74 FEET; THENCE NORTH 44°41'43" EAST, A DISTANCE OF 60.17 FEET; THENCE NORTH 43°19'28" EAST, A DISTANCE OF 79.11 FEET; THENCE NORTH 33°05'49" EAST, A DISTANCE OF 77.04 FEET; THENCE NORTH 15°11'17" EAST, A DISTANCE OF 86.38 FEET; THENCE NORTH 03°18'57" WEST, A DISTANCE OF 90.56 FEET; THENCE NORTH 33°15'37" EAST, A DISTANCE OF 67.93 FEET; THENCE NORTH 39°23'51" EAST, A DISTANCE OF 72.50 FEET; THENCE NORTH 70°53'11" EAST, A DISTANCE OF 126.00 FEET; THENCE NORTH 62°48'57" EAST, A DISTANCE OF 92.31 FEET; THENCE NORTH 45°53'15" EAST, A DISTANCE OF 82.59 FEET; THENCE NORTH 48°23'33" EAST, A DISTANCE OF 36.23 FEET; THENCE NORTH 18°18'32" EAST, A DISTANCE OF 52.57 FEET; THENCE NORTH 35°54'02" EAST, A DISTANCE OF 44.70 FEET; THENCE NORTH 17°43'54" EAST, A DISTANCE OF 71.17 FEET; THENCE NORTH 17°10'37" EAST, A DISTANCE OF 98.36 FEET; THENCE NORTH 14°29'52" EAST, A DISTANCE OF 38.06 FEET; THENCE NORTH 12°45'36" WEST, A DISTANCE OF 54.43 FEET; THENCE NORTH 50°02'00" WEST, A DISTANCE OF 62.21 FEET; THENCE NORTH 46°22'09" WEST, A DISTANCE OF 62.41 FEET; THENCE NORTH 33°26'04" WEST, A DISTANCE OF 51.05 FEET; THENCE NORTH 33°46'03" WEST, A DISTANCE OF 20.29 FEET; THENCE NORTH 89°51'26" WEST, A DISTANCE OF 138.19 FEET; THENCE NORTH 00°12'03" EAST, A DISTANCE OF 209.83 FEET; THENCE NORTH 39°31'51" EAST, A DISTANCE OF 291.83 FEET; THENCE NORTH 70°57'18" EAST, A DISTANCE OF 1,176.87 FEET TO A POINT ON THE MEANDER LINE OF LAKE HARRIS WITH THE PROPERTY BOUNDARY BEING THE ACTUAL WATER LINE, SAID POINT TO BE KNOWN AS REFERENCE POINT "A"; THENCE LONG SAID MEANDER LINE THE FOLLOWING THREE (3) COURSES: 1) SOUTH 57°54'36" EAST, A DISTANCE OF 295.07 FEET; 2) THENCE SOUTH 72°34'01" EAST, A DISTANCE OF 1730.05 FEET; 3) THENCE SOUTH 80°48'31" EAST, A DISTANCE OF 1102.10 FEET TO THE END OF SAID MEANDER LINE;

THENCE SOUTH 00°40'13" WEST, A DISTANCE OF 1312.20 FEET; THENCE SOUTH 46°59'45" WEST, A DISTANCE OF 50.00 FEET; THENCE NORTH 43°00'59" WEST, A DISTANCE OF 134.76 FEET; THENCE SOUTH 46°59'01" WEST, A DISTANCE OF 765.92 FEET; THENCE SOUTH 60°15'03" WEST, A DISTANCE OF 218.37 FEET; THENCE SOUTH 15°38'16" WEST, A DISTANCE OF 306.32 FEET; THENCE SOUTH 75°08'12" WEST, A DISTANCE OF 258.80 FEET; THENCE SOUTH 15°36'38" WEST, A DISTANCE OF 52.62 FEET TO A POINT OF CURVATURE OF A NON-TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 2,341.83 FEET AND A CHORD WHICH BEARS NORTH 72°36'05" WEST AND A DISTANCE OF 223.10 FEET; THENCE ALONG SAID CURVE TO THE LEFT A DISTANCE OF 223.18 FEET; THENCE NORTH 75°35'20" WEST, A DISTANCE OF 1,460.31 FEET TO A POINT OF CURVATURE OF A NON-TANGENT CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 5,679.58 FEET AND A CHORD WHICH BEARS NORTH 69°35'43" WEST AND A DISTANCE OF 1,186.12 FEET; THENCE ALONG SAID CURVE TO THE RIGHT A DISTANCE OF 1,188.29 FEET TO THE POINT OF BEGINNING,

CONTAINING 220.21 ACRES, MORE OR LESS.

LESS AND EXCEPT

BEGINNING AT REFERENCE POINT "A", SAID POINT BEING THE POINT OF BEGINNING THENCE SOUTH 57°54'36" EAST, A DISTANCE OF 295.07 FEET; THENCE SOUTH 89°52'31" WEST, A DISTANCE OF 708.55 FEET; THENCE NORTH 70°57'18" EAST, A DISTANCE OF 485.12 FEET TO THE POINT OF BEGINNING,

CONTAINING 1.28 ACRES, MORE OR LESS.

TOTAL LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT BOUNDARY
CONTAINING 218.93 ACRES, MORE OR LESS.

Exhibit “B”

The Bond Assessments lien is being placed on property described in the attached legal description. For notice purposes, listed below are the potentially applicable County Property Appraiser parcels, and property owners, developers/potential property owners, and developers that will be included on a mailing list related to debt assessments:

222025000400001000 – HR LAKE HILLS LLC

222025000100001400 – HR LAKE HILLS LLC

232025000400000200 – HR LAKE HILLS LLC

232025000200000600 – HR LAKE HILLS LLC

232025000400001000 – HR LAKE HILLS LLC

HR LAKE HILLS LLC
5850 TG LEE BLVD STE 200
ORLANDO, FL 32822

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

3 E

RESOLUTION 2026-37

[MASTER 170.08 DEBT ASSESSMENT RESOLUTION]

A RESOLUTION MAKING CERTAIN FINDINGS; AUTHORIZING A CAPITAL IMPROVEMENT PLAN; ADOPTING AN ENGINEER’S REPORT; PROVIDING AN ESTIMATED COST OF IMPROVEMENTS; ADOPTING AN ASSESSMENT REPORT; EQUALIZING, APPROVING, CONFIRMING AND LEVYING DEBT ASSESSMENTS; ADDRESSING THE FINALIZATION OF SPECIAL ASSESSMENTS; ADDRESSING THE PAYMENT OF DEBT ASSESSMENTS AND THE METHOD OF COLLECTION; PROVIDING FOR THE ALLOCATION OF DEBT ASSESSMENTS AND TRUE-UP PAYMENTS; ADDRESSING GOVERNMENT PROPERTY, AND TRANSFERS OF PROPERTY TO UNITS OF LOCAL, STATE AND FEDERAL GOVERNMENT; AUTHORIZING AN ASSESSMENT NOTICE; AND PROVIDING FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE.

WHEREAS, the Lake Hills Community Development District (“**District**”) is a local unit of special-purpose government established pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (“**Act**”); and

WHEREAS, the District has previously indicated its intention to construct certain types of improvements and to finance such improvements through the issuance of bonds, notes or other specific financing mechanisms, which bonds, notes or other specific financing mechanisms would be repaid by the imposition of special assessments on benefited property within the District; and

WHEREAS, the District’s Board of Supervisors (“**Board**”) has noticed and conducted a public hearing pursuant to Chapters 170, 190, and 197, *Florida Statutes*, relating to the imposition, levy, collection and enforcement of such assessments, and now desires to adopt a resolution imposing and levying such assessments as set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE Lake Hills COMMUNITY DEVELOPMENT DISTRICT AS FOLLOWS:

1. **AUTHORITY.** This Resolution is adopted pursuant to Chapters 170, 190, and 197, *Florida Statutes*, including without limitation, Section 170.08, *Florida Statutes*. The recitals stated above are incorporated herein; are adopted by the Board as true and correct statements; and are further declared to be findings made and determined by the Board.

2. **FINDINGS.** The Board further finds and determines as follows:

The Capital Improvement Plan

a. The District is authorized by Chapter 190, *Florida Statutes*, to finance, fund, plan, establish, acquire, install, equip, operate, extend, construct, or reconstruct certain improvements, including but not limited to the improvements and services necessitated by the development of, and serving certain lands within the District; and

- b. On March 6, 2026, and pursuant to Section 170.03, *Florida Statutes*, among other laws, the Board adopted Resolution 2026-33 (“**Declaring Resolution**”), and in doing so determined to undertake a capital improvement plan to install, plan, establish, construct or reconstruct, enlarge, equip, acquire, operate and/or maintain the District’s capital improvements planned for all lands within the District (“**Project**”); and
- c. The nature and location of the Project was initially described in the Declaring Resolution and is more particularly described in the *Engineer’s Report*, dated March 2026 (“**Engineer’s Report**,” attached hereto as **Exhibit A** and incorporated herein by this reference), and the plans and specifications for the Project are on file in the offices of the District Manager at c/o Wrathell, Hunt and Associates, LLC, 2300 Glades Road, Suite 410W Boca Raton, FL 33431, (877) 276-0889 (“**District Records Office**”); and

The Debt Assessment Process

- e. The District is authorized by the Act to levy and impose special assessments to pay all, or any part of, the cost of the Project and to issue special assessment revenue bonds payable from such special assessments as provided in Chapters 170, 190, and 197, *Florida Statutes*; and
- f. As part of the Declaring Resolution, the Board expressed an intention to issue bonds, notes or other specific financing mechanisms to provide a portion of the funds needed for the Project, and further declared its intention to defray the whole or any part of the expense of the Projects by levying special assessments (“**Debt Assessments**”) on specially benefited property within the District; and
- g. The Declaring Resolution was adopted in compliance with the requirements of Section 170.03, *Florida Statutes*, and prior to the time it was adopted, the requirements of Section 170.04, *Florida Statutes*, had been met; and
- h. As directed by the Declaring Resolution, said Declaring Resolution was published as required by Section 170.05, *Florida Statutes*, and a copy of the publisher’s affidavit of publication is on file with the Secretary of the District; and
- i. As directed by the Declaring Resolution, the Board caused to be made a preliminary assessment roll as required by Section 170.06, *Florida Statutes*; and
- j. As required by Section 170.07, *Florida Statutes*, upon completion of the preliminary assessment roll, the Board adopted Resolution 2026-34 (“**170.07 Resolution**”), fixing the time and place of a public hearing at which owners of the property to be assessed and other persons interested therein could appear before the Board and be heard as to (i) the propriety and advisability of making the improvements, (ii) the cost thereof, (iii) the manner of payment therefore, and (iv) the amount thereof to be assessed against each specially benefited property or parcel so improved and provided for, and the Board further authorized publication of notice of such public hearing and individual mailed notice of such public hearing in accordance with Chapters 170, 190, and 197, *Florida Statutes*; and

