

PRELIMINARY OFFERING STATEMENT DATED FEBRUARY 18, 2026

NEW ISSUE - Book-Entry Only

RATINGS: See "RATINGS" herein.

In the opinion of Special Tax Counsel, assuming compliance by the Governing Board and Corporation with certain covenants in the Trust Agreement and the Series 2006 Lease, under existing statutes, regulations and judicial decisions, the interest portion of the Basic Lease Payments on the Series 2026 Certificates is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax; however, the interest portion of the Basic Lease Payments on the Series 2026 Certificates may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. No opinion is expressed with respect to the federal income tax consequences of any payments received with respect to the Series 2026 Certificates following termination of the Series 2006 Lease as a result of a non-appropriation of funds or an Event of Default thereunder. See "TAX MATTERS" herein for a description of other tax consequences to Owners of the Series 2026 Certificates.

\$228,245,000*

REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2026

Evidencing Undivided Proportionate Interests of the Owners

thereof in Basic Lease Payments to be Made by the Governing Board of the

SOUTH FLORIDA WATER MANAGEMENT DISTRICT,

as Lessee, Pursuant to a Master Lease Purchase Agreement

with South Florida Water Management District Leasing Corp., as Lessor

Dated: Date of Delivery

Due: October 1, as shown on inside cover page

The Refunding Certificates of Participation, Series 2026 (the "Series 2026 Certificates") offered hereby evidence undivided proportionate interests in the Basic Lease Payments (defined herein) to be made by the Governing Board (the "Governing Board") of the South Florida Water Management District (the "District"), pursuant to a Master Lease Purchase Agreement, dated as of November 1, 2006 (the "Master Lease"), by and between the South Florida Water Management District Leasing Corp., a not-for-profit Florida corporation (the "Corporation"), as lessor, and the Governing Board, as lessee, as amended and supplemented, and particularly as amended and supplemented by Second Amended and Restated Schedule 2006, dated as of March 1, 2026, by and between the Governing Board and the Corporation (together with the Master Lease, the "Series 2006 Lease"). The Corporation has assigned the Basic Lease Payments and substantially all of its interest in the Series 2006 Lease to U.S. Bank Trust Company, National Association, Jacksonville, Florida, as successor trustee (the "Trustee") pursuant to the Series 2006 Assignment Agreement (as defined herein). See "INTRODUCTION - The Master Lease Program" herein.

The Series 2026 Certificates are being issued for the principal purposes of providing funds, together with other legally available funds, sufficient to (i) refund all of the District's outstanding Refunding Certificates of Participation, Series 2015 and thereby refinance the lease-purchase of certain facilities and improvements to land for the restoration, protection and preservation of the Everglades ecosystem, as more particularly described herein and (ii) pay certain costs of issuance of the Series 2026 Certificates.

The Series 2026 Certificates will be issued in fully registered form registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Individual purchases of Series 2026 Certificates will be made in denominations of \$5,000 or any integral multiple thereof. The Series 2026 Certificates are being issued pursuant to the provisions of a Master Trust Agreement, dated as of November 1, 2006, as supplemented by the Series 2026 Supplemental Trust Agreement, dated as of March 1, 2026, by and between the Corporation and the Trustee. The interest portion of the Basic Lease Payments represented by the Series 2026 Certificates is payable on October 1 and April 1 of each year, commencing October 1, 2026. The principal and interest portions of the Basic Lease Payments evidenced by the Series 2026 Certificates will be paid by the Trustee to Cede & Co., as registered owner and nominee of DTC, subsequently disbursed to DTC participants and thereafter, to the beneficial owners of the Series 2026 Certificates, all as further described in this Offering Statement. See "DESCRIPTION OF THE SERIES 2026 CERTIFICATES – Book-Entry Only System" herein.

The Series 2026 Certificates are not subject to optional prepayment prior to maturity, but are subject to extraordinary prepayment prior to maturity as described herein. See "DESCRIPTION OF THE SERIES 2026 CERTIFICATES – Prepayment" herein.

