



Verano Center & #3-5

Community Development Districts

<http://www.veranocentercdd.com>

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John Csapo, Chairman

Robert Fromm, Vice Chairman

Scott Morton, Assistant Secretary

Richard Covell, Assistant Secretary

Mark Thomas, Assistant Secretary

November 8, 2017



# Verano Center & #3-5 Community Development Districts

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Phone: 954-721-8681 - Fax: 954-721-9202

November 1, 2017

## Board of Supervisors Verano Center & #3-5 Community Development District

Dear Board Members:

A **special** meeting of the Board of Supervisors of **Verano Center & #3-5 Community Development Districts** will be held on **November 8, 2017 at 10:00 a.m. at the Verano Social Clubhouse, 10291 S.W. Visconti Way, Port St. Lucie, Florida 34986**. Following is a copy of the advance agenda:

1. Roll Call
2. Approval of the Minutes of the October 19, 2017 Meeting
3. Consideration of Supplemental Engineers Report for Certain Public Infrastructure
4. Consideration of Second Supplemental Assessment Methodology Report for Series 2017 Bonds
5. Staff Reports
  - A. Attorney
  - B. Engineer
  - C. Manager
6. Supervisors Requests and Audience Comments
7. Adjournment

Enclosed for your review are the minutes from the October 19, 2017 meeting.

The third order of business is consideration of supplemental engineers report for certain public infrastructure. A copy of the report is enclosed for your review.

The fourth order of business is consideration of second supplemental assessment methodology report for Series 2017 Bonds. A copy of the report is enclosed for your review.

The balance of the agenda is routine in nature and staff will give their reports at the meeting. I look forward to seeing you then and in the meantime if you have any questions, please contact me.

Sincerely,



Rich Hans  
Manager

cc: Daniel Harrell      Thomas McGowan      Amy Eason      Steve Sanford  
    Howard Erbstein      Jon Kessler      Trevor Barrett

**MINUTES OF JOINT MEETING  
VERANO CENTER  
AND  
VERANO #3 THROUGH #5  
COMMUNITY DEVELOPMENT DISTRICTS**

The joint meeting of the Board of Supervisors of the Verano Center Community Development District and Verano #3 through #5 Community Development Districts was held on October 19, 2017 at 10:00 a.m. at the Verano Social Clubhouse, 10291 S. W. Visconti Way, Port St. Lucie, Florida.

Present and constituting a quorum were:

John Csapo	Chairman
Robert Fromm	Vice Chairman
Mark Thomas	Assistant Secretary

Also present were:

Rich Hans	District Manager
Lisa Derryberry	GMS
Dan Harrell	District Counsel
Amy Eason	District Engineer
Steve Sanford	Greenberg Traurig

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Hans called the meeting to order and called the roll.

**SECOND ORDER OF BUSINESS**

**Approval of the Minutes of the  
September 14, 2017 Meeting**

Mr. Hans: Item #2 is Approval of the Minutes of the September 14, 2017 Meeting.

On MOTION by Mr. Fromm seconded by Mr. Thomas with all in favor the Minutes of the September 14, 2017 Meeting were approved as-presented.
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**THIRD ORDER OF BUSINESS**

**Consideration of Resolution #2018-01  
Joint Delegation Resolution**

- A. Form Bond Purchase Contract**
- B. Draft Preliminary Limited Offering Memorandum**
- C. Form Continuing Disclosure Agreement**
- D. Forms of Third, Fourth, and Fifth Supplemental Trust Indentures**

Mr. Hans: Item #3 is Consideration of Resolution #2018-01 Joint Delegation Resolution. A copy of that is in your book. It is just slightly different than the version we have to be signed. It is just changing the not-to-exceed amount for Pod C from \$3.6 million to \$7 million and the total goes from \$15,460,000 to \$18,810,000. So those are the changes from the version that is going to be signed versus what is the book. The delegating resolution authorizes the issuance of bonds under the original indenture that we have. Steve is maybe calling in and will be able to offer more detail if you need more questions answered at this point he should be joining us soon. But anyhow, it authorizes us to move forward with the preliminary limited offering memorandum and marketing the bonds and everything that needs to be done in that regard.

Mr. Csapo: I have a couple questions. Pod C is not in CDD #2 I take it?

Mr. Fromm: It is.

Mr. Csapo: And we are doing Verano Center and Verano #3 through #5. So what does this have to do with those?

Mr. Fromm: It is a joint delegation resolution, which is for all five CDDs just on this. When we get to #2, then we will go ahead and approve some other items.

Mr. Harrell: Among the other things, the reason why they are all involved in it, District #1 was originally the issuer.

Mr. Csapo: Was it District #1 or Center?

Mr. Harrell: District #1 was the issuer. Center is the administration District. Steve can probably explain it a little better than I can, but one of the main reasons why you have a joint resolution is that all of the CDDs need to join in the designation of #2 being the issuer of these series of bonds.

Mr. Sanford: I am here. That is correct.

Mr. Harrell: John had asked a question about why Center and #3 through #5 were involved in the bond deal.

Mr. Sanford: That is really the only purpose, and the master trust indenture, which governs all of the series of bonds, is between the trustee and all of the CDDs, so it just sort of closes the loop by adopting the joint resolutions. When we get to the supplemental indentures for each series of bonds, it will only be the issuer CDD signing that supplemental indenture. That is how that works.

Mr. Csapo: Okay. Bob, are those amounts correct? I thought there was some discussion on increasing the bond amount.

Mr. Fromm: Yes. We increased it up to \$7 million for Pod C. We may issue \$7 million, we may issue \$6.7 million, but at any rate we now have enough money there to issue the bonds in that resolution or slightly lower.

Mr. Csapo: And are there going to be the "A" bonds and the others?

Mr. Fromm: Yes. Steve, you have worked into your documents the concept of an "A" and "A+" bond?

Mr. Sanford: Well it is nothing specifically called out. In my mind what an A+ bond means is that upon a house closing, this prepayment of some portion of the assessments, the documents allow for at any time any prepayment of the assessments that is closed through the indenture and is used to call a bond. So in a sense it works automatically. We don't say "B" bonds or anything like that. They are just the ability to prepay assessments at any time.

Mr. Csapo: So they are all thirty year "A" bonds with the one-time ability to pay it down at the house closing?

Mr. Sanford: It more than even one time, John. So you can do a partial pay down when you close on a home, and then the homeowner down the road may decide to pay off their assessments. So it can be done more than once.

Mr. Csapo: Okay.

Mr. Hans: Some bonds in the past could be paid partially and then you had to pay in full the second time.

Mr. Fromm: In the original string of e-mails, it was implied that Pod C may be released from the mortgage and that then would just change the mortgagee consent form. We will verify that is really going to happen here within the next week.

Mr. Sanford: Who is your lender, Bob?

Mr. Thomas: Texas.

Mr. Csapo: Yes, Texas State Bank. I don't think that is going to happen within the next week. I think that it will happen sometime this year, but the bonds will be issued before it happens.

Mr. Fromm: And the consent is going to be needed.

Mr. Sanford: The thing about out-of-state, and the whole reason why even do these special assessment acknowledgements is because many years ago there was an out-of-state bank that didn't realize that their mortgages had fallen behind in assessments. So the fact that we are dealing with a Texas bank, it might be a little bit of a surprise to them, as well. We probably should get them informed, Bob, sooner than later.