- k. Notice of the scheduled public hearing was given by publication and also by mail as required by Sections 170.07 and 197.3632, *Florida Statutes*, and affidavits as to such publications and mailings are on file in the office of the Secretary of the District; and
- l. On April 17, 2026, and at the time and place specified in the 170.07 Resolution and the notice referred to in the immediately preceding paragraph herein, the Board conducted such public hearing and heard and considered all complaints and testimony as to the matters described above; the Board further met as an “Equalization Board;” and the Board has made such modifications in the preliminary assessment roll as it deems necessary, just and right in the making of the final assessment roll; and

Equalization Board Additional Findings

- m. Having considered the estimated costs of the Projects, the estimated financing costs and all comments and evidence presented at such public hearing, the Board further finds and determines that:
 - i. It is necessary to the public health, safety and welfare and in the best interests of the District that: (1) the District provide the Project as set forth in the Engineer’s Report; (2) the cost of such Project be assessed against the lands specially benefited by such Project, as set forth in the Master Assessment Report (hereinafter defined); and (3) the District issue bonds, notes or other specific financing mechanisms to provide funds for such purposes pending the receipt of such Debt Assessments; and
 - ii. The provision of said Project, the levying of the Debt Assessments, and the sale and issuance of such bonds, notes, or other specific financing mechanisms serve a proper, essential, and valid public purpose and are in the best interests of the District, its landowners and residents; and
 - iii. The estimated costs of the Project is as specified in the Engineer’s Report and Master Assessment Report, and the amount of such costs is reasonable and proper; and
 - iv. It is reasonable, proper, just and right to assess the cost of such Projects against the properties specially benefited thereby, using the method determined by the Board and set forth in the *Master Special Assessment Methodology Report*, dated March 6, 2026 (“**Master Assessment Report**,” attached hereto as **Exhibit B** and incorporated herein by this reference), which results in the Debt Assessments set forth on the final assessment roll; and
 - v. The Project specially benefits all parcels of real property listed on said final assessment roll as set forth in the Master Assessment Report; and
 - vi. Accordingly, the Debt Assessments as set forth in the Master Assessment Report constitute a special benefit to all parcels of real property listed on said final assessment roll, and the special benefit, in the case of each such parcel, will be

equal to or in excess of the Debt Assessments imposed thereon, as set forth in **Exhibit B**; and

- vii. All developable property within the District is deemed to be benefited by the Project, and the Debt Assessments will be allocated in accordance with the Master Assessment Report at **Exhibit B**; and
- viii. The Debt Assessments are fairly and reasonably allocated across the benefitted property, as set forth in **Exhibit B**; and
- ix. It is in the best interests of the District that the Debt Assessments be paid and collected as herein provided; and
- x. It is reasonable, proper, just and right for the District to utilize the true-up mechanisms and calculations contained in the Master Assessment Report in order to ensure that all parcels of real property benefiting from the Project are assessed accordingly and that sufficient assessment receipts are being generated in order to pay the corresponding bond debt-service when due; and
- xi. In order to provide funds with which to pay the costs of the Project which are to be assessed against the benefited properties, pending the collection of the Debt Assessments, it is necessary for the District to issue revenue bonds, notes or other specific financing mechanisms, including refunding bonds (together, "**Bonds**").

3. **AUTHORIZATION FOR THE PROJECT; ADOPTION OF ENGINEER'S REPORT.** The Engineer's Report, which identifies and describes the improvements to be financed in full or in part with the Bonds and sets forth the cost of the Project, is hereby adopted and approved. The District hereby confirms that the Project serves a proper, essential, and valid public purpose. The Project is hereby authorized and approved and the proper officers, employees and/or agents of the District are hereby authorized and directed to take such further action as may be necessary or desirable to cause the same to be made. The use of the Engineer's Report in connection with the sale of the Bonds is hereby authorized, approved and ratified, and the proper officers, employees and/or agents of the District are hereby authorized and directed to take such further action as may be necessary or desirable to cause the same to be made.

4. **ESTIMATED COST OF IMPROVEMENTS.** The total estimated cost of the Project and the cost to be paid by the Debt Assessments on all specially benefited property are set forth in **Exhibits A and B**, respectively, hereto.

5. **ADOPTION OF MASTER ASSESSMENT REPORT.** The Master Assessment Report setting forth the allocation of Debt Assessments to the benefitted lands within the District is hereby approved, adopted, and confirmed. The District ratifies its use in connection with the sale of the Bonds.

6. **EQUALIZATION, APPROVAL, CONFIRMATION AND LEVY OF DEBT ASSESSMENTS.** The Debt Assessments imposed on the parcels specially benefited by the Project within the District, all as specified in the final assessment roll set forth in **Exhibit B**, attached hereto, are hereby equalized, approved, confirmed and levied. Immediately following the adoption of this Resolution, the lien of Debt Assessments as reflected in **Exhibit B**, attached hereto, shall be recorded by the Secretary of the District in the District's "**Improvement Lien Book.**" The Debt Assessments levied against each respective parcel

shown on such final assessment roll and interest, costs, and penalties thereon, as hereafter provided, shall be and shall remain a legal, valid and binding first lien on such parcel until paid and such lien shall be coequal with the lien of all state, county, district, municipal or other governmental taxes and superior in dignity to all other liens, titles, and claims.

- a. **Supplemental Assessment Resolutions for Bonds.** The lien for the Debt Assessments established hereunder shall be inchoate until the District issues Bonds. In connection with the issuance of any particular series of the Bonds, the District may adopt, without the need for further public hearing, a supplemental assessment resolution establishing specific Debt Assessments, in one or more separately enforceable Debt Assessment liens, securing such Bonds. Such subsequent resolutions shall be adopted at a noticed meeting of the District, and shall set forth the actual amounts financed, costs of issuance, expected costs of collection, and the total amount of the assessments pledged to that issue, which amount shall be consistent with the lien imposed by this Resolution. Among other things, the supplemental assessment resolutions may provide for the issuance of multiple series of Bonds each secured by one or more liens imposed on all or a portion of the lands within the District.
- b. **Adjustments to Debt Assessments.** The District may, by subsequent resolution, adjust the acreage assigned to particular parcel identification numbers listed on the final assessment roll to reflect accurate apportionment of acreage amongst individual parcel identification numbers. The District may make any other such acreage and boundary adjustments to parcels listed on the final assessment roll as may be necessary and in the best interests of the District, as determined by the Board by subsequent resolution. Any such adjustment in the assessment roll shall be consistent with the requirements of law.
- c. **Contributions.** In connection with the issuance of a series of the Bonds and at the sole discretion of the District, the project developer may request that any related Debt Assessments be reduced for certain product types. To accomplish any such requested reduction, and pursuant to the terms of an applicable acquisition agreement, and this resolution, the developer will agree to provide a contribution of infrastructure, work product, or land comprising a portion of the Project and to meet the minimum requirements set forth in the Master Assessment Report, if any. Any such contributions shall not be eligible for payment under the Bonds.
- d. **Impact Fee Credits.** The District may or may not be entitled to impact fee credits as a result of the development of the Project, based on applicable laws and/or agreements governing impact fee credits. Unless otherwise addressed by supplemental assessment resolution, the proceeds from any impact fee credits received may be used in the District's sole discretion as an offset for any acquisition of any portion of the Project (e.g., real property, infrastructure and/or work product), for completion of the Project, or otherwise used against the outstanding indebtedness of any debt issuance that funded the improvement giving rise to the credits.

7. **FINALIZATION OF DEBT ASSESSMENTS.** When the Project has been constructed or otherwise provided to the satisfaction of the Board, the Board shall adopt a resolution accepting the same and determining the actual costs (including financing costs) thereof, as required by Sections 170.08 and 170.09, *Florida Statutes*. Pursuant to Section 170.08, *Florida Statutes*, the District shall credit to each Debt

Assessment the difference, if any, between the Debt Assessment as hereby made, approved and confirmed and the actual costs incurred in completing the Project. In making such credits, no credit shall be given for bond, note or other specific financing mechanism costs, capitalized interest, funded reserves or bond or other discounts. Such credits, if any, shall be entered in the Improvement Lien Book.

8. **PAYMENT OF DEBT ASSESSMENTS AND METHOD OF COLLECTION.**

- a. **Payment.** The Debt Assessments, as further set forth in each supplemental assessment resolution, and securing the issuance of each series of the Bonds, may be paid in not more than thirty (30) substantially equal yearly installments of principal and interest – beginning upon the issuance of the particular series of the Bonds (and after taking into account any capitalized interest periods), provided, however, that the Board shall at any time make such adjustments by resolution, and at a noticed meeting of the Board, to that payment schedule as may be necessary and in the best interests of the District to account for changes in long and short term debt as actually issued by the District.
- b. **Prepayment.** Subject to the provisions of any supplemental assessment resolution, any owner of property subject to the Debt Assessments may, at its option, prepay the entire amount of the Debt Assessment any time or a portion of the amount of the Debt Assessment up to two times, plus accrued interest to the next succeeding interest payment date (or the second succeeding interest payment date if such prepayment is made within forty-five (45) calendar days before an interest payment date (or such other time as set forth in the supplemental indenture for the applicable series of bonds secured by the Debt Assessments in question)), attributable to the property subject to Debt Assessments owned by such owner. Prepayment of Debt Assessments does not entitle the property owner to any discounts for early payment. If provided for under the supplemental indenture for the applicable series of bonds, the District may grant a discount equal to any release from the applicable debt service reserve fund resulting from the prepayment.
- c. **Uniform Method; Alternatives.** The District may elect to use the method of collecting Debt Assessments authorized by Sections 197.3632 and 197.3635, *Florida Statutes* (“**Uniform Method**”). The District has heretofore taken, or will use its best efforts to take as timely required, all required actions to comply with Sections 197.3632 and 197.3635, *Florida Statutes*. Such Debt Assessments may be subject to all of the collection provisions of Chapter 197, *Florida Statutes*. Notwithstanding the above, in the event the Uniform Method of collecting its Debt Assessments is not available to the District in any year, or if determined by the District to be in its best interests, and subject to the terms of any applicable trust indenture, the Debt Assessments may be collected as is otherwise permitted by law. In particular, the District may, in its sole discretion, collect Debt Assessments by directly billing landowners and enforcing said collection in any manner authorized by law. Any prejudgment interest on delinquent assessments that are directly billed shall accrue at the applicable rate of any bonds or other debt instruments secured by the Debt Assessments. The decision to collect Debt Assessments by any particular method – e.g., on the tax roll or by direct bill – does not mean that such method will be used to collect Debt Assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

- d. **Uniform Method Agreements Authorized.** For each year the District uses the Uniform Method, the District shall enter into an agreement with the County Tax Collector who may notify each owner of a lot or parcel within the District of the amount of the special assessment, including interest thereon, in the manner provided in Section 197.3635, *Florida Statutes*.
- e. **Re-amortization.** Any particular lien of the Debt Assessments shall be subject to re-amortization where the applicable series of Bonds is subject to re-amortization pursuant to the applicable trust indenture and where the context allows.