THE GOVERNING BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS (AS DEFINED HEREIN). LEASE PAYMENTS ARE PAYABLE FROM FUNDS APPROPRIATED BY THE GOVERNING BOARD FOR SUCH PURPOSE FROM CERTAIN AVAILABLE FUNDS AUTHORIZED BY LAW AND REGULATIONS OF THE STATE OF FLORIDA. NEITHER THE DISTRICT, THE GOVERNING BOARD, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS OBLIGATED TO PAY, EXCEPT FROM GOVERNING BOARD APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES 2006 LEASE FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE DISTRICT, THE GOVERNING BOARD, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER. SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE GOVERNING BOARD, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE CORPORATION, THE TRUSTEE, NOR THE SERIES 2026 CERTIFICATE HOLDERS MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE DISTRICT, THE GOVERNING BOARD, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO PAY ANY SUMS, INCLUDING THE BASIC LEASE PAYMENTS, DUE UNDER THE SERIES 2006 LEASE. SEE "RISK FACTORS" HEREIN.

SEE THE INSIDE COVER PAGE FOR ADDITIONAL INFORMATION RELATING TO THE SERIES 2026 CERTIFICATES.

This cover page and the inside cover page contain certain information for quick reference only. They are not, and are not intended to be, a summary of this transaction. Investors must read the entire Offering Statement, including the appendices, to obtain information essential to the making of an informed investment decision.

The Series 2026 Certificates are offered when, as and if delivered and received by the Underwriters, subject to the approving legal opinion of Bryant Miller Olive P.A., Miami, Florida, Special Tax Counsel, and certain other conditions. Certain legal matters will be passed upon for the Governing Board by Nabors, Giblin & Nickerson, P.A., Fort Lauderdale, Florida, Disclosure Counsel and for the Governing Board and the Corporation by its General Counsel, Maricruz R. Fincher, Esquire. It is expected that the Series 2026 Certificates will be available for delivery through the facilities of DTC on or about _____, 2026.

Dated: February __, 2026.

* Preliminary, subject to change.

This Preliminary Offering Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Offering Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Certificates in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction. This Preliminary Offering Statement shall be deemed "final" by the District as of its date for purposes of Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission, except for certain permitted omissions.



ADDITIONAL INFORMATION

The initial term of the Series 2006 Lease commenced on November 15, 2006 and continued through and including September 30, 2007, has been automatically renewed annually to date and is automatically renewable annually through September 30, 2036, unless earlier terminated as described herein.

The Governing Board may, in the future, enter into other Leases under the Master Lease in addition to the Series 2006 Lease. However, the Governing Board does not currently expect to enter into any additional Leases under the Master Lease. Failure to appropriate funds to pay Lease Payments under any Lease, or certain events of default under any Lease, will result in the termination of all Leases, including the Series 2006 Lease. Upon such termination, the Governing Board is required to immediately surrender and deliver use, possession and control of all the Facilities financed under all Leases, including the Series 2006 Facilities, to the Trustee. Upon such surrender, the Trustee will attempt to sell or re-let its interest in such Facilities in such manner and to such person or persons for any lawful purpose as it, in its sole discretion, determines to be appropriate. The proceeds of the disposition of the Facilities leased under the Series 2006 Lease will be applied to the payment of the Series 2026 Certificates, after payment of the expenses of the Trustee and then as described in the Series 2006 Lease.

Special Tax Counsel will express no opinion as to the tax-exempt status or the effect of securities laws with respect to the Series 2026 Certificates following an event of non-appropriation or certain events of default under the Master Lease which results in termination of the Lease Term of the Series 2006 Lease. Transfer of the Series 2026 Certificates may be subject to compliance with the registration provisions of State and federal securities laws following an event of non-appropriation or certain events of default under the Master Lease which results in termination of the Lease Term of the Series 2006 Lease. See "TAX MATTERS" and "RISK FACTORS" herein.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS AND INITIAL CUSIP NUMBERS

\$228,245,000⁽¹⁾ Serial Series 2026 Certificates

Maturity ⁽¹⁾ (October 1)	Principal Amount ⁽¹⁾	Interest Rate	Price	Yield	Initial CUSIP No. ⁽²⁾
2026	\$15,955,000				
2027	16,905,000				
2028	17,750,000				
2029	18,630,000				
2030	19,550,000				
2031	20,520,000				
2032	21,540,000				
2033	22,610,000				
2034	23,730,000				
2035	24,910,000				
2036	26,145,000				

⁽¹⁾ Preliminary, subject to change. See "ADJUSTMENT OF PRINCIPAL AMOUNT" in the Notice of Certificate Sale. Principal amounts coming due in two or more consecutive years may be combined into one or more Term Series 2026 Certificates as described in the Notice of Certificate Sale under "TERM CERTIFICATES OPTION AND MANDATORY REDEMPTION."