Mr. Fromm: Yes. They have been well educated. They have been around for quite a while. I have met with both them and SunTrust, since they are joint ventures. So they are up-to-speed.

Mr. Harrell: They provided one for the 2015 bonds.

Mr. Fromm: Yes. They were around for the 2015 bonds.

Mr. Sanford: Okay. So they should be good.

Mr. Csapo: So what do you want us to do?

Mr. Hans: Resolution #2018-01 Joint Delegation Resolution will be approving for Center and #3-#5 by motion.

On MOTION by Mr. Fromm seconded by Mr. Thomas with all in favor Resolution #2018-01 Joint Delegation Resolution was approved.

Mr. Hans: And all of the attachments, the form of the bond purchase contract, preliminary limited offering memorandum, continuing disclosure agreement, and third,

fourth, and fifth supplements are approved by this. Those copies are actually in the book for District #2 if you want to see those that is where they are.

**FOURTH ORDER OF BUSINESS      Staff Reports**

**A. Attorney**

There not being any report, the next item followed.

**B. Engineer**

There not being any report, the next item followed.

**C. Manager**

There not being any report, the next item followed.

**FIFTH ORDER OF BUSINESS      Financial Reports**

**A. Check Run Summary**

**B. Combined Balance Sheet and Income Statement**

Mr. Hans: Financial Reports, we have the Check Run Summary, and the Combined Balance Sheet and Income Statement.

On MOTION by Mr. Fromm seconded by Mr. Thomas with all in favor the Check Run Summaries and the Combined Balance Sheets and Income Statements were approved.

**SIXTH ORDER OF BUSINESS      Supervisors      Requests      and  
Audience Comments**

There not being any, the next item followed.

**SEVENTH ORDER OF BUSINESS      Adjournment**

Mr. Hans: And with no other business, a motion to adjourn.

On MOTION by Mr. Fromm seconded by Mr. Thomas with all in favor the meeting was adjourned.

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Secretary / Assistant Secretary

\_\_\_\_\_  
Chairman / Vice Chairman

**SUPPLEMENTAL ENGINEER'S REPORT**

**FOR**

**CERTAIN PUBLIC INFRASTRUCTURE  
SERVING THE  
VERANO COMMUNITY DEVELOPMENT DISTRICT #2**

**Prepared for:  
The Board of Supervisors  
Verano #2 Community Development District**

**Prepared by  
Engineer:**

**AECOM**

2090 Palm Beach Lakes Blvd, Suite 600  
West Palm Beach, Florida 33409

**November 9, 2017**



## EXECUTIVE SUMMARY

This report supplements the Master Engineer's Report for the Public Infrastructure Serving the Verano Community Development Districts dated November 17, 2005 as amended on March 5, 2015 (the "Master Report"). Any capitalized term used herein and not otherwise defined shall have the meaning ascribed to such term in the Master Report. The Master Report sets forth information relating to the master public infrastructure needed to serve the Verano development (the "Development") to be located within the boundaries of the Verano Community Development Districts ("Districts"), which are a combination of six separate community development districts (Center CDD, CDD #1, CDD #2, CDD #3, CDD #4 and CDD #5). This master public infrastructure is referred to in the Master Report and herein as "Public Infrastructure" and the term includes all public improvements within and outside the boundaries of the Districts. It is understood that offsite public infrastructure are types of improvements listed in the conditions of approval in the DRI development order.

Public Infrastructure is expected to be implemented in phases. With the exception of the Center CDD, each of the individual CDDs (or an identified CDD on behalf of another CDD) will also construct "Public Infrastructure" for the benefit of the landowners within the Districts. Only those improvements that are determined to be eligible for tax-exempt financing will be financed by the Districts. At the present time, CDD#2 is contemplating the issuance of bonds to finance the acquisition and construction of components of the Public Infrastructure (the "2017 District #2 Project") needed within CDD #2 to serve a portion of the developable lands located within the District.

The components of the 2017 District #2 Project are included within the Public Infrastructure improvements described in the Master Report. It is expected that the Public Infrastructure needed for the remainder of CDD #2, CDD #3, CDD #4 and CDD #5 will be funded by the respective District serving as the "Issuer" and/or the Developer as and when such improvements are required to serve the development within such Districts.

The capital improvement plan contained in the Master Report, as supplemented by this report reflects the present intentions of CDD #2 with respect to the Public Infrastructure for Pod A, Pod B, and Pod C within CDD #2. However, the 2017 District #2 Project may be modified in the future.

CDD #2 serves approximately 2,000 residential units, 500,000 square feet of retail/office, 300 hotel rooms, a recreational vehicle park, and recreational amenities. The 2017 District #2 Project represents the first phase of construction within CDD #2. Upon completion of the 2017 District #2 Project, approximately 741 residential units and recreational amenities will be served by the planned Public Infrastructure to be located in Pod A, Pod B, and Pod C within CDD #2.

The lands within Districts comprise approximately 3,061.84 acres of land located entirely within the City of Port St. Lucie, St. Lucie County, Florida and lying in portions of

Sections 28, 29, 31, 32, 33, 34 and 35, Township 36 South, Range 39 East and Sections 3, 4, 5 and 6, Township 37 South, Range 39 East. In addition, the Districts are located within a City of Port St. Lucie-approved Development of Regional Impact (DRI).

## **2017 DISTRICT #2 PROJECT**

The 2017 District #2 Project consist of approximately 393.9 acres of the total 988.6 acres of CDD #2. The improvements comprising the 2017 District #2 Project are divided into three pods (Pod A, B, and C) and will be constructed in three construction phases; this construction phasing differs from the CDD Phasing set forth in the Master Report. Construction Phase I (Pod A) consists of 280 units, Construction Phase II (Pod B) consists of 248 units, and Construction Phase III (Pod C) consists of approximately 426 units for a total of 954 units. At this time, only a portion of Pod C (approximately 213 units) will be developed during the first bond issue. Figure 1 shows the project limits, and Appendix A contains the legal descriptions.

Public improvements, as defined in the Master Report, consist of the following infrastructure for all the pods:

- Stormwater Management
  - Storm Pipes
  - Curbs
  - Lakes & Sod
- Water/Sewer/FP&L
  - Water lines
  - Sewer lines
  - Undergrounding Differential Costs of Power lines
- Professional Fees
  - Permit Fees
  - Professional Fees
  - Contingency

Pod C also contains under the category of Roadways items such as asphalt and common sidewalk; under the category of Water/Sewer/FP&L items such as irrigation lines and pumps; and under the category of Streetlights & Landscaping items such as entry features, landscaping, common area landscape, and street trees.

As part of this supplemental report, a new category of improvements has been added for amenities. Amenities may consist of public infrastructure such as golf courses, pools, tennis courts, clubhouses, etc. The Master Report stated that these amenities would be constructed by the developer and would not be included as Public Infrastructure, but for this project a clubhouse is being constructed for Pod C and will be considered Public Infrastructure for the development. In accordance with Section VII – Report Modifications of the Master Report, additional public infrastructure improvements may be included as long as such deviations or modifications do not change the overall primary

objective of the Report. For this project, the amenities do not materially affect the Report.