9. ALLOCATION OF DEBT ASSESSMENTS; APPLICATION OF TRUE-UP PAYMENTS.

- a. At such time as parcels of land, or portions thereof, are included in a plat, site plan, or subjected to a declaration of condominium (all such processes shall be referred to in this Section 9 as 'plat,' 'platted,' and/or 'plating'), it shall be an express condition of the lien established by this Resolution that, prior to final approval by the City and/or County, any and all plats or site plans for any portion of the lands within the District, as the District's boundaries may be amended from time to time, shall be presented to the District Manager for review. As parcels of land, or portions thereof, are included in a plat, the District Manager shall review such plat and cause the Debt Assessments securing each applicable series of Bonds issued to be reallocated to the units being included in the plat and the remaining property in accordance with **Exhibit B**, and cause such reallocation to be recorded in the District's Improvement Lien Book.
- b. Pursuant to the Master Assessment Report, attached hereto as **Exhibit B** (or any supplemental resolution and report, as applicable), and which terms are incorporated herein, there may be required from time to time certain true-up payments ("**True-Up Payment**"). As parcels of land are platted, and/or at such other time as may be provided pursuant to the Master Assessment Report, the District Manager shall perform the true-up calculations described in **Exhibit B** (or any supplemental resolution and report, as applicable), which process is incorporated herein as if fully set forth, to determine if a True-Up Payment is owed. Such True-Up Payment, if owed, shall become due and payable that tax year by the landowner(s) of record of the assessable land subject to the proposed plat, in addition to any regular assessment installment. No further action by the Board shall be required. The determination of whether a True-Up Payment is required shall be made based on the language in this Resolution and/or the tests or other methods set forth in the Master Assessment Report (if any) as supplemented by any applicable supplemental assessment resolution and corresponding assessment report; provided however, to the extent of any conflicts the Master Assessment Report, as supplemented, shall control. The District's review and approval of plats shall be limited solely to this function and the enforcement of the lien established by this Resolution. In the event a True-Up Payment is due and unpaid, the lien established herein for the True-Up Payment amount shall remain in place until such time as the True-Up Payment is made. The District shall record all True-Up Payments in its Improvement Lien Book.
- c. The foregoing is based on the District's understanding that the community would be developed with the type and number of units set forth in **Exhibit B**, on the developable acres. However, more than the stated number of units may be developed. In no event

shall the District collect Debt Assessments pursuant to this Resolution in excess of the total debt service related to the Project, including all costs of financing and interest. The District recognizes that such things as regulatory requirements and market conditions may affect the timing and scope of the development in the District. If the strict application of the True-Up Payment methodology provided for herein to any assessment reallocation pursuant to this Resolution would result in Debt Assessments collected in excess of the District's total debt service obligations for the Project, the Board shall by resolution take appropriate action to equitably reallocate the Debt Assessments and/or defer a True-Up Payment determination.

- d. As set forth in any supplemental assessment resolution and/or supplemental assessment report for a specific series of Bonds, the District may assign a specific debt service assessment lien comprising a portion of the Debt Assessments to all or a portion of the District lands, and, accordingly, any related True-Up Payment determinations may be limited to determining whether the planned units for such specified lands in the District have been and/or will be developed.

10. **GOVERNMENT PROPERTY; TRANSFERS OF PROPERTY TO UNITS OF LOCAL, STATE, AND/OR FEDERAL GOVERNMENT OR PROPERTY OWNERS ASSOCIATIONS.** Real property that is (i) owned by units of local, state, and/or federal governments, property owners or homeowners association, or other similarly exempt entities ("**Exempt Entity**"), and (ii) exempt from special assessments under Florida law, shall not be subject to the Debt Assessments without the Exempt Entity's specific consent thereto. If at any time, any real property on which Debt Assessments are imposed by this Resolution is subsequently sold or otherwise transferred to an Exempt Entity (without consent of such Exempt Entity to the imposition of Debt Assessments thereon) and such real property shall be exempt from special assessments under Florida law, all future unpaid Debt Assessments for such tax parcel shall become due and payable immediately prior to such transfer without any further action of the District.

11. **ASSESSMENT NOTICE.** The District's Secretary is hereby directed to record a general Notice of Assessments in the Official Records of the County in which the District is located, which notice shall be updated from time to time in a manner consistent with changes in the boundaries of the District.

12. **SEVERABILITY.** If any section or part of a section of this Resolution is declared invalid or unconstitutional, the validity, force and effect of any other section or part of a section of this Resolution shall not thereby be affected or impaired unless it clearly appears that such other section or part of a section of this Resolution is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unconstitutional.

13. **CONFLICTS.** All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, superseded and repealed.

14. **EFFECTIVE DATE.** This Resolution shall become effective upon its adoption.

APPROVED AND ADOPTED THIS 17TH DAY OF APRIL, 2026.

ATTEST:

**LAKE HILLS
COMMUNITY DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

Exhibit A: *Engineer's Report, dated March 2026*

Exhibit B: *Master Special Assessment Methodology Report, dated March 6, 2026*

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

4

RESOLUTION 2026-38

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT AMENDING RESOLUTION 2026-32 TO RE-SET THE DATE, TIME AND LOCATION OF THE PUBLIC HEARING REGARDING THE DISTRICT'S INTENT TO USE THE UNIFORM METHOD FOR THE LEVY, COLLECTION, AND ENFORCEMENT OF NON-AD VALOREM SPECIAL ASSESSMENTS AS AUTHORIZED BY SECTION 197.3632, FLORIDA STATUTES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Lake Hills Community Development District (“District”) was established by an ordinance adopted by the Town Council of the Town of Howey-in-the-Hills, Florida, for the purpose of planning, financing, constructing, operating and/or maintaining certain infrastructure improvements; and

WHEREAS, on March 6, 2026, at a duly noticed public meeting, the District’s Board of Supervisors (“Board”) adopted Resolution 2026-32, setting a public hearing regarding the District’s intent to use the uniform method for the levy, collection, and enforcement of non-ad valorem special assessments for 11:00 a.m. on April 17, 2026, at the Mission Resort + Club, 10400 County Road 48, Howey-in-the-Hills, Florida 34737; and

WHEREAS, the Board desires to ratify the action of District staff to change the date of the public hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. PUBLIC HEARING DATE RESET. Resolution 2026-32 is hereby amended to reflect that the public hearing as declared in Resolution 2026-32 is re-set to:

DATE: _____, 2026
TIME: ____:____.m.
LOCATION: Mission Resort + Club
10400 County Road 48
Howey-in-the-Hills, Florida 34737

SECTION 2. RESOLUTION 2026-32 OTHERWISE REMAINS IN FULL FORCE AND EFFECT. Except as otherwise provided herein, all of the provisions of Resolution 2026-32 continue in full force and effect.

SECTION 3. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect upon its passage and adoption by the Board.

PASSED AND ADOPTED this 17th day of April, 2026.

ATTEST:

**LAKE HILLS COMMUNITY DEVELOPMENT
DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

5

RESOLUTION 2026-39

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT TO DESIGNATE DATE, TIME AND PLACE OF PUBLIC HEARING AND AUTHORIZATION TO PUBLISH NOTICE OF SUCH HEARING FOR THE PURPOSE OF ADOPTING RULES OF PROCEDURE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Lake Hills Community Development District (the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*; and

WHEREAS, the Board of Supervisors of the District (the “Board”) is authorized by Section 190.011(5), *Florida Statutes*, to adopt rules and orders pursuant to Chapter 120, *Florida Statutes*.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. A Public Hearing will be held to adopt Rules of Procedure on _____, 2026, at _____ .m., at Mission Resort + Club, 10400 County Road 48, Howey-in-the-Hills, Florida 34737.

SECTION 2. The District Secretary is directed to publish notice of the hearing in accordance with Section 120.54, *Florida Statutes*.

SECTION 3. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this 17th day of April, 2026.

ATTEST:

LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

6

RESOLUTION 2026-23

A RESOLUTION BY THE BOARD OF SUPERVISORS OF THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT DESIGNATING THE LOCATION OF THE LOCAL DISTRICT RECORDS OFFICE AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Lake Hills Community Development District (“District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated within the Town of Howey-in-the-Hills, Lake County, Florida; and

WHEREAS, the District is statutorily required to designate a local district records office location for the purposes of affording citizens the ability to access the District’s records, promoting the disclosure of matters undertaken by the District, and ensuring that the public is informed of the activities of the District in accordance with Chapter 119 and Section 190.006(7), *Florida Statutes*; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. The District’s local records office shall be located at:

SECTION 2. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this 17th day of April, 2026.

Attest:

LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

7

RESOLUTION 2026-25

A RESOLUTION OF THE BOARD OF SUPERVISORS OF LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT DESIGNATING DATES, TIMES AND LOCATIONS FOR REGULAR MEETINGS OF THE BOARD OF SUPERVISORS OF THE DISTRICT FOR REMAINDER OF FISCAL YEAR 2025/2026 AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Lake Hills Community Development District (the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within the Town of Howey-in-the-Hills, Lake County, Florida; and

WHEREAS, the District is required by Section 189.015, *Florida Statutes*, to file quarterly, semi-annually, or annually a schedule (including date, time, and location) of its regular meetings with local governing authorities; and

WHEREAS, further, in accordance with the above-referenced statute, the District shall also publish quarterly, semi-annually, or annually the District’s regular meeting schedule in a newspaper of general paid circulation in the county in which the District is located; and

WHEREAS, the Board desires to adopt the annual meeting schedule for the remainder of the fiscal year beginning October 1, 2025 and ending September 30, 2026 (“Fiscal Year 2026”), attached as **Exhibit A**.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. The Fiscal Year 2026 annual meeting schedule attached hereto and incorporated by reference herein as **Exhibit A** is hereby approved and shall be published in accordance with the requirements of Florida law and also provided to applicable governing authorities.

SECTION 2. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this 17th day of April, 2026.