⁽²⁾ CUSIP is a registered trademark of American Bankers Association. CUSIP data herein is provided by S&P Global Market Intelligence, a division of S&P Global Inc. CUSIP data herein is provided for convenience of reference only. The Board takes no responsibility for the accuracy of such data.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
3301 GUN CLUB ROAD
WEST PALM BEACH, FLORIDA 33406**

GOVERNING BOARD

Chauncey Goss, Chairman
Scott Wagner, Vice Chairman
Ron Bergeron, Sr.
Benjamin Butler
Thomas Hurley
Carlos "Charlie" Martinez
Charlette Roman
Robert A. Spottswood, Jr.
Jay Steinle

EXECUTIVE DIRECTOR

Drew Bartlett

ASSISTANT EXECUTIVE DIRECTOR

John Mitnik

GENERAL COUNSEL TO THE DISTRICT

Maricruz R. Fincher, Esquire

SPECIAL TAX COUNSEL

Bryant Miller Olive P.A.
Miami, Florida

DISCLOSURE COUNSEL

Nabors, Giblin & Nickerson, P.A.
Fort Lauderdale, Florida

TRUSTEE

U.S. Bank Trust Company, National Association
Jacksonville, Florida

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Certain of the information contained herein has been obtained from the Governing Board, the Corporation, the District, the State of Florida, DTC and other sources that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Offering Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the affairs of the District or the Governing Board since the date hereof.

No dealer, broker, salesman or other person has been authorized by the Governing Board to give any information or to make any representations, other than those contained in this Offering Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Offering Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Certificates by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The delivery of this Offering Statement at any time does not imply that any information herein is correct as of any time subsequent to its date.

The order and placement of materials in this Offering Statement, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Offering Statement, including the appendices, must be considered in its entirety. The captions and headings in this Offering Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Offering Statement. The offering of the Series 2026 Certificates is made only by means of this entire Offering Statement.

UPON ISSUANCE, THE SERIES 2026 CERTIFICATES WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER INDEPENDENT FEDERAL, STATE OR GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING STATEMENT OR APPROVED THE SERIES 2026 CERTIFICATES FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

Certain statements included or incorporated by reference in this Offering Statement constitute "forward-looking statements." Such statements generally are identifiable by the terminology used, such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Governing Board does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

This Offering Statement shall not constitute a contract between the Governing Board, the District and any one or more holders of the Series 2026 Certificates.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Offering Statement.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
General.....	1
The Master Lease Program.....	1
Purpose of the Series 2026 Certificates	2
The Series 2006 Lease.....	2
The Series 2006 Ground Lease.....	3
The Series 2006 Assignment Agreement	3
The District.....	3
The Corporation.....	4
Miscellaneous	4
PLAN OF REFUNDING.....	4
DESCRIPTION OF THE SERIES 2026 CERTIFICATES.....	5
General.....	5
Prepayment	6
Book-Entry Only System.....	7
SECURITY FOR THE SERIES 2026 CERTIFICATES	9
General.....	9
Lease Payments	10
Limited Obligation	11
Additional Leases	12
Additional Certificates.....	12
Non-Appropriation Risk.....	12
Purchase Option Price	13
No Reserve Account for Series 2026 Certificates	13
THE SERIES 2006 FACILITIES	13
General.....	13
The Series 2006 Ground Lease.....	15
Facility Sites Use Restrictions Under Federal Grant Agreements	15
Substitution.....	16
SOURCES AND USES OF FUNDS.....	18
SERIES 2026 CERTIFICATES PAYMENT SCHEDULE	19
THE SERIES 2006 LEASE	20
Authority.....	20
Lease Term	20
Lease Payments	20
Assignment to Trustee.....	21
Lease Covenants.....	21
Budget and Appropriation	22
Budget Subject to Review and Approval	22
Termination of Lease Term	24
Effect of Termination for Non-Appropriation or Default	24
THE CORPORATION	25
THE DISTRICT	26