There is also public infrastructure that is shared between pods. Pods A and B share a lift station and a force main, Pods B and C share a lift station and force main, and all the pods share the control structure for stormwater management. There is also a directional bore for the water line and force main under the C-24 Canal that is shared by all the pods. In addition, these facilities will also serve some future development in adjacent areas, but this report does not include those future costs. Instead this report shows the proportionate share of these facilities to only the areas served in this report.

Table 1 indicates the costs by category for the Public Infrastructure comprising the 2017 District #2 Project expected to be funded with the proceeds of the Series 2017 Bonds which will be issued in 3 series for each respective pod. It is the intent of CDD #2 that the remaining components of the Public Infrastructure needed to serve the planned development in CDD #2 will be developed in future construction phases. For the public infrastructure that is shared between pods, the following methodology was used to distribute the costs between the pods:

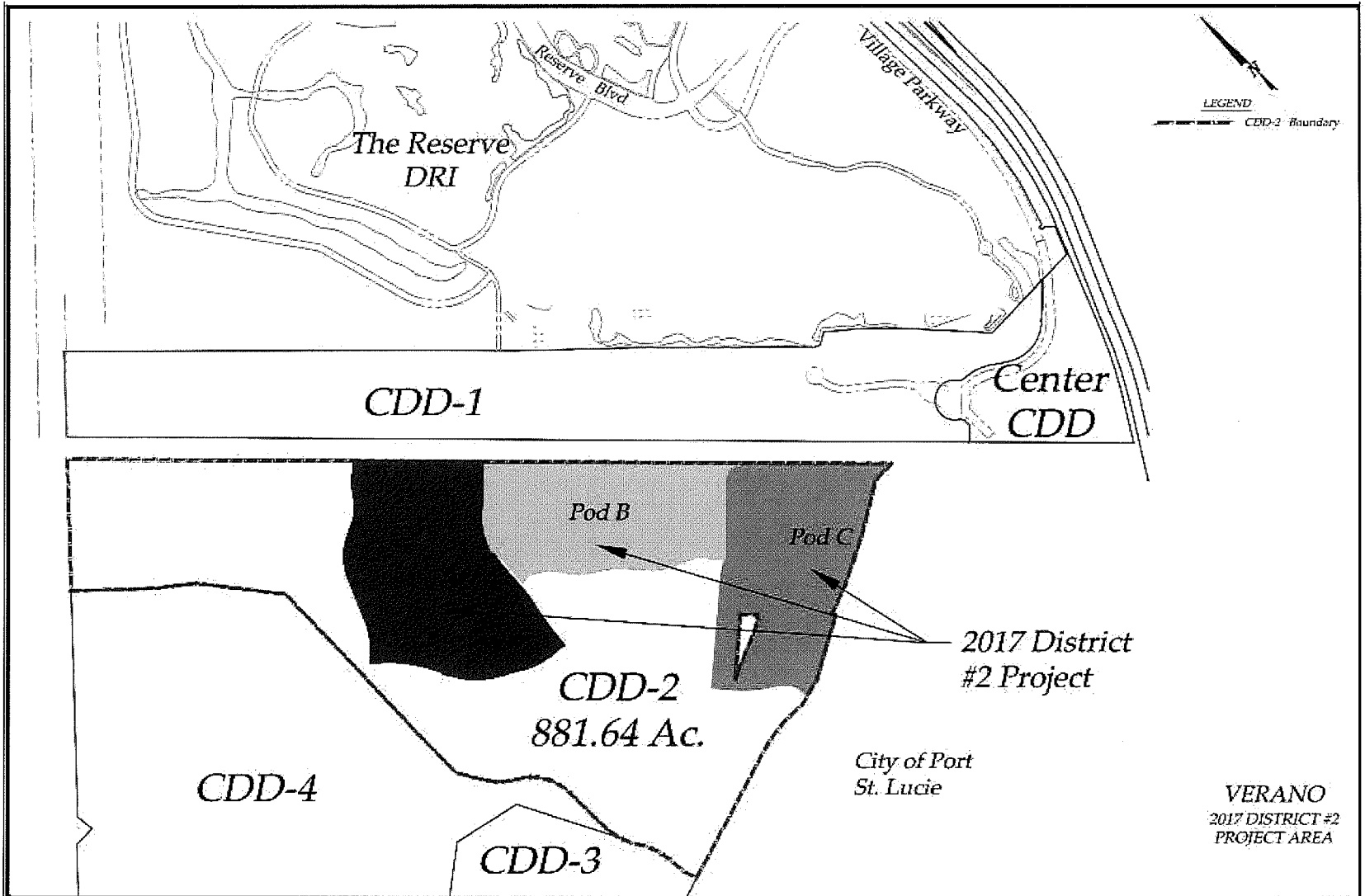
- For the lift station, force main, and the water and force main directional bores, the costs are distributed to the pods by the amount of units for the entire area that is served.
- For the water control structure, the costs are distributed by the acreage of the pods being developed and to be developed.

The Public Infrastructure cost estimates for the 2017 District Project #2 have been updated and refined to reflect the actual project costs for items currently under construction, recent bids as applicable or the stated intentions of the herein defined Master Developer.

Construction contracts for the first two construction phases of the 2017 District #2 Project have been awarded and are under construction. Bidding and negotiation of the construction contracts for the third construction phase of the 2017 District #2 Project has commenced and is expected to be completed by December 2017. Construction of the 2017 District #2 Project has commenced and is expected to be substantially complete by December 2020.

The Verano Development LLC (the “Master Developer”) will provide approximately \$1,700,000 for the C-24 Bridge Connection from north side of the C-24 Canal (CDD #1) to the south side of the C-24 Canal (CDD #2) for future development and \$200,000 of offsite canal improvements. In addition, the Master Developer will contribute approximately \$9,450,000 in other developer infrastructure for Pods A, B, and C and approximately \$700,000 for a pool and cabana for Pod B. Pod C will be developed by Kolter Land Partners and will contribute \$750,000 in other developer infrastructure for the 213 units to be developed.

Figure 1. Location Map



**Table 1**  
**Summary of Budgeted Costs**  
**2017 District #2 Project**

<b>Public Infrastructure</b>	<b>Phase I (Pod A)</b>	<b>Phase II (Pod B)</b>	<b>Phase III (Pod C)</b>	<b>Total Estimated Cost</b>
Roadways	\$0	\$0	\$1,540,000	\$1,540,000
Stormwater Management	\$2,567,500	\$2,110,000	\$2,980,000	\$7,657,500
Water/Sewer/Under Grounding Differential	\$3,092,500	\$2,957,000	\$4,242,000	\$10,291,500
Streetlights & Landscaping	\$0	\$0	\$750,000	\$750,000
Amenities	\$0	\$0	\$1,000,000	\$1,000,000
Professional Fees	\$780,000	\$320,000	\$1,550,000	\$2,650,000
<b>Proportionate Share of Public Infrastructure</b>				
Stormwater Management	\$58,000	\$45,000	\$51,000	\$154,000
Water/Sewer/Under Grounding Differential	\$345,000	\$295,000	\$482,000	\$1,122,000
<b>Total</b>	<b>\$6,843,000</b>	<b>\$5,727,000</b>	<b>\$12,595,000</b>	<b>\$25,165,000</b>

## PERMITTING

Federal, State and local permits, and site and construction plan approvals are required prior to the construction of Public Infrastructure. SFWMD conceptual environmental resource permits for the design of the water management system serving the entire Development have been obtained, one each for the lands north and south of the SFWMD C-24 canal. A U.S. Army Corps of Engineers' Dredge and Fill Permit has been issued for the entire Development. These permits document the preservation of onsite wetlands and wetland buffers and offsite wetland mitigation requirements for the Development. A construction permit for the lakes within the project has been obtained through SFWMD (Permit 56-01684-P, Application 170407-11) which will serve the entire 2017 District #2 Project of 741 units. A construction permit for Phases I and II (Pods A and B) was issued on October 18, 2017 by SFWMD.