Attest:

LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

Exhibit A

LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT		
BOARD OF SUPERVISORS FISCAL YEAR 2025/2026 MEETING SCHEDULE		
LOCATION		
<i>Mission Resort + Club, 10400 Country Road 48, Howey-in-the Hills, Florida 34737</i>		
DATE	POTENTIAL DISCUSSION/FOCUS	TIME
May 12, 2026	Public Hearings & Regular Meeting <i>Adoption of FY2026 and FY2027 Budgets</i>	11:00 AM
June __, 2026	Regular Meeting	__:__ AM/PM
July __, 2026	Regular Meeting	__:__ AM/PM
August __, 2026	Regular Meeting	__:__ AM/PM
September __, 2026	Regular Meeting	__:__ AM/PM

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

8

RESOLUTION 2026-40

A RESOLUTION OF THE BOARD OF SUPERVISORS OF LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT DESIGNATING DATES, TIMES AND LOCATIONS FOR REGULAR MEETINGS OF THE BOARD OF SUPERVISORS OF THE DISTRICT FOR FISCAL YEAR 2026/2027 AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Lake Hills Community Development District (the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within the Town of Howey-in-the-Hills, Lake County, Florida; and

WHEREAS, the District is required by Section 189.015, *Florida Statutes*, to file quarterly, semi-annually, or annually a schedule (including date, time, and location) of its regular meetings with local governing authorities; and

WHEREAS, further, in accordance with the above-referenced statute, the District shall also publish quarterly, semi-annually, or annually the District’s regular meeting schedule in a newspaper of general paid circulation in the county in which the District is located; and

WHEREAS, the Board desires to adopt the annual meeting schedule for the remainder of the fiscal year beginning October 1, 2026 and ending September 30, 2027 (“Fiscal Year 2027”), attached as **Exhibit A**.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. The Fiscal Year 2027 annual meeting schedule attached hereto and incorporated by reference herein as **Exhibit A** is hereby approved and shall be published in accordance with the requirements of Florida law and also provided to applicable governing authorities.

SECTION 2. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this 17th day of April, 2026.

Attest:

**LAKE HILLS COMMUNITY DEVELOPMENT
DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

Exhibit A

LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT		
BOARD OF SUPERVISORS FISCAL YEAR 2026/2027 MEETING SCHEDULE		
LOCATION		
<i>Mission Resort + Club, 10400 Country Road 48, Howey-in-the Hills, Florida 34737</i>		
DATE	POTENTIAL DISCUSSION/FOCUS	TIME
October __, 2026	Regular Meeting	__:__ AM/PM
November __, 2026	Regular Meeting	__:__ AM/PM
December __, 2026	Regular Meeting	__:__ AM/PM
January __, 2027	Regular Meeting	__:__ AM/PM
February __, 2027	Regular Meeting	__:__ AM/PM
March __, 2027	Regular Meeting	__:__ AM/PM
April __, 2027	Regular Meeting	__:__ AM/PM
May __, 2027	Regular Meeting	__:__ AM/PM
June __, 2027	Regular Meeting	__:__ AM/PM
July __, 2027	Regular Meeting	__:__ AM/PM
August __, 2027	Regular Meeting	__:__ AM/PM
September __, 2027	Regular Meeting	__:__ AM/PM

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

9



FLORIDA LIGHTING SERVICE AGREEMENT

Lake Hills Community Development District

Customer Information:
~~HR LAKE HILLS, LLC~~
TAYLOR.WATERS@DUKE-ENERGY.COM;
GREGORY.SEEL@DUKE-ENERGY.COM

Project Information:
0000 COUNTY ROAD 468 & STATE ROAD 19
HOWEY IN THE HILLS Florida 34737

Account Number:

Installation Number:
7011477153

Work Order Number:
60619096

Duke Energy Representative Contact Info:
Taylor Waters

Lake Hills Community Development District

This Lighting Service Agreement is hereby entered into this 2nd day of April, 2026, between Duke Energy (hereinafter called the "Company") and ~~HR LAKE HILLS, LLC~~ (hereinafter referred to as the "Customer") for lighting service at the above location(s). The Customer agrees to receive and pay for lighting service from the Company in accordance with the rates, terms and provisions of the Company's Rate Schedule LS1U and Service Regulations, or its successor, as the same is on file with the Florida Public Service Commission (FLORIDA PUBLIC SERVICE COMMISSION) and as may be amended and subsequently filed with the FLORIDA PUBLIC SERVICE COMMISSION.

To the extent there is any conflict between this Agreement and the Lighting Service Rate Schedule, the Lighting Service Rate Schedule shall control. In the event of termination by the Customer during the initial term of this agreement under this rate schedule or upon early termination of service under this schedule, the customer agrees to pay remaining terms of this agreement as delegated by the FLORIDA PUBLIC SERVICE COMMISSION.

The date of *initiation* of service shall be defined as the date the first light(s) is energized. It is further agreed that Duke Energy reserves the right to discontinue service and remove any Duke Energy-owned facilities from the Customers premise if the Customer violates any of the terms of the Service Regulations, Rate Schedule or this Agreement.

Kimberly Locher, Chairman

Customer Print Name _____ Date Signed _____

Customer Signature _____ Date Signed _____

Duke Energy Representative _____ Date Signed _____

THIS IS NOT A BILL. PLEASE DO NOT SEND A PAYMENT IN RESPONSE TO THIS COMMUNICATION.



Summary of Estimated Charges				
Minimum Service Term	Initial Monthly Cost	Total One Time Charges	Total Cost for Initial term	Ongoing Monthly Charge post Term
10 Years (120) Months	\$1,391.88	\$0.00	\$167,025.60	\$1,391.88

Monthly Base Charges								
Service Required	Quantity	Product Description Fixtures and Poles	Equipment	Maintenance	Energy	Unit Total	Sub-Total	
I	42	Light Fixture Sanibel LED 50W Black Type III 3000K QSM	\$16.40	\$2.04	\$1.45	\$19.89	\$835.38	
I	42	Light Pole Colonial Concrete 22ft long Black 6in tenon	\$13.25	\$0.00	\$0.00	\$13.25	\$556.50	
		Subtotal Based On Quantity:	\$1,245.30	\$85.68	\$60.90			
		Estimated Monthly Charge						\$1,391.88

THIS IS NOT A BILL. PLEASE DO NOT SEND A PAYMENT IN RESPONSE TO THIS COMMUNICATION.



Outdoor lighting Terms and Conditions

Duke Energy will call for locate of all public facilities. Any customer owned utilities would need to be located and marked at your expense.

If any or all of these lighting facilities will eventually be submitted to a governmental agency for inclusion into a taxing district, MSTU or MSBU special assessment program, please verify that these facilities meet the requirements within that jurisdiction. Should the agency not accept these facilities into their program, the entity who signs the Lighting Service Contract will remain responsible for payment.

Rate per Month:

The monthly charges consist of the items below. These charges may be adjusted subject to review and approval by the Florida Public Service Commission.

Customer Charge	
Pole Charge	
Light Fixture Charge	
Light Fixture Maintenance Charge	
Energy and Demand Charge:	
Non-fuel Energy Charge	
Plus the Cost Recovery Factors listed in	
Rate Schedule BA-1, Billing Adjustments**,	
except the Fuel Cost Recovery Factor and	
Asset Securitization Charge Factor:	See Sheet No. 6.105 and 6.106
Fuel Cost Recovery Factor **:	See Sheet No. 6.105
Asset Securitization Charge Factor:	See Sheet No. 6.105

***Charges are normally revised on an annual basis.*

Additional Charges:

Certain additional charges may also apply to the installation.

Gross Receipts Tax Factor:	See Sheet No. 6.106
Right-of-Way Utilization Fees:	See Sheet No. 6.106
Municipal Tax:	See Sheet No. 6.106
Sales Tax:	See Sheet No. 6.106

THE CUSTOMER AGREES:

1. To purchase from the Company all of the electric energy used for the operation of the Lighting System.
2. To be responsible for paying, when due, all bills rendered by the Company pursuant to the Company's currently effective Lighting Rate Schedule LS-1, or its successor, for facilities and service provided in accordance with this Contract.
3. To be responsible for trimming trees that may either obstruct the light output from fixture(s) or that obstruct maintenance access to the facilities.

IT IS MUTUALLY AGREED THAT:

4. Requests for exchanging facilities, upgrades, relocations, etc. are subject to Section III, paragraph 3.05, of the Company's General Rules and Regulations Governing Electric Service.

THIS IS NOT A BILL. PLEASE DO NOT SEND A PAYMENT IN RESPONSE TO THIS COMMUNICATION.

5. The Company does not guarantee continuous lighting service and will not be liable for damages for any interruption, deficiency or failure of service, and reserves the right to interrupt service at any time for necessary repairs to lines or equipment. Nothing in this Contract is intended to benefit any third party or to impose any obligation on the Company to any such third party.

6. Installation shall be made only when, in the judgment of the Company, the location and the type of the facilities are, and will continue to be, easily and economically accessible to the Company's equipment and personnel for both construction and maintenance. In the event the Customer or its contractor, subcontractor or other agent changes the grading, which requires the Company to move its facilities or otherwise incur costs to ensure compliance with applicable code requirements, Customer shall compensate the Company for all such costs incurred by the Company to comply with any applicable code requirements. In the event Customer fails to pay the Company within 30 days of the completion of such work, Customer shall pay the Company any amounts owing the Company, including interest and any attorneys and other fees and costs the Company incurs to collect any amounts owed to the Company.

7. Modification of the facilities provided by the Company under this Contract may only be made through the execution of a written amendment to this Contract.

8. The Company will, at the request of the Customer, relocate the lighting facilities covered by this Agreement, if provided sufficient rights-of-way or easements to do so. The Customer shall be responsible for the payment of all costs associated with any such Customer-requested relocation of the Company's lighting facilities.

9. The Company may, at any time, substitute for any luminaire/lamp installed hereunder another luminaire/lamp which shall be of at least equal illuminating capacity and efficiency.

10. Customer agrees to take responsibility for the cost incurred to repair or replace any fixture or pole which has been willfully damaged. The Company shall not be required to make such repair or replacement prior to payment by the Customer for damage.

11. The Company will repair or replace malfunctioning lighting fixtures maintained by the Company in accordance with Section 768.1382, Florida Statutes (2005).

12. This Contract shall be for a term of ten (10) years from the date of initiation of service. The date of initiation of service shall be defined as the date the first lights are energized.

13. Should the Customer fail to pay any bills due and rendered pursuant to this Contract or otherwise fail to perform the obligations contained in this Contract, said obligations being material and going to the essence of this Contract, the Company may cease to supply electric energy or service until the Customer has paid the bills due and rendered or has fully cured such other breach of this Contract. Service charges associated with the reconnection of service after disconnection for nonpayment or violation of Company or Commission Rules may be assessed for each lighting installation on an account. Any failure of the Company to exercise its rights hereunder shall not be a waiver of its rights. It is understood, however, that such discontinuance of the supplying of electric energy or service shall not constitute a breach of this Contract by the Company, nor shall it relieve the Customer of the obligation to perform any of the terms and conditions of this Contract.

14. If the Customer no longer wishes to receive service under this schedule, the Customer may terminate the Contract by giving the Company at least sixty (60) days advance written notice to the Company. Upon early termination of service, the Customer shall pay an amount equal to the remaining monthly customer charges, remaining Contribution in Aid of Construction ("CIAC"), if applicable, and remaining pole and fixture lease amounts for the term of the contract. The Customer will be responsible for the cost of removing the facilities.