Development within the Districts will be subject to the DRI Project Development Order Conditions of Approval and the existing permits unless these permits are modified and/or closed. Detailed design documents, permits and water and sewer capacity reservations are required to construct the Public Infrastructure necessary for each component of the Development and the respective construction phases and in support of the long-term uses within the Development. At present, the Development is in compliance with all conditions of the zoning ordinances applicable to the Development. Please see Table 3 for a detailed description of the status of permits required for the 2017 District #2 Project. Detailed design, construction plans, permits, and approvals required for CDD #2-Phases I and II (Pods A and B and consisting of 528 residential units) have been completed, are obtained or are in the final stages of approval. Phase III (Pod C) plans and permits were submitted to the City of Port St. Lucie and SFWMD in September and October, respectively. It is our opinion that there are no technical reasons existing at this time which would prohibit the implementation of the 2017 District #2 Project as presented herein and that all permits and water and sewer capacity reservations not heretofore issued and which are necessary to effect the improvements described herein will be obtained during the ordinary course of development.

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**Table 3  
2017 District #2 Project Permit Status**

Agency	Permit	Permit No./[Application No.]	CDD	Approval Date	Expected Approval Date
Army Corp. of Engineers (ACOE)	Dredge and Fill Permit	SAJ-1994-820(IP-TKW)	CDD #1-5 & Center	March 18, 2005	--
SFWMD	Conceptual Environmental Resources	56-01648-P 56-01648-P(Mod)	CDD #2-5 CDD #2-5	September 8, 2004 April 9, 2012	--
SFWMD	Environmental Resources (Construction & Operation)	[170407-11]/56-01648-P [170530-4]/56-01648-P [170530-4]/56-01648-P	CDD #2-Phase I Lakes CDD #2-Phase I CDD #2-Phase II CDD #2-Phase III	April 27, 2017 October 18, 2017 October 18, 2017 --	-- -- -- 2017
SFWMD	Water Use (Irrigation)	[170608-11]56-03576-W	CDD #2-Phase I CDD #2-Phase II CDD #2-Phase III	Oct. 20, 2017 Oct. 20, 2017 --	-- -- 2018
SFWMD	Water Use	[040622-11]/56-00428-W [100831-31]/56-00428-W	CDD #2-5-Ag Ops. CDD #2-5-Ag Ops.	Feb. 8, 2006 Oct. 12, 2010	-- --
SFWMD	Dewatering Permit	--	CDD #2	--	2017
SFWMD	R/W (Control Structure)	--	CDD #2	--	2017
SFWMD	R/W Crossing (Bridge)	--	CDD #2	--	2017
SFWMD	R/W Crossing (Water & Wastewater Main)	--	CDD #2-5	--	2020
FDEP	Water Distribution System	-- -- --	CDD #2-Phase I CDD #2-Phase II CDD #2-Phase III	-- -- --	2017 2017 2018
FDEP	Wastewater Collection System	-- -- --	CDD #2-Phase I CDD #2-Phase II CDD #2-Phase III	-- -- --	2017 2017 2018
City of PSL	Development of Regional Impact	Resolution 03-R96	CDD #1-5 & Center	Dec. 15, 2003	--
City of PSL	Development of Regional Impact	Resolution 12-R102	CDD #1-5 & Center	Oct. 22, 2012	--
City of PSL	Planned Unit of Development	--	CDD #2-Phase I	--	--
City of PSL	Engineering	11-652-30 11-652-31 --	CDD #2-Phase I CDD #2-Phase II CDD #2-Phase III	Oct. 20, 2017 Oct. 20, 2017 --	-- -- 2018

City of PSL	Site Clearing	--	CDD #2-Phase I	Aug. 14, 2017	--
		--	CDD #2-Phase II	Aug. 14, 2017	--
		--	CDD #2-Phase III	--	2017
St. Lucie County	Right-of-Way Use Permit	05-693	Glades Cut Off and C-24 Canal	July 8, 2005	--
FDEP	NPDES Permit	FLR20BK98	CDD #2-Phase I	June 23, 2017	--
		FLR20BK98	CDD #2-Phase II	June 23, 2017	--
		FLR20BK98	CDD #2-Phase III	June 23, 2017	--
FL Fish and Wildlife Conserv.	Tortoise Relocation Permit	Not Needed	CDD #2, All Phases	Aug. 2017	--

\*Not required for construction authorization.

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## 2017 DISTRICT #2 PROJECT BENEFITS

The capital improvements for CDD #2 proposed in the adopted Master Report (which includes all components of the 2017 District #2 Project described herein) will provide special benefit to, and serve all of the developable real property and such benefit will equal or exceed the cost of such Public Infrastructure within Pod A, Pod B, and Pod C within CDD #2. The construction and maintenance of the proposed improvements will benefit the property for the intended use and will serve all of the property within Pod A, Pod B, and Pod C within CDD #2 and such benefit will equal or exceed the cost of such Public Infrastructure.

Amy E. Eason, P. E.  
Florida Registration No. 59936  
AECOM Technical Services, Inc.  
No. 8115