15. In the event of the sale of the real property upon which the facilities are installed, or if the Customer's obligations under this Contract are to be assigned to a third party, upon the written consent of the Company, this Contract may be assigned by the Customer to the Purchaser or to the third party. No assignment shall relieve the Customer from its obligations hereunder until such obligations have been assumed by the Purchaser or third party and agreed to by the Company.
16. This Contract supersedes all previous contracts or representations, either written, oral or otherwise between the Customer and the Company with respect to the facilities referenced herein and constitutes the entire Contract between the parties. This Contract does not create any rights or provide any remedies to third parties or create any additional duty, obligation or undertakings by the Company to third parties.
17. This Contract shall inure to the benefit of, and be binding upon the successors and assigns of the Customer and the Company.
18. This Contract is subject to the Company's Tariff for Retail Service, or as they may be hereafter revised, amended or supplemented. In the event of any conflict between the terms of this Contract and the provisions of the Company's Tariff for Retail Services, the provisions of the Company's Tariff for Retail Service and FPSC Rules shall control, or as they may be hereafter revised, amended or supplemented.
19. The obligation to furnish or purchase service shall be excused at any time that either party is prevented from complying with this Contract by strikes, lockouts, fires, riots, acts of God, the public enemy, governmental or court actions, lightning, hurricanes, storms, floods, inclement weather that necessitates extraordinary measures and expense to construct facilities and/or maintain operations, or by any other cause or causes not under the control of the party thus prevented from compliance, and the Company shall not have the obligation to furnish service if it is prevented from complying with this Contract by reason of any partial, temporary or entire shut-down of service which, in the sole opinion of the Company, is reasonably necessary for the purpose of repairing or making more efficient all or any part of its generating, transmission, distribution or other electrical equipment.
20. In no event shall the Company, its parent corporation, affiliate corporations, officers, directors, employees, agents, and contractors or subcontractors be liable to the Customer, its employees, agents or representatives, for any incidental, indirect, special, consequential, exemplary, punitive or multiple damages resulting from any claim or cause of action, whether brought in contract, tort (including, but not limited to, negligence or strict liability), or any other legal theory.

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

UNAUDITED FINANCIAL STATEMENTS

**LAKE HILLS
COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL STATEMENTS
UNAUDITED
MARCH 31, 2026**

**LAKE HILLS
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2026**

	General Fund	Total Governmental Funds
ASSETS		
Due from Landowner	\$ 14,146	\$ 14,146
Total assets	14,146	14,146
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 5,545	\$ 5,545
Accrued wages payable	600	600
Accrued taxes payable	46	46
Landowner advance	13,500	13,500
Total liabilities	19,691	19,691
DEFERRED INFLOWS OF RESOURCES		
Deferred receipts	646	646
Total deferred inflows of resources	646	646
Fund balances:		
Unassigned	(6,191)	(6,191)
Total fund balances	(6,191)	(6,191)
Total liabilities, deferred inflows of resources and fund balances	\$ 14,146	\$ 14,146

**LAKE HILLS
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDED MARCH 31, 2026**

	<u>Current Month</u>	<u>Year to Date</u>	<u>Budget</u>	<u>% of Budget</u>
REVENUES				
Landowner contribution	\$ -	\$ -	\$ 64,909	0%
Total revenues	<u>-</u>	<u>-</u>	<u>64,909</u>	0%
EXPENDITURES				
Professional & administrative				
Supervisor	646	646	-	N/A
Management/accounting/recording**	2,000	2,000	20,000	10%
Legal	-	3,487	25,000	14%
Engineering	-	-	2,000	0%
Dissemination agent*	-	-	500	0%
Telephone	16	16	117	14%
Postage	-	-	500	0%
Printing & binding	42	42	292	14%
Legal advertising	-	-	7,500	0%
Annual special district fee	-	-	175	0%
Insurance	-	-	5,500	0%
Contingencies/bank charges	-	-	1,500	0%
Website hosting & maintenance	-	-	1,680	0%
Website ADA compliance	-	-	145	0%
Total expenditures	<u>2,704</u>	<u>6,191</u>	<u>64,909</u>	10%
Excess/(deficiency) of revenues over/(under) expenditures	(2,704)	(6,191)	-	
Fund balances - beginning	(3,487)	-	-	
Fund balances - ending	<u>\$ (6,191)</u>	<u>\$ (6,191)</u>	<u>\$ -</u>	

*These items will be realized when bonds are issued

**WHA will charge a reduced management fee of \$2,000 per month until bonds are issued.

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

MINUTES

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

MINUTES

A

DRAFT
MINUTES OF MEETING
LAKE HILLS
COMMUNITY DEVELOPMENT DISTRICT

A Landowners' Meeting of Lake Hills Community Development District was held on March 6, 2026 at 11:00 a.m., at the Mission Resort + Club, 10400 Country Road 48, Howey-in-the-Hills, Florida 34737.

Present were:

Jordan Lansford	District Manager
Craig Wrathell	Wrathell, Hunt and Associates, LLC
Sarah Sandy	District Counsel
Cynthia Wilhelm (via telephone)	Bond Counsel
David Stokes	District Engineer
Dean Barberree	Reader Communities/Proxy Holder
Marlene DeMarco	Reader Communities
Jeffrey Reader	Reader Communities
Kimberley Locher	Reader Communities
Dustin Bowersett	Toll Brothers
Angel Alfonso	Toll Brothers

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Lansford called the meeting to order at 11:00 a.m.

SECOND ORDER OF BUSINESS

Affidavit/Proof of Publication

The affidavit of publication was included for informational purposes.

THIRD ORDER OF BUSINESS

Election of Chair to Conduct Landowners' Meeting

Ms. Lansford served as Chair to conduct the Landowners' meeting.

Dean Barberree is the designated Proxy Holder for the Landowner, HR Lake Hills, LLC, who owns 218.93 acres, equating to 219 voting units. Mr. Barberree is eligible to cast up to 219 votes per Seat.

FOURTH ORDER OF BUSINESS

Election of Supervisors [All Seats]

A. Nominations

42 Mr. Barberree nominated the following:

43 Seat 1 Kimberly Locher

44 Seat 2 Jeffrey Reader

45 Seat 3 Marlene DeMarco

46 Seat 4 Charlie Crawford

47 Seat 5 Angel Alfonso

48 No other nominations were made.

49 **B. Casting of Ballots**

50 • **Determine Number of Voting Units Represented**

51 A total of 219 voting units were represented.

52 • **Determine Number of Voting Units Assigned by Proxy**

53 All 219 voting units were assigned by proxy to Mr. Barberree.

54 Mr. Barberree cast the following votes:

55 Seat 1 Kimberly Locher 219 votes

56 Seat 2 Jeffrey Reader 219 votes

57 Seat 3 Marlene DeMarco 218 votes

58 Seat 4 Charlie Crawford 218 votes

59 Seat 5 Angel Alfonso 218 votes

60 **C. Ballot Tabulation and Results**

61 The ballot tabulation, results and term lengths were as follows:

62 Seat 1 Kimberly Locher 219 votes Four-year Term

63 Seat 2 Jeffrey Reader 219 votes Four-year Term

64 Seat 3 Marlene DeMarco 218 votes Two-year Term

65 Seat 4 Charlie Crawford 218 votes Two-year Term

66 Seat 5 Angel Alfonso 218 votes Two-year Term

67

68 **FIFTH ORDER OF BUSINESS**

Landowners' Questions/Comments

69

70 There were no Landowners' questions or comments.

71

72 **SIXTH ORDER OF BUSINESS**

Adjournment

73

74 The meeting adjourned at 11:04 a.m.

75
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78
79

Secretary/Assistant Secretary

Chair/Vice Chair

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

MINUTES

B

DRAFT

**MINUTES OF MEETING
LAKE HILLS
COMMUNITY DEVELOPMENT DISTRICT**

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An Organizational Meeting of Lake Hills Community Development District was held on March 6, 2026, immediately following the adjournment of the Landowners’ Meeting, scheduled to commence at 11:00 a.m., at the Mission Resort + Club, 10400 Country Road 48, Howey-in-the-Hills, Florida 34737.

Present:

Kimberly Locher	Chair
Charlie Crawford	Vice Chair
Jeffrey Reader	Assistant Secretary
Marlene DeMarco	Assistant Secretary
Angel Alfonso	Assistant Secretary

Also present:

Jordan Lansford	District Manager
Craig Wrathell	Wrathell, Hunt and Associates, LLC
Sarah Sandy	District Counsel
David Stokes	District Engineer
Dean Barberree	HR Lake Hills, LLC
Cynthia Wilhelm (via telephone)	Bond Counsel

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Lansford called the meeting to order at 11:04 a.m.

Ms. Lansford, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Kimberly Locher, Jeffrey Reader, Marlene DeMarco and Angel Alfonso.

Supervisors Locher, Reader, DeMarco and Alfonso were present. Supervisor-Elect Crawford was not present at roll call.

SECOND ORDER OF BUSINESS

Public Comments

No members of the public spoke.

39 Ms. Lansford recapped the results of the Landowners’ Election, held just prior to this
40 meeting, as follows:

41	Seat 1	Kimberly Locher	219 votes	Four-year Term
42	Seat 2	Jeffrey Reader	219 votes	Four-year Term
43	Seat 3	Marlene DeMarco	218 votes	Two-year Term
44	Seat 4	Charlie Crawford	218 votes	Two-year Term
45	Seat 5	Angel Alfonso	218 votes	Two-year Term

46 **Mr. Crawford joined the meeting at 11:07 a.m.**

47

48 **PART 1: GENERAL DISTRICT ITEMS**

49 **GENERAL DISTRICT ITEMS**

50 **THIRD ORDER OF BUSINESS**

Administration of Oath of Office to Elected Board of Supervisors (the following will be provided in a separate package)

51
52
53

54 The Oath of Office was administered to Supervisors Locher, Reader, DeMarco and Alfonso
55 during the First Order of Business.

56 Ms. Lansford, a Notary of the State of Florida and duly authorized, administered the Oath
57 of Office to Mr. Charlie Crawford.

58 Ms. Sandy and Staff provided and explained the following:

- 59 **A. Ethics Training for Special District Supervisors and Form 1**
- 60 **B. Membership, Obligations and Responsibilities**
- 61 **C. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- 62 **D. Form 8B: Memorandum of Voting Conflict for County, Municipal and other Local Public**
- 63 **Officers**

64 Ms. Sandy will provide additional information following the meeting.

65 The Board and Staff discussed Sunshine Law and public records law; public records
66 requests; use of designated CDD email addresses; keeping CDD documents, meeting notes and
67 emails separate from personal records, and filing Form 1 online. Board Members should contact
68 the District Manager or District Counsel with questions or concerns and before providing any
69 information related to public records requests. Public records requests should be forwarded to

70 the District Manager or District Counsel right away. In most cases, District Management will
71 respond to public records requests.

72

73 **FOURTH ORDER OF BUSINESS**

**Consideration of Resolution 2026-01,
74 Ratifying the Actions of the District
75 Manager and District Staff in Noticing the
76 Landowners’ Meeting; Providing a
77 Severability Clause; and Providing an
78 Effective Date**

79

80 Ms. Lansford presented Resolution 2026-01.

81 **On MOTION by Mr. Reader and seconded by Ms. Locher, with all in favor,
82 Resolution 2026-01, Ratifying the Actions of the District Manager and District
83 Staff in Noticing the Landowners’ Meeting; Providing a Severability Clause; and
84 Providing an Effective Date, was adopted.**

85

86

87 **FIFTH ORDER OF BUSINESS**

**Consideration of Resolution 2026-02,
88 Canvassing and Certifying the Results of the
89 Landowners’ Election of Supervisors Held
90 Pursuant to Section 190.006(2), Florida
91 Statutes, and Providing for an Effective
92 Date**

93

94 Ms. Lansford presented Resolution 2026-02. The results of the Landowners’ Election were
95 read into the record following the Second Order of Business.

96 **On MOTION by Mr. Alfonso and seconded by Mr. Reader, with all in favor,
97 Resolution 2026-02, Canvassing and Certifying the Results of the Landowners’
98 Election of Supervisors Held Pursuant to Section 190.006(2), Florida Statutes,
99 and Providing for an Effective Date, was adopted.**

100

101

102 **SIXTH ORDER OF BUSINESS**

**Consideration of Resolution 2026-03,
103 Electing the Officers of the District, and
104 Providing for an Effective Date**

105

106 Ms. Lansford presented Resolution 2026-03. The following slate was nominated:

- | | | |
|-----|------------|-----------------|
| 107 | Chair | Kimberly Locher |
| 108 | Vice Chair | Jeffrey Reader |
| 109 | Secretary | Craig Wrathell |

110	Assistant Secretary	Charlie Crawford
111	Assistant Secretary	Angel Alfonso
112	Assistant Secretary	Marlene DeMarco
113	Assistant Secretary	Jordan Lansford
114	Assistant Secretary	Kristen Suit
115	Treasurer	Craig Wrathell
116	Assistant Treasurer	Jeffrey Pinder

117 No other nominations were made.

118 **On MOTION by Mr. Reader and seconded by Mr. Alfonso, with all in favor,**
 119 **Resolution 2026-03, Electing the Officers of the District, as nominated, and**
 120 **Providing for an Effective Date was adopted.**

121

122

123 Discussion of Resolution 2026-03 revisited following the Ninth Order of Business after
 124 which the Resolution was revised and readopted.

125

126 **PART 2: CONSENT AGENDA (ORGANIZATIONAL ITEMS, BANKING ITEMS & BUDGETARY ITEMS)**

127 **ORGANIZATIONAL ITEMS**

128 **SEVENTH ORDER OF BUSINESS**

**Consideration of the Following Consent
 Agenda Organizational Items:**

129

130

131 The following Consent Agenda Items were presented and discussed:

132 **A. Resolution 2026-04, Appointing and Fixing the Compensation of the District Manager;**

133 **Appointing a Methodology Consultant; and Providing an Effective Date**

134 • **Agreement for District Management Services: Wrathell, Hunt and Associates,**

135 **LLC**

136 **B. Resolution 2026-05, Appointing Legal Counsel for the District, Authorizing**

137 **Compensation and Providing for an Effective Date**

138 • **Retention and Fee Agreement: Kutak Rock LLP**

139 **C. Resolution 2026-06, Designating a Registered Agent and Registered Office of the District**

140 **and Providing for an Effective Date**

141 **D. Resolution 2026-07, Appointing and Fixing the Compensation of the Interim District**

142 **Engineer and Providing an Effective Date**

- 143 • Interim Engineering Services Agreement: Madden, Moorhead & Stokes, LLC
- 144 E. Authorization of Request for Qualifications (RFQ) for Engineering Services
- 145 F. Board Member Compensation: 190.006 (8), F.S.
- 146 G. Resolution 2026-08, Designating the Primary Administrative Office and Principal
147 Headquarters of the District and Providing an Effective Date
- 148 H. Resolution 2026-09, Setting Forth the Policy of the Lake Hills Community Development
149 District Board of Supervisors with Regard to the Support and Legal Defense of the Board
150 of Supervisors, Officers, and Staff; and Providing for an Effective Date
- 151 • Authorization to Obtain General Liability and Public Officers' Insurance
- 152 I. Resolution 2026-10, Providing for the Public's Opportunity to Be Heard; Designating
153 Public Comment Periods; Designating a Procedure to Identify Individuals Seeking to Be
154 Heard; Addressing Public Decorum; Addressing Exceptions; and Providing for
155 Severability and an Effective Date
- 156 J. Resolution 2026-11, Providing for the Appointment of Records Management Liaison
157 Officer; Providing the Duties of the Records Management Liaison Officer; Adopting a
158 Records Retention Policy; and Providing for Severability and Effective Date
- 159 K. Resolution 2026-12, Granting the Chairperson or in His or Her Absence, the Vice
160 Chairperson, the Authority to Execute Real and Personal Property Conveyance and
161 Dedication Documents, Plats and Other Documents Related to the Development of the
162 District's Improvements; Approving the Scope and Terms of Such Authorization;
163 Providing for Severability and an Effective Date
- 164 L. Resolution 2026-13, Ratifying, Confirming and Approving the Recording of the Notice of
165 Establishment for the Lake Hills Community Development District and Providing an
166 Effective Date
- 167 M. Authorization of Request for Proposals (RFP) for Annual Audit Services
- 168 • Designation of Board of Supervisors as Audit Committee
- 169 N. Strange Zone, Inc., Quotation #M26-005 for District Website Design, Maintenance and
170 Domain Web-Site Design Agreement
- 171 O. Resolution 2026-14, Approving the Florida Statewide Mutual Aid Agreement; Providing
172 for Severability; and Providing for an Effective Date

173 P. Performance Measures and Standards Reporting

174 Q. Consideration of E-Verify Memorandum

175

176 **BANKING ITEMS**

177 **EIGHTH ORDER OF BUSINESS** **Consideration of the Following Consent**
178 **Agenda Banking Items:**

179

180 The following Consent Agenda Items were presented and discussed:

181 **A. Resolution 2026-15, Directing the District Manager to Appoint Signors on the Local Bank**
182 **Account; and Providing an Effective Date**

183 **B. Resolution 2026-16, Authorizing the District Manager or Treasurer to Execute the Public**
184 **Depositor Report; Authorizing the Execution of Any Other Financial Reports as Required**
185 **by Law; Providing for an Effective Date**

186

187 **BUDGETARY ITEMS**

188 **NINTH ORDER OF BUSINESS** **Consideration of the Following Consent**
189 **Agenda Budgetary Items:**

190

191 The following Consent Agenda Items were presented and discussed:

192 **A. Fiscal Year 2025/2026 Budget Funding Agreement**

193 **B. Fiscal Year 2026/2027 Budget Funding Agreement**

194 Funding requests for Operation and Maintenance (O&M) expenditures will be submitted
195 to Mr. Alfonso.

196 **C. Resolution 2026-17, Adopting the Alternative Investment Guidelines for Investing**
197 **Public Funds in Excess of Amounts Needed to Meet Current Operating Expenses, in**
198 **Accordance with Section 218.415(17), Florida Statutes**

199 **D. Resolution 2026-18, Authorizing the Disbursement of Funds of the District Without Prior**
200 **Approval of the District’s Board of Supervisors (“Board”); Setting Certain Monetary**
201 **Thresholds; and Providing for Severability and an Effective Date**

202 **E. Resolution 2026-19, Authorizing the Chair and Vice Chair to Take the Necessary Actions**
203 **to Award Certain Contracts, Agreements and Other Documents; and Providing an**
204 **Effective Date**

205 F. Resolution 2026-20, Adopting Prompt Payment Policies and Procedures Pursuant to
206 Chapter 218, Florida Statutes; Providing a Severability Clause; and Providing an Effective
207 Date

208 G. Resolution 2026-21, Adopting an Internal Controls Policy Consistent with Section
209 218.33, Florida Statutes; Providing an Effective Date

210 H. Resolution 2026-22, Adopting a Policy for Reimbursement of District Travel Expenses;
211 and Providing for Severability and an Effective Date
212

213 **On MOTION by Ms. Locher and seconded by Mr. Reader, with all in favor, the**
214 **Consent Agenda Items listed in the Seventh, Eighth and Ninth Orders of**
215 **Business, were approved, adopted, ratified and/or accepted, as appropriate.**

216
217 ■ Discussion Resumed: Consideration of Resolution 2026-03, Electing the Officers of the
218 District, and Providing for an Effective Date

219 Discussion ensued regarding the Bond Financing Team Funding Agreement,
220 reimbursement of funds advanced for bond-related expenditures, authorization of expenditures
221 and funding requests to be sent to Toll Brothers, coordination with the Developer during platting,
222 expenditures to be approved by the Chair or Vice Chair, and the suggestion to appoint a Toll
223 Brothers representative as Vice Chair.

224 The consensus was to redesignate the officers and reconsider Resolution 2026-03.

225 Ms. Lansford presented Resolution 2026-03. The consensus was to revise the previously
226 approved slate, as follows:

- | | | |
|-----|---------------------|------------------|
| 227 | Chair | Kimberly Locher |
| 228 | Vice Chair | Charlie Crawford |
| 229 | Secretary | Craig Wrathell |
| 230 | Assistant Secretary | Jeffrey Reader |
| 231 | Assistant Secretary | Angel Alfonso |
| 232 | Assistant Secretary | Marlene DeMarco |
| 233 | Assistant Secretary | Jordan Lansford |
| 234 | Assistant Secretary | Kristen Suit |
| 235 | Treasurer | Craig Wrathell |

236 Assistant Treasurer Jeffrey Pinder

237 No other nominations were made.

238 On MOTION by Mr. Alfonso and seconded by Mr. Reader, with all in favor,
239 Resolution 2026-03, as amended, Electing the Officers of the District, as
240 nominated, and Providing for an Effective Date, was adopted.

241
242

243 **PART 3: NON-CONSENT AGENDA (ORGANIZATIONAL ITEMS, BANKING ITEMS & BUDGETARY**

244 **ITEMS)**

245 **ORGANIZATIONAL ITEMS**

246 **TENTH ORDER OF BUSINESS** Consideration of the Following Non-
247 Consent Agenda Organizational Items:
248

249 **A. Resolution 2026-23, Designating the Location of the Local District Records Office and**
250 **Providing an Effective Date**

251 On MOTION by Mr. Alfonso and seconded by Ms. Locher, with all in favor,
252 deferring Resolution 2026-23 until a local records office could be identified, was
253 approved.