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## Appendix A

### Legal Descriptions of 2017 District #2 Project

**LEGAL DESCRIPTION: VERANO SOUTH P.U.D. NO. 1, POD A**

A PORTION OF PARCELS 3 AND 4, VERANO MASTER PLAT, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 57, PAGE 25, OF THE PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF PARCEL 1, OF SAID VERANO MASTER PLAT; THENCE ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT C-24 CANAL AS SHOWN ON SAID VERANO MASTER PLAT, NORTH 43°08'38" WEST, A DISTANCE OF 5,753.75 FEET TO THE POINT OF BEGINNING OF HEREIN DESCRIBED PARCEL OF LAND; THENCE SOUTH 46°51'24" WEST, A DISTANCE OF 879.67 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 550.00 FEET; THENCE SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 23°55'36", A DISTANCE OF 229.68 FEET; THENCE SOUTH 37°18'07" WEST, A DISTANCE OF 32.72 FEET; THENCE SOUTH 19°10'52" WEST, A DISTANCE OF 87.57 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 10.00 FEET; THENCE SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 93°52'58", A DISTANCE OF 16.39 FEET; THENCE SOUTH 23°03'50" WEST, A DISTANCE OF 92.28 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE, CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 615.90 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 26°23'22" EAST; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 01°51'19", A DISTANCE OF 19.94 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHEASTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 81°29'13", A DISTANCE OF 35.56 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE EAST, HAVING A RADIUS OF 1,035.00 FEET; THENCE SOUTHERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 10°26'53", A DISTANCE OF 188.74 FEET; THENCE SOUTH 05°34'23" WEST, A DISTANCE OF 488.37 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 965.00 FEET; THENCE SOUTHERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 08°35'03", A DISTANCE OF 144.58 FEET; THENCE SOUTH 14°09'26" WEST, A DISTANCE OF 102.81 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE EAST, HAVING A RADIUS OF 5,035.00 FEET; THENCE SOUTHERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 06°14'00", A DISTANCE OF 547.76 FEET; THENCE SOUTH 07°55'26" WEST, A DISTANCE OF 149.79 FEET; THENCE NORTH 82°04'34" WEST, A DISTANCE OF 15.00 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE, CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 10.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 82°04'34" WEST; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 15.71 FEET; THENCE NORTH 82°04'34" WEST, A DISTANCE OF 117.50 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 10.00 FEET; THENCE SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 15.71 FEET; THENCE NORTH 82°04'34" WEST, A DISTANCE OF 122.00 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE, CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 10.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 82°04'34" WEST; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 15.71 FEET; THENCE NORTH 82°04'34" WEST, A DISTANCE OF 22.84 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTH, HAVING A RADIUS OF 800.00 FEET; THENCE WESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 23°57'11", A DISTANCE OF 334.45 FEET; THENCE NORTH 58°07'23" WEST, A DISTANCE OF 440.11 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1,050.00 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 32°54'18", A DISTANCE OF 603.02 FEET; THENCE NORTH 25°13'05" WEST, A

DISTANCE OF 20.12 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 10.00 FEET; THENCE WESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 15.71 FEET; THENCE NORTH 25°13'05" WEST, A DISTANCE OF 122.00 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE, CONCAVE TO THE WEST, HAVING A RADIUS OF 10.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 25°13'05" WEST; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 15.71 FEET; THENCE NORTH 25°13'05" WEST, A DISTANCE OF 119.53 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1,950.00 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 20°50'26", A DISTANCE OF 709.28 FEET; THENCE NORTH 46°03'31" WEST, A DISTANCE OF 177.62 FEET; THENCE NORTH 43°56'29" EAST, A DISTANCE OF 85.00 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 1,165.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 38°19'25" WEST; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 27°09'20", A DISTANCE OF 552.16 FEET; THENCE NORTH 24°31'15" EAST, A DISTANCE OF 618.04 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 835.00 FEET; THENCE NORTHEASTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 41°46'47", A DISTANCE OF 608.88 FEET; THENCE NORTH 66°18'02" EAST, A DISTANCE OF 194.12 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 665.00 FEET; THENCE NORTHEASTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 29°51'36", A DISTANCE OF 346.57 FEET; THENCE NORTH 36°26'26" EAST, A DISTANCE OF 119.37 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 1,335.00 FEET; THENCE NORTHEASTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 08°23'13", A DISTANCE OF 195.42 FEET TO A POINT OF COMPOUND CURVATURE OF A CURVE TO THE SOUTHEAST, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHEASTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 33°11'33", A DISTANCE OF 14.48 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 198.00 FEET; THENCE NORTHEASTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 51°55'00", A DISTANCE OF 179.41 FEET; THENCE NORTH 46°51'22" EAST, A DISTANCE OF 45.01 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID SOUTH FLORIDA WATER MANAGEMENT DISTRICT C-24 CANAL; THENCE ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID SOUTH FLORIDA WATER MANAGEMENT DISTRICT C-24 CANAL SOUTH 43°08'38" EAST, A DISTANCE OF 1,809.65 FEET TO THE POINT OF BEGINNING.

CONTAINING 147.414 ACRES, MORE OR LESS.

**LEGAL DESCRIPTION: VERANO SOUTH P.U.D. NO. 1, - POD B**

A PORTION OF PARCELS 2 AND 3, VERANO MASTER PLAT, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 57, PAGE 25, OF THE PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF PARCEL 1, OF SAID VERANO MASTER PLAT; THENCE ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT C-24 CANAL AS SHOWN ON SAID VERANO MASTER PLAT, NORTH 43°08'38" WEST, A DISTANCE OF 2,137.64 FEET TO THE POINT OF BEGINNING OF HEREIN DESCRIBED PARCEL OF LAND; THENCE SOUTH 46°51'22" WEST, A DISTANCE OF 22.00 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 200.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 46°45'56" WEST; THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 314.16 FEET; THENCE SOUTH 46°51'23" WEST, A DISTANCE OF 1036.73 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 849.00 FEET; THENCE SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 06°53'32", A DISTANCE OF 102.13 FEET; THENCE NORTH 37°48'50" WEST, A DISTANCE OF 369.45 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 100.00 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 28°21'04", A DISTANCE OF 49.48 FEET; THENCE NORTH 66°09'53" WEST, A DISTANCE OF 285.34 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 868.50 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 26°18'46", A DISTANCE OF 398.86 FEET; THENCE NORTH 39°51'07" WEST, A DISTANCE OF 330.78 FEET TO A POINT OF CURVATURE OF A CURVE, CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1,165.00 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 17°13'28", A DISTANCE OF 350.22 FEET; THENCE NORTH 57°04'34" WEST, A DISTANCE OF 110.65 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 835.00 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 25°42'36", A DISTANCE OF 374.69 FEET; THENCE NORTH 31°21'58" WEST, A DISTANCE OF 134.75 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 415.00 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 35°17'26", A DISTANCE OF 255.61 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 15.00 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 25°48'51", A DISTANCE OF 6.76 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 198.00 FEET; THENCE WESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 53°33'12", A DISTANCE OF 185.07 FEET; THENCE SOUTH 85°36'15" WEST, A DISTANCE OF 82.13 FEET; THENCE NORTH 05°34'23" EAST, A DISTANCE OF 369.33 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE EAST, HAVING A RADIUS OF 965.00 FEET; THENCE NORTHERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 06°39'54", A DISTANCE OF 112.26 FEET; THENCE NORTH 77°45'43" WEST, A DISTANCE OF 70.00 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE, CONCAVE TO THE EAST, HAVING A RADIUS OF 1,035.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 77°45'43" EAST; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE AOF 03°46'59", A DISTANCE OF 68.34 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 81°29'13", A DISTANCE OF 35.56 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE NORTH, HAVING A RADIUS OF 615.90 FEET; THENCE WESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 01°51'19", A DISTANCE OF 19.94 FEET; THENCE NORTH 23°03'50" EAST, A

DISTANCE OF 92.28 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 10.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 23°03'50" EAST; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 93°52'58", A DISTANCE OF 16.39 FEET; THENCE NORTH 19°10'52" EAST, A DISTANCE OF 87.57 FEET; THENCE NORTH 37°18'07" EAST, A DISTANCE OF 32.72 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE, CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 550.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 67°04'12" EAST; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 23°55'36", A DISTANCE OF 229.68 FEET; THENCE NORTH 46°51'24" EAST, A DISTANCE OF 879.67 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID SOUTH FLORIDA WATER MANAGEMENT DISTRICT C-24 CANAL; THENCE ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID SOUTH FLORIDA WATER MANAGEMENT DISTRICT C-24 CANAL SOUTH 43°08'38" EAST, A DISTANCE OF 3,599.60 FEET TO THE POINT OF BEGINNING.

CONTAINING 115.809 ACRES, MORE OR LESS.

**LEGAL DESCRIPTION POD C:**

A PORTION OF SECTIONS 33 AND 34, TOWNSHIP 36 SOUTH, RANGE 39 EAST AND SECTION 4, TOWNSHIP 37 SOUTH, RANGE 39 EAST, ST. LUCIE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHEAST CORNER OF VERANO MASTER PLAT, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 57, PAGE 25, OF THE PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA, NOW VACATED, SAID POINT BEING THE POINT OF BEGINNING OF HEREIN DESCRIBED PARCEL OF LAND; THENCE ALONG THE NORTH LINE OF THE O.L. PEACOCK CANAL PARCEL AS RECORDED IN OFFICIAL RECORDS BOOK 1745, PAGE 1955 OF THE PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA THROUGH THE FOLLOWING SEVEN (7) COURSES,

NORTH 89°08'58" WEST, A DISTANCE OF 318.77 FEET; THENCE SOUTH 60°24'31" WEST, A DISTANCE OF 793.61 FEET; THENCE SOUTH 65°05'51" WEST, A DISTANCE OF 762.00 FEET; THENCE SOUTH 70°42'47" WEST, A DISTANCE OF 440.53 FEET; THENCE SOUTH 43°58'29" EAST, A DISTANCE OF 57.68 FEET; THENCE SOUTH 62°44'35" WEST, A DISTANCE OF 967.89 FEET; THENCE SOUTH 76°11'52" WEST, A DISTANCE OF 259.98 FEET; THENCE NORTH 04°37'46" WEST, A DISTANCE OF 112.36 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 400.00 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 55°12'12", A DISTANCE OF 385.39 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1,600.00 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 21°06'06", A DISTANCE OF 589.27 FEET; THENCE NORTH 38°43'51" WEST, A DISTANCE OF 312.47 FEET; THENCE NORTH 51°16'22" EAST, A DISTANCE OF 1,360.41 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 1,349.00 FEET; THENCE NORTHEASTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 03°15'26", A DISTANCE OF 76.69 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 1,151.00 FEET; THENCE NORTHEASTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 08°31'43", A DISTANCE OF 171.33 FEET; THENCE NORTH 56°32'39" EAST, A DISTANCE OF 180.21 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 849.00 FEET; THENCE NORTHEASTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 09°41'15", A DISTANCE OF 143.55 FEET; THENCE NORTH 46°51'23" EAST, A DISTANCE OF 1,036.73 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 200.00 FEET; THENCE EASTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00", A DISTANCE OF 314.16 FEET; THENCE NORTH 46°51'22" EAST, A DISTANCE OF 22.00 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT C-24 CANAL AS SHOWN ON THE RIGHT-OF-WAY MAP FOR CANAL C-24, CHECKED DATED 11/25/58 AND REVISED 2/23/59; THENCE SOUTH 43°08'38" EAST, ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 2,137.64 FEET TO THE POINT OF BEGINNING.

LESS THE FOLLOWING DESCRIBED PARCEL OF LAND DESCRIBED IN OFFICIAL RECORDS BOOK 3098, PAGE 2755 OF THE PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA:

BEING A PARCEL OF LAND, LOCATED IN SECTION 33, TOWNSHIP 36 SOUTH, RANGE 39 EAST, ST. LUCIE COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE POINT OF INTERSECTION OF SOUTH LINE OF SECTION 34, TOWNSHIP 36 SOUTH, RANGE 39 EAST, AND THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SOUTH FLORIDA WATER MANAGEMENT DISTRICT CANAL C-24 AS SHOWN ON THE RIGHT-OF-WAY MAP FOR CANAL C-24, CHECKED DATED 11/25/58 AND REVISED 2/23/59; THENCE NORTH 43°08'38" WEST, ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 2992.80 FEET; THENCE SOUTH 02°40'10" EAST, A DISTANCE OF 4.30 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 130.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 112.33 FEET, THROUGH A CENTRAL ANGLE OF 49°30'25"; THENCE SOUTH 46°50'15" WEST, A DISTANCE OF 2041.23 FEET TO THE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED PARCEL:

THENCE NORTH 43°58'20" WEST, A DISTANCE OF 214.57 FEET; THENCE SOUTH 51°16'22" WEST, A DISTANCE OF 913.19 FEET; THENCE NORTH 68°01'19" EAST, A DISTANCE OF 698.53 FEET; THENCE NORTH 66°21'27" EAST, A DISTANCE OF 96.04 FEET; THENCE NORTH 60°53'18" EAST, A DISTANCE OF 57.02 FEET; THENCE NORTH 52°35'12" EAST, A DISTANCE OF 61.17 FEET; THENCE NORTH 49°40'37" EAST, A DISTANCE OF 55.86 FEET; THENCE NORTH 43°58'20" WEST, A DISTANCE OF 22.09 FEET TO THE POINT OF BEGINNING.

CONTAINING 127.815 ACRES, MORE OR LESS.



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**PRELIMINARY - SECOND SUPPLEMENTAL**

**ASSESSMENT METHODOLOGY**

**FOR THE SERIES 2017 BONDS**

**VERANO #2**

**COMMUNITY DEVELOPMENT DISTRICT  
(Pods A, B, and C)**

**November 8, 2017**

Prepared by



Governmental Management Services-South Florida, LLC  
5385 N. Nob Hill Road  
Sunrise, FL 33351

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## **1.0 Introduction**

The Verano #2 Community Development District (the “District #1”) is a local unit of special-purpose government organized and existing under chapter 190, Florida Statutes as amended. The Districts have authorized the issuance of approximately \$469,400,000 of tax-exempt bonds in multiple series (the “Bonds”) for the purpose of financing certain infrastructure improvements within the Districts. District #2, as the designated issuer (the “Issuer”) anticipates the issuance of \$23,230,000 in bonds in three or more separate series (the “2017 Bonds”) to pay for a portion of the cost of the total capital improvement program (herein the 2017 District #2 Project) comprising Pods A, B, and C within the District.

### **1.1 Purpose**

This report (the “Second Supplemental Report”) provides a supplement to the Master Assessment Methodology Report adopted by the Board of Supervisors on April 9, 2015 (the “Master Methodology Report”). The Issuer will issue the Series 2017 Bonds to finance all or a portion of the 2017 District #2 Project, described in the Supplemental Engineer’s Report for Certain Public Infrastructure Serving the Verano Community Development District #2 dated November 8, 2017 (the “Supplemental Engineer’s Report”). The 2017 District #2 Project is comprised of three separate projects, the District #2 Pod A Project, the District #2 Pod B Project, and the District #2 Pod C Project; the Supplemental Engineer’s Report provides detail of the improvements anticipated and the cost for each. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Master Methodology Report.