254
255 **B. Resolution 2026-24, Designate Date, Time and Place of Public Hearing and**
256 **Authorization to Publish Notice of Such Hearing for the Purpose of Adopting Rules of**
257 **Procedure; and Providing an Effective Date**

- 258 **I. Rules of Procedure**
- 259 **II. Notices of Rule Development and Rulemaking**

260 Ms. Lansford presented Resolution 2026-24 and the accompanying Exhibits.

261 Discussion ensued regarding bond issuance, assessments and public hearings.

262 On MOTION by Ms. Locher and seconded by Mr. Alfonso, with all in favor,
263 Resolution 2026-24, Designate Date, Time and Place of May 12, 2026 at 11:00
264 a.m., at the Mission Resort + Club, 10400 Country Road 48, Howey-in-the-Hills,
265 Florida 34737, for a Public Hearing and Authorization to Publish Notice of Such
266 Hearing for the Purpose of Adopting Rules of Procedure; and Providing an
267 Effective Date, was adopted.

268
269 **C. Resolution 2026-25, Designating Dates, Times and Locations for Regular Meetings of the**
270 **Board of Supervisors of the District for Remainder of Fiscal Year 2025/2026 and**
271 **Providing for an Effective Date**

272 This item was deferred. Ms. Lansford stated that meetings can be scheduled on an as-
273 needed basis with ten days’ notice to allow time for advertising.

274

275 **BANKING ITEMS**

276 **ELEVENTH ORDER OF BUSINESS** Consideration of the Following Non-
277 Consent Agenda Banking Item:

278

279 **A. Resolution 2026-26, Designating a Public Depository for Funds of the District;**
280 **Authorizing Certain Officers of the District to Execute and Deliver Any and All Financial**
281 **Reports Required by Rule, Statute, Law, Ordinance or Regulation; and Providing an**
282 **Effective Date**

283 **On MOTION by Mr. Reader and seconded by Ms. Locher, with all in favor,**
284 **Resolution 2026-26, Designating Truist Bank as a Public Depository for Funds of**
285 **the District; Authorizing Certain Officers of the District to Execute and Deliver**
286 **Any and All Financial Reports Required by Rule, Statute, Law, Ordinance or**
287 **Regulation; and Providing an Effective Date, was adopted.**

288

289 Funding requests will be submitted to Mr. Alfonso.

290

291 **BUDGETARY ITEMS**

292 **TWELFTH ORDER OF BUSINESS** Consideration of the following Non-
293 Consent Agenda Budgetary Items:

294

295 **A. Resolution 2026-27, Approving the Proposed Budget for Fiscal Year 2025/2026 and**
296 **Setting a Public Hearing Thereon Pursuant to Florida Law and Providing for an Effective**
297 **Date**

298 Ms. Lansford presented Resolution 2026-27 and the proposed Fiscal Year 2026 budget,
299 which is a partial-year Developer-contribution budget, with expenses funded as they are
300 incurred.

301 **On MOTION by Mr. Reader and seconded by Ms. Locher, with all in favor,**
302 **Resolution 2026-27, Approving the Proposed Budget for Fiscal Year 2025/2026**
303 **and Setting a Public Hearing Thereon Pursuant to Florida Law for May 12, 2026**
304 **at 11:00 a.m., at the Mission Resort + Club, 10400 Country Road 48, Howey-in-**
305 **the-Hills, Florida 34737, and Providing for an Effective Date, was adopted.**

306

- 307 **B. Resolution 2026-28, Approving Proposed Budget(s) for FY 2027; Setting a Public Hearing**
 308 **Thereon and Directing Publication; Addressing Transmittal and Posting Requirements;**
 309 **Addressing Severability and Effective Date**

310 Ms. Lansford presented Resolution 2026-28 and the proposed Fiscal Year 2027 budget,
 311 which is a full-year Developer-contribution budget, with expenses funded as they are incurred.

312 **On MOTION by Mr. Reader and seconded by Ms. Locher, with all in favor,**
 313 **Resolution 2026-28, Approving Proposed Budget(s) for FY 2027; Setting a Public**
 314 **Hearing Thereon for May 12, 2026 at 11:00 a.m., at the Mission Resort + Club,**
 315 **10400 Country Road 48, Howey-in-the-Hills, Florida 34737, and Directing**
 316 **Publication; Addressing Transmittal and Posting Requirements; Addressing**
 317 **Severability and Effective Date, was adopted.**

318
 319 Mr. Wrathell stated proposed budgets will be update to include Supervisor
 320 compensation.

321

322 **PART 4: BOND FINANCING RELATED MATTERS**

323 **THIRTEENTH ORDER OF BUSINESS** **Consideration of the Following Bond**
 324 **Financing Related Items:**

325

326 **A. Bond Financing Team Funding Agreement**

327 Ms. Sandy stated this Agreement provides for payment by Toll Brothers of the District's
 328 expenses related to bond issuance; most expenditures can be reimbursed from bond proceeds.

329 **On MOTION by Mr. Alfonso and seconded by Ms. Locher, with all in favor, the**
 330 **Bond Financing Team Funding Agreement, was approved.**

331

332 **B. Engagement of Bond Financing Professionals**

333 **I. Resolution 2026-29, Appointing an Underwriter/Investment Banker in**
 334 **Contemplation of the Issuance of the Lake Hills Community Development**
 335 **District Special Assessment Revenue Bonds [FMSbonds, Inc.]**

- 336 • **Agreement for Underwriter Services & Rule G-17 Disclosure**

337 **On MOTION by Mr. Alfonso and seconded by Mr. Reader, with all in favor,**
 338 **Resolution 2026-29, Appointing FMSbonds, Inc., as Underwriter/Investment**
 339 **Banker in Contemplation of the Issuance of the Lake Hills Community**
 340 **Development District Special Assessment Revenue Bonds, was adopted.**

341

342 II. **Resolution 2026-30, Appointing Bond Counsel in Contemplation of the Issuance**
 343 **of the Lake Hills Community Development District Bonds [Nabors Giblin &**
 344 **Nickerson, P.A.]**

- 345 • **Proposal for Bond Counsel Services**
- 346 • **Bond Counsel Agreement**

347 **On MOTION by Mr. Reader and seconded by Ms. Locher, with all in favor,**
 348 **Resolution 2026-30, Appointing Nabors Giblin & Nickerson, P.A., as Bond**
 349 **Counsel in Contemplation of the Issuance of the Lake Hills Community**
 350 **Development District Bonds, was adopted.**

351
 352 III. **Resolution 2026-31, Appointing Trustee, Paying Agent, Registrar and Transfer**
 353 **Agent in Contemplation of the Issuance of the Lake Hills Community**
 354 **Development District Bonds [U.S. Bank, N.A.]**

- 355 • **Proposal for Trustee, Paying Agent, Registrar and Transfer Agent Services**

356 **On MOTION by Mr. Alfonso and seconded by Mr. Reader, with all in favor,**
 357 **Resolution 2026-31, Appointing U.S. Bank, N.A., as Trustee, Paying Agent,**
 358 **Registrar and Transfer Agent in Contemplation of the Issuance of the Lake Hills**
 359 **Community Development District Bonds, was adopted.**

360
 361 C. **Resolution 2026-32, Designating a Date, Time, and Location of a Public Hearing**
 362 **Regarding the District's Intent to Use the Uniform Method for the Levy, Collection, and**
 363 **Enforcement of Non-Ad Valorem Special Assessments as Authorized by Section**
 364 **197.3632, Florida Statutes; Authorizing the Publication of the Notice of Such Hearing;**
 365 **and Providing an Effective Date**

366 Ms. Lansford presented Resolution 2026-32. This enables the CDD to utilize the Uniform
 367 Method of levying and collecting special assessments using the services of the County Property
 368 Appraiser and Tax Collector.

369 **On MOTION by Mr. Reader and seconded by Ms. Locher, with all in favor,**
 370 **Resolution 2026-32, Designating a Date, Time, and Location of April 17, 2026 at**
 371 **11:00 a.m., at the Mission Resort + Club, 10400 Country Road 48, Howey-in-the-**
 372 **Hills, Florida 34737 for a Public Hearing Regarding the District's Intent to Use the**
 373 **Uniform Method for the Levy, Collection, and Enforcement of Non-Ad Valorem**
 374 **Special Assessments as Authorized by Section 197.3632, Florida Statutes;**
 375 **Authorizing the Publication of the Notice of Such Hearing; and Providing an**
 376 **Effective Date, was adopted.**

377

378 **D. Presentation of Master Engineer's Report**

379 Mr. Stokes presented the Engineer's Report dated March 2026 and noted the following:

- 380 ➤ The CDD consists of 218.93 acres.
- 381 ➤ Phase 1 anticipates 214 units including 50' and 60' single family units and 35' villas.
- 382 ➤ Infrastructure costs are itemized and include roadway improvements, stormwater
383 management, water and wastewater systems, irrigation, a public park and facilities.

384 The following questions were posed and answered:

385 **Ms. Sandy:** In your professional opinion, are the cost estimates in the Engineer's Report
386 reasonable for a project of this size and scope?

387 **Mr. Stokes:** Yes, they are.

388 **Ms. Sandy:** And is there any reason to believe that the CDD could not carry out the project
389 at this time?

390 **Mr. Stokes:** There is not.

391 **On MOTION by Mr. Reader and seconded by Mr. Alfonso, with all in favor, the**
392 **Master Engineer's Report dated March 2026, in substantial form, was approved.**

393

394 **E. Presentation of Master Special Assessment Methodology Report**

395 Ms. Lansford presented the Master Special Assessment Methodology Report dated
396 March 6, 2026. She discussed the Capital Improvement Plan (CIP), financing plan, assessment roll,
397 True-up Mechanism and Appendix tables and noted the following:

398 ➤ The Master Special Assessment Methodology Report supports the assumptions
399 presented in the CIP outlined in the Master Engineer's Report.

400 ➤ A total of 571 residential units are anticipated.

401 ➤ The total CIP costs are estimated at \$81,777,630.

402 ➤ The total par amount of bonds, including the costs of financing, capitalized interest and
403 debt service reserve, is \$112,190,000 to finance a portion of the CIP in the estimated total
404 amount of \$81,777,630.

405 Mr. Wrathell discussed the Assessment Methodology, capitalized interest, lienability
406 tests, True-up Mechanism, Equivalent Residential Units (ERUs), Supplemental Methodology
407 Reports, and the special and peculiar benefits to the units. Mr. Wrathell also noted that the
408 Assessment Methodology addressed what was needed in order to have a valid assessment lien,

409 specifically that the assessments under the methodology were reasonably and fairly allocated to
410 the lands specially benefitting from such assessments and that the assessed lands received
411 special benefits that were equal to or in excess of assessments levied on such lands under the
412 methodology report. Ms. Sandy noted that the last two items discussed by Mr. Wrathell were
413 items she would normally ask Mr. Wrathell to confirm on the record with respect to the
414 Assessment Methodology, and asked the record to reflect the items were addressed by the
415 Assessment consultant.