## **2.0 Assessment Methodology**

### **2.1 Overview**

At this time, the District anticipates issuing the 2017 Bonds to fund a portion of the 2017 District #2 Project, provide for capitalized interest if needed, a debt service reserve account and cost of issuance. It is the purpose of this methodology to allocate the \$23,230,000 in debt to properties within specific areas of the District benefiting from the improvements financed with a portion of the 2017 Bonds, the allocation will be in accordance to the Master Methodology Report. The 2017 Bonds will be issued in three or more series; each will be secured by specific assessment areas within the District.

Table 1 shows the current proposed development plan as identified by the Developer of the lands within the District that will be benefited by the improvements funded by the 2017 Bonds. Also identified in Table 1 are the numbers of and types of units that will comprise Pod A, Pod B and Pod C. Each pod will represent its own assessment area, namely the “Pod A Assessment Area”, “Pod B Assessment Area”, and “Pod C Assessment Area” (collectively the “Assessment Areas”). The Supplemental Engineer’s Report outlines the public infrastructure anticipated to be funded by the Series 2017 Bonds, these improvements are shown in Table 2. The public improvements needed to support the development of Pod A, Pod B, and Pod C are described in detail in the Supplemental Engineer’s Report and are estimated to cost \$25,165,000. The 2017 Bonds are being issued as three or more separate series of bonds, the Special Assessment Bonds Series 2017 (District #2 Pod A Project) bonds (the “2017 Pod A Bonds”), secured by Special Assessments levied against the assessable lands within the Pod A Assessment Area, the Special Assessment Bonds Series 2017 (District #2 Pod B Project) bonds (the “2017 Pod B Bonds”), secured by Special Assessments levied against the assessable lands within the Pod B Assessment Area, and the Special Assessment Bonds Series 2017 (District #2 Pod C Project) bonds (the “2017 Pod C Bonds”), secured by Special Assessments levied against the assessable lands within the Pod C Assessment Area. The 2017 Pod C Bonds may be issued in two series. The anticipated sizing and terms of the 2017 Bonds is shown in Table 3.

## 2.2 Allocation of Debt

Allocation of debt is a continuous process until the development plan is completed. The initial assessments for each series of 2017 Bonds within a particular will be levied on an equal basis to all acres within each of the Assessment Areas that secure the specific series of 2017 Bonds. Once platting, the recording of declaration of condominium, or other means of identifying individual lots (“Assigned Properties”) has begun, the assessments will be levied to the Assigned Properties on a first platted first assigned basis, if more than one series of bond is issued, the first series issued will be allocated to Assigned Property first, based on the benefits they receive as shown in Table 4 and Table 5 for the Pod A Assessment, in Table 6 and Table 7 for the Pod B Assessment Area, and in Table 8 and Table 9 for the Pod C Assessment Area. The Unassigned Properties, defined as gross acres within a particular assessment area that are not Assigned Properties and as a result will continue to be assessed on a per gross acre basis.

If there are changes to development plan, a true-up of the assessments will be calculated to determine if a payment from the Developer is required. This process is outlined in Section 3.0 of the Master Assessment Methodology and formalized through an agreement with the Developer.

### **3.0 Assessment Roll**

The current assessment roll is depicted in Table 10.

### **4.0 First Series**

As discussed earlier in the Report, it is anticipated there may be two series of bonds issued for Pod C. Table 11 shows an example of a first issuance of approximately \$6,975,000. In this example, a product mix of 96 single family 40's units and 117 single family 50's units will fully amortize the bonds. Once all \$6,975,000 of principal is levied to Assigned Property, if a second series has been issued, the principal for the second series will then be levied on Assigned Property not previously allocated debt. The Developer may at its option pay down a portion of the principal on a unit to reduce the annual assessment, in this example the paydown by the Developer will reduce the annual assessment to \$1,000, exclusive of early payment discounts and St. Lucie County collection fees.

### **5.0 Additional Information**

Governmental Management Services-South Florida, LLC (GMS) does not represent the District as a Municipal Advisor or Securities Broker, nor is GMS registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, GMS does not provide the District with financial advisory services or offer investment advice.

Certain information in this report was provided by members of District staff, the Developer or other professionals hired in conjunction with the bond issuance, GMS makes no representations regarding the information provided by others.

**TABLE 1  
 VERANO #2 COMMUNITY DEVELOPMENT DISTRICT  
 DEVELOPMENT PROGRAM**

<b>Product Type</b>		<b>Pod A</b>	<b>Pod B</b>	<b>Pod C</b>	<b>Total</b>
<b>SF - 40's</b>		112	0	233	345
<b>SF - 50's</b>		92	248	194	534
<b>SF - 60's</b>		76	0	0	76
<b>Total Residential</b>		<b>280</b>	<b>248</b>	<b>427</b>	<b>955</b>

\* Unit mix is subject to change based on marketing and other factors.

<b>TABLE 2</b> <b>VERANO #2 COMMUNITY DEVELOPMENT DISTRICT</b> <b>INFRASTRUCTURE COST ESTIMATES</b>
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INFRASTRUCTURE	Pod A Project	Pod B Project	Pod C Project	Total
Roadways	\$ -	\$ -	\$ 1,540,000	\$ 1,540,000
Stormwater Management	\$ 2,625,500	\$ 2,155,000	\$ 3,031,000	\$ 7,811,500
Water/Sewer/Undergrounding Differential	\$ 3,437,500	\$ 3,252,000	\$ 4,724,000	\$ 11,413,500
Streetlights & Landscaping	\$ -	\$ -	\$ 750,000	\$ 750,000
Amenities	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Professional Fees	\$ 780,000	\$ 320,000	\$ 1,550,000	\$ 2,650,000
<b>Total</b>	<b>\$ 6,843,000</b>	<b>\$ 5,727,000</b>	<b>\$ 12,595,000</b>	<b>\$ 25,165,000</b>

*Information provided by AECOM Technical Services, Inc.*

<b>TABLE 3</b> <b>VERANO #2 COMMUNITY DEVELOPMENT DISTRICT</b> <b>BOND ALLOCATION</b>
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	2017 Pod A Bonds	2017 Pod B Bonds	2017 Pod C Bonds	2017 Bonds
<b>Sources</b>				
Par Amount*	\$ 5,315,000	\$ 4,110,000	\$ 13,805,000	\$ 23,230,000
	\$ 5,315,000	\$ 4,110,000	\$ 13,805,000	\$ 23,230,000
<b>Uses:</b>				
Construction Funds	\$ 4,615,722	\$ 3,578,088	\$ 12,595,000	\$ 20,788,810
Debt Service Reserve	\$ 259,286	\$ 200,508	\$ 898,035	\$ 1,357,829
Capitalized Interest	\$ 265,750	\$ 205,487	\$ -	\$ 471,237
Cost of Issuance (includes underwriter's discount).	\$ 174,242	\$ 125,650	\$ 311,965	\$ 611,857
Rounding	\$ 1	\$ 267	\$ -	\$ 268
	\$ 5,315,000	\$ 4,110,000	\$ 13,805,000	\$ 23,230,000

Bond Assumptions:

Average Coupon	5.00%	5.00%	5.00%
Amortization (years)	30	30	30
Capitalized Interest months:	12	12	12
Debt Service Reserve	75%	75%	100%

\* Amounts are subject to change based on the actual terms at the sale of the bonds

**TABLE 4**  
**VERANO #2 COMMUNITY DEVELOPMENT DISTRICT**  
**ALLOCATION OF INFRASTRUCTURE COSTS - POD A ASSESSMENT AREA**

<b>Product Type</b>	<b>Units</b>	<b>ERU's</b>	<b>Total EU's</b>	<b>Percentage of Total EU's</b>	<b>Costs Allocated</b>	<b>Costs per Unit</b>
SF - 40's	112	1.00	112	35.12%	\$ 2,403,462	\$ 21,459.48
SF - 50's	92	1.15	106	33.18%	\$ 2,270,413	\$ 24,678.41
SF - 60's	76	1.33	101	31.70%	\$ 2,169,125	\$ 28,541.11
<b>TOTAL</b>			<b>319</b>	<b>100%</b>	<b>\$ 6,843,000</b>	



**TABLE 5  
 VERANO #2 COMMUNITY DEVELOPMENT DISTRICT  
 ALLOCATION OF SERIES 2017 - POD A ASSESSMENT AREA**

Product Type	Units	Costs by Product Type	Costs Financed**	Allocation of Par by Product Type	Par per Unit	Allocation of Annual Assessment by Product Type*	Annual Assessment per Unit*
SF - 40's	112	\$ 2,403,462	\$ 1,621,177	\$ 1,866,784	\$ 16,668	\$ 121,425	\$ 1,084
SF - 50's	92	\$ 2,270,413	\$ 1,531,433	\$ 1,763,444	\$ 19,168	\$ 114,703	\$ 1,247
SF - 60's	76	\$ 2,169,125	\$ 1,463,112	\$ 1,684,772	\$ 22,168	\$ 109,586	\$ 1,442
<b>TOTAL</b>	<b>280</b>	<b>\$ 6,843,000</b>	<b>\$ 4,615,722</b>	<b>\$ 5,315,000</b>		<b>\$ 345,714</b>	

\* This amount will be grossed up to cover early payment discounts and county collection fees, currently 8%.

\*\* Infrastructure not financed by the Series 2017 bonds will be provided by the developer or funded through future bond issuances.

**TABLE 6**  
**VERANO #2 COMMUNITY DEVELOPMENT DISTRICT**  
**ALLOCATION OF INFRASTRUCTURE COSTS - POD B ASSESSMENT AREA**

Product Type	Units	ERU's	Total EU's	Percentage of Total EU's	Costs Allocated	Costs per Unit
SF - 40's	0	1.00	0	0.00%	\$ -	\$ -
SF - 50's	248	1.15	285	100.00%	\$ 6,843,000	\$ 27,592.74
SF - 60's	0	1.33	0	0.00%	\$ -	\$ -
<b>TOTAL</b>	<b>248</b>		<b>285</b>	<b>100%</b>	<b>\$ 30</b>	

**TABLE 7  
 VERANO #2 COMMUNITY DEVELOPMENT DISTRICT  
 ALLOCATION OF SERIES 2017 - POD B ASSESSMENT AREA**

Product Type	Units	Costs by Product Type	Costs Financed**	Allocation of Par by Product Type	Par per Unit	Allocation of Annual Assessment by Product Type*	Annual Assessment per Unit*
SF - 40's	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SF - 50's	248	\$ 6,843,000	\$ 3,578,088	\$ 4,110,000	16,573	\$ 267,344	\$ 1,078
SF - 60's	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>248</b>	<b>\$ 6,843,000</b>	<b>\$ 3,578,088</b>	<b>\$ 4,110,000</b>		<b>\$ 267,344</b>	

\* This amount will be grossed up to cover early payment discounts and county collection fees, currently 8%.

\*\* Infrastructure not financed by the Series 2017 bonds will be provided by the developer or funded through future bond issuances.

**TABLE 8**  
**VERANO #2 COMMUNITY DEVELOPMENT DISTRICT**  
**ALLOCATION OF INFRASTRUCTURE COSTS - POD C ASSESSMENT AREA**

Product Type	Units	ERU's	Total EU's	Percentage of Total EU's	Costs Allocated	Costs per Unit
SF - 40's	233	1.00	233	51.09%	\$ 6,434,192	\$ 27,614.56
SF - 50's	194	1.15	223	48.91%	\$ 6,160,808	\$ 31,756.74
SF - 60's	0	1.33	0	0.00%	\$ -	\$ -
<b>TOTAL</b>	<b>427</b>		<b>456</b>	<b>100%</b>	<b>\$ 12,595,000</b>	

**TABLE 9  
 VERANO #2 COMMUNITY DEVELOPMENT DISTRICT  
 ALLOCATION OF SERIES 2017 - POD C ASSESSMENT AREA**

<b>Product Type</b>	<b>Units</b>	<b>Costs by Product Type</b>	<b>Costs Financed**</b>	<b>Allocation of Par by Product Type</b>	<b>Par per Unit</b>	<b>Allocation of Annual Assessment by Product Type*</b>	<b>Annual Assessment per Unit*</b>
SF - 40's	233	\$ 6,434,192	\$ 6,434,192	\$ 7,052,324	\$ 30,267	\$ 458,764	\$ 1,969
SF - 50's	194	\$ 6,160,808	\$ 6,160,808	\$ 6,752,676	\$ 34,808	\$ 439,271	\$ 2,264
SF - 60's	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>427</b>	<b>\$ 12,595,000</b>	<b>\$ 12,595,000</b>	<b>\$ 13,805,000</b>		<b>\$ 898,035</b>	

\* This amount will be grossed up to cover early payment discounts and county collection fees, currently 8%.

\*\* Infrastructure not financed by the Series 2017 bonds or contributed in lieu of assessments will be provided by the developer or funded through future bond issuances.

**TABLE 10  
 VERANO #2 COMMUNITY DEVELOPMENT DISTRICT  
 PRELIMINARY ASSESSMENT ROLL**

<b>Area</b>	<b>Legal Description</b>	<b>2017 Pod A Bonds Par Amount</b>	<b>2017 Pod B Bonds Par Amount</b>	<b>2017 Pod C Bonds Par Amount</b>	<b>2017 Annual Assessment*</b>
<b>Pod A</b>	see attached	\$ 5,315,000			\$ 345,714
<b>Pod B</b>	see attached		\$ 4,110,000		\$ 267,344
<b>Pod C</b>	see attached			\$ 13,805,000	898,035

\* This amount will be grossed up to cover early payment discounts and county collection fees, currently 8%.

**TABLE 11  
 VERANO #2 COMMUNITY DEVELOPMENT DISTRICT  
 ALLOCATION OF SERIES 2017 - FIRST SERIES OF BONDS**

Product Type	Units	Par per Unit	Allocation of Par by Product Type	Principal Pay Down per Unit	Remaining Par per Unit	Allocation of Annual Assessment by Product Type*	Annual Assessment per Unit*
SF - 40's	96	\$ 30,253	\$ 2,904,251	\$ 14,877	\$ 15,376	\$ 96,000	\$ 1,000
SF - 50's	117	\$ 34,793	\$ 4,070,749	\$ 19,417	\$ 15,376	\$ 117,000	\$ 1,000
SF - 60's	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>213</b>		<b>\$ 6,975,000</b>			<b>\$ 213,000</b>	

\* This amount will be grossed up to cover early payment discounts and county collection fees, currently 8%.