416 **On MOTION by Mr. Alfonso and seconded by Mr. Reader, with all in favor, the**
417 **Master Special Assessment Methodology Report dated March 6, 2026, in**
418 **substantial form, was approved.**

419
420 **F. Resolution 2026-33, Declaring Special Assessments; Indicating the Location, Nature And**
421 **Estimated Cost of Those Infrastructure Improvements Whose Cost is to Be Defrayed by**
422 **the Special Assessments; Providing the Portion of the Estimated Cost of the**
423 **Improvements to Be Defrayed by the Special Assessments; Providing the Manner in**
424 **Which Such Special Assessments Shall Be Made; Providing When Such Special**
425 **Assessments Shall Be Paid; Designating Lands Upon Which the Special Assessments**
426 **Shall Be Levied; Providing for an Assessment Plat; Adopting a Preliminary Assessment**
427 **Roll; Providing for Publication of this Resolution**

428 Ms. Sandy stated this resolution starts the process under Fla. Stat. Ch. 170, 190, and 197 for the
429 District to levy master assessments, which will be used to help the District fund its capital
430 improvement plan. The resolution additionally approves the Engineer's Report and Master
431 Assessment Methodology Report in substantial form.

432 **On MOTION by Ms. Locher and seconded by Mr. Alfonso, with all in favor,**
433 **Resolution 2026-33, Declaring Special Assessments; Indicating the Location,**
434 **Nature And Estimated Cost of Those Infrastructure Improvements Whose Cost**
435 **is to Be Defrayed by the Special Assessments; Providing the Portion of the**
436 **Estimated Cost of the Improvements to Be Defrayed by the Special Assessments;**
437 **Providing the Manner in Which Such Special Assessments Shall Be Made;**
438 **Providing When Such Special Assessments Shall Be Paid; Designating Lands Upon**
439 **Which the Special Assessments Shall Be Levied; Providing for an Assessment**
440 **Plat; Adopting a Preliminary Assessment Roll; Providing for Publication of this**
441 **Resolution, was adopted.**

442

- 443 **G. Resolution 2026-34, Setting a Public Hearing for the Purpose of Hearing Public Comment**
 444 **on Imposing Special Assessments on Certain Property Within the District Generally**
 445 **Described as the Lake Hills Community Development District in Accordance with**
 446 **Chapters 170, 190 and 197, Florida Statutes**

447 Ms. Sandy stated this resolution sets a public hearing on the master assessments contemplated
 448 under Resolution 2026-33.

On MOTION by Ms. Locher and seconded by Mr. Alfonso, with all in favor, Resolution 2026-34, Setting a Public Hearing for April 17, 2026 at 11:00 a.m., at the Mission Resort + Club, 10400 Country Road 48, Howey-in-the-Hills, Florida 34737 for the Purpose of Hearing Public Comment on Imposing Special Assessments on Certain Property Within the District Generally Described as the Lake Hills Community Development District in Accordance with Chapters 170, 190 and 197, Florida Statutes, was adopted.

- 456
 457 **H. Resolution 2026-35, Authorizing the Issuance of Not to Exceed \$111,190,000 Lake Hills**
 458 **Community Development District Capital Improvement Revenue Bonds, in One or More**
 459 **Series; Approving the Form of a Master Trust Indenture; Appointing a Trustee, Registrar**
 460 **and Paying Agent; Approving a Capital Improvement Program; Authorizing the**
 461 **Commencement of Validation Proceedings Relating to the Bonds; and Providing an**
 462 **Effective Date**

463 Ms. Wilhelm presented Resolution 2026-35, which accomplishes the following:

- 464 ➤ Authorizes and directs District Counsel and Bond Counsel to file for validation.
- 465 ➤ Authorizes and approves execution and delivery of the Master Trust Indenture.
- 466 ➤ Appoints U.S. Bank Trust Company, N. A., as the Trustee, Registrar and Paying Agent.
- 467 ➤ Authorizes issuance of a not to exceed \$112,190,000 aggregate principal amount of
 468 Capital Improvement Revenue bonds in one or more series.
- 469 ➤ Approves the CIP.

On MOTION by Mr. Alfonso and seconded by Mr. Crawford, with all in favor, Resolution 2026-35, Authorizing the Issuance of Not to Exceed \$112,190,000 Lake Hills Community Development District Capital Improvement Revenue Bonds, in One or More Series; Approving the Form of a Master Trust Indenture; Appointing a Trustee, Registrar and Paying Agent; Approving a Capital Improvement Program; Authorizing the Commencement of Validation Proceedings Relating to the Bonds; and Providing an Effective Date, was adopted.

478

479

480 **PART 5: PROJECT RELATED MATTERS**481 **FOURTEENTH ORDER OF BUSINESS****Consideration of the Following Project
Related Items:**

482

483

484 Ms. Sandy presented the following:

485 **A. Interlocal Agreement**

486 Ms. Sandy stated this interlocal agreement is between the District and Town of Howey in the
487 Hills. It was negotiated during the establishment process and the petitioner agreed to have it
488 approved and entered into by the CDD's board upon establishment.

489 **On MOTION by Mr. Crawford and seconded by Mr. Reader, with all in favor, the**
490 **Interlocal Agreement with the Town of Howey in the Hills, was approved.**

491

492 **B. Consideration of Resolution 2026-36, Authorizing the Filing of a Public Facilities Report**
493 **and Providing an Effective Date**

494 **On MOTION by Mr. Alfonso and seconded by Ms. Locher, with all in favor,**
495 **Resolution 2026-36, Authorizing the Filing of a Public Facilities Report and**
496 **Providing an Effective Date, was adopted.**

497

498

499 **FIFTEENTH ORDER OF BUSINESS****Staff Reports**

500

501 **A. District Counsel: Kutak Rock LLP**502 **B. District Engineer (Interim): Madden, Moorhead & Stokes, LLC**

503 There were no District Counsel or District Engineer reports.

504 **C. District Manager: Wrathell, Hunt and Associates, LLC**

505 The next meetings will be on April 17, 2026 and May 12, 2026 at 11:00 a.m.

506

507 **SIXTEENTH ORDER OF BUSINESS****Board Members' Comments/Requests**

508

509 Discussion ensued regarding Board Members' use of email and funding requests.

510 Ms. Sandy suggested including the CDD name in the subject line to facilitate filing. It was
511 noted that District Management sends email reminders for meeting dates; Board Members
512 should never use the "reply all" feature when responding to CDD emails.

513

514 **SEVENTEENTH ORDER OF BUSINESS**

Public Comments

515

516 No members of the public spoke.

517

518 **EIGHTEENTH ORDER OF BUSINESS**

Adjournment

519

520 **On MOTION by Ms. Locher and seconded by Mr. Alfonso, with all in favor, the**
521 **meeting adjourned at 12:21 p.m.**

522

523

524

525

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

526

527

528

529 _____
Secretary/Assistant Secretary

Chair/Vice Chair

LAKE HILLS

COMMUNITY DEVELOPMENT DISTRICT

STAFF

REPORTS

LAKE HILLS COMMUNITY DEVELOPMENT DISTRICT
Performance Measures/Standards & Annual Reporting Form
October 1, 2025 – September 30, 2026

1. COMMUNITY COMMUNICATION AND ENGAGEMENT

Goal 1.1 Public Meetings Compliance

Objective: Hold at least two (2) regular Board of Supervisor meetings per year to conduct CDD related business and discuss community needs.

Measurement: Number of public board meetings held annually as evidenced by meeting minutes and legal advertisements.

Standard: A minimum of two (2) regular board meetings was held during the fiscal year.

Achieved: Yes No

Goal 1.2 Notice of Meetings Compliance

Objective: Provide public notice of each meeting at least seven days in advance, as specified in Section 190.007(1), using at least two communication methods.

Measurement: Timeliness and method of meeting notices as evidenced by posting to CDD website, publishing in local newspaper and via electronic communication.

Standard: 100% of meetings were advertised with 7 days' notice per statute on at least two mediums (i.e., newspaper, CDD website, electronic communications).

Achieved: Yes No

Goal 1.3 Access to Records Compliance

Objective: Ensure that meeting minutes and other public records are readily available and easily accessible to the public by completing monthly CDD website checks.

Measurement: Monthly website reviews will be completed to ensure meeting minutes and other public records are up to date as evidenced by District Management's records.

Standard: 100% of monthly website checks were completed by District Management.

Achieved: Yes No

2. **INFRASTRUCTURE AND FACILITIES MAINTENANCE**

Goal 2.1 District Infrastructure and Facilities Inspections

Objective: District Engineer will conduct an annual inspection of the District's infrastructure and related systems.

Measurement: A minimum of one (1) inspection completed per year as evidenced by district engineer's report related to district's infrastructure and related systems.

Standard: Minimum of one (1) inspection was completed in the Fiscal Year by the district's engineer.

Achieved: Yes No

3. **FINANCIAL TRANSPARENCY AND ACCOUNTABILITY**

Goal 3.1 Annual Budget Preparation

Objective: Prepare and approve the annual proposed budget by June 15 and final budget was adopted by September 30 each year.

Measurement: Proposed budget was approved by the Board before June 15 and final budget was adopted by September 30 as evidenced by meeting minutes and budget documents listed on CDD website and/or within district records.

Standard: 100% of budget approval and adoption were completed by the statutory deadlines and posted to the CDD website.

Achieved: Yes No

Goal 3.2 Financial Reports

Objective: Publish to the CDD website the most recent versions of the following documents: current fiscal year budget with any amendments, most recent financials within the latest agenda package; and annual audit via link to Florida Auditor General website.

Measurement: Previous years' budgets, financials and annual audit, are accessible to the public as evidenced by corresponding documents and link on the CDD's website.

Standard: CDD website contains 100% of the following information: most recent link to annual audit, most recently adopted/amended fiscal year budget, and most recent agenda package with updated financials.

Achieved: Yes No

Goal 3.3 Annual Financial Audit

Objective: Conduct an annual independent financial audit per statutory requirements, transmit to the State of Florida and publish corresponding link to Florida Auditor General Website on the CDD website for public inspection.

Measurement: Timeliness of audit completion and publication as evidenced by meeting minutes showing board approval and annual audit is transmitted to the State of Florida and available on the Florida Auditor General Website, for which a corresponding link is published on the CDD website.

Standard: Audit was completed by an independent auditing firm per statutory requirements and results were transmitted to the State of Florida and corresponding link to Florida Auditor General Website is published on CDD website.

Achieved: Yes No

Junaidul
District Manager

Jordan Lanford
Print Name

3/6/2024
Date

Kimberly Locher
Chair/Vice Chair, Board of Supervisors

Kimberly Locher
Print Name

3/6/2024
Date