Organization	26
Governing Board	26
Executive Office	28
History of the District	29
District Boundaries	29
Population Data	29
District Responsibilities.....	32
Priorities and Programs	32
Partnerships	34
Regulation.....	34
Budgeting Process	35
Ad Valorem Taxation	35
Five-Year Capital Improvement Plan.....	35
EVERGLADES RESTORATION.....	36
Everglades Forever Act	36
Comprehensive Everglades Restoration Plan.....	37
Northern Everglades and Estuaries Protection Program	39
Permitting	39
REVENUE SOURCES OF THE DISTRICT	40
General.....	40
Operating Revenues.....	41
REVENUES AVAILABLE FOR BASIC LEASE PAYMENTS	41
AD VALOREM TAX PROCEDURES.....	44
Property Assessment and County Property Appraiser	44
Millage Rates.....	48
Tax Collection and Distribution by Tax Collector	51
Exemptions from Ad Valorem Taxation	54
Recent Legislative Initiatives and Constitutional Amendments Affecting Ad Valorem Taxes.....	56
SELECTED FINANCIAL AND OTHER INFORMATION	57
General.....	58
Debt Policy	58
Emergency Reserves.....	59
Fiscal and Operational Oversight	59
Retirement Plan and Other Post-Employment Benefits	60
Revenues and Expenditures.....	63
Management's Discussion and Analysis of Financial Results.....	64
Outstanding Debt.....	64
RISK FACTORS	65
Annual Right to Terminate Series 2006 Lease	65
Limitation Upon Disposition; Ability to Sell or Relet	66
Tax Treatment.....	66
Applicability of Securities Laws	66
State Revenues.....	66
Additional Leases	66
Additional Indebtedness	67

Natural Disasters and Climate Related Risks	67
Cybersecurity.....	67
LITIGATION.....	69
VALIDATION.....	69
RATINGS	70
TAX MATTERS.....	70
VERIFICATION OF MATHEMATICAL COMPUTATIONS.....	73
CERTAIN LEGAL MATTERS	74
UNDERWRITING	74
BASIC FINANCIAL STATEMENTS	74
CONTINUING DISCLOSURE.....	75
BLUE SKY DISCLOSURE	75
MISCELLANEOUS	76
CERTIFICATE CONCERNING OFFERING STATEMENT	77
APPENDIX A	Excerpted Pages from the Annual Comprehensive Financial Report of the South Florida Water Management District for the Fiscal Year Ended September 30, 2024
APPENDIX B	Certain Legal Documents - Master Trust Agreement - Form of Series 2026 Supplemental Trust Agreement - Master Lease Purchase Agreement - Form of Second Amended and Restated Schedule 2006 - Series 2006 Ground Lease - Series 2006 Assignment Agreement - First Amendment to Series 2006 Assignment Agreement
APPENDIX C	FORM OF OPINION OF SPECIAL TAX COUNSEL
APPENDIX D	FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

OFFERING STATEMENT
relating to

\$228,245,000*
REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2026
Evidencing Undivided Proportionate Interests of the Owners
thereof in Basic Lease Payments to be Made by the Governing Board of the
SOUTH FLORIDA WATER MANAGEMENT DISTRICT,
as Lessee, Pursuant to a Master Lease Purchase Agreement
with South Florida Water Management District Leasing Corp., as Lessor

INTRODUCTION

General

This Offering Statement, including the cover page, the inside cover page and all appendices, is provided to furnish information in connection with the sale and delivery of \$228,245,000* aggregate principal amount of Refunding Certificates of Participation, Series 2026 (the "Series 2026 Certificates"). The Series 2026 Certificates evidence undivided proportionate interests of the owners thereof in the Basic Lease Payments (as defined herein) to be made by the Governing Board of the South Florida Water Management District ("Governing Board"), acting as the governing body of the South Florida Water Management District (the "District"), pursuant to the Series 2006 Lease (as defined herein).

The Series 2026 Certificates are being executed and delivered pursuant to a Master Trust Agreement, dated as of November 1, 2006 (the "Master Trust Agreement"), as amended and supplemented, particularly as supplemented by the Series 2026 Supplemental Trust Agreement, dated as of March 1, 2026 (the "Series 2026 Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement") by and between the South Florida Water Management District Leasing Corp., a Florida not-for-profit (the "Corporation") and U.S. Bank Trust Company, National Association, Jacksonville, Florida, as successor trustee (the "Trustee").

The Master Lease Program

Pursuant to applicable Florida law, the Governing Board, as the governing body of the District, entered into the Master Lease Purchase Agreement, dated as of November 1, 2006 (the "Master Lease"), between the Corporation, as lessor and the Governing Board, as lessee, for the purpose of lease-purchase financing and refinancing from time to time certain real property, facilities and related equipment for the restoration, protection and preservation of the Everglades ecosystem (the "Facilities") from the Corporation. The Master Lease provides that Facilities to be leased from time to time are identified on separate schedules (each a "Schedule") attached to the Master Lease. Upon execution and delivery, each Schedule, together with the provisions of the Master Lease, constitutes a separate lease agreement (individually a "Lease" and collectively the

* Preliminary, subject to change.

"Leases"). The Facilities subject to each such Lease are financed or refinanced with separate Series of Certificates issued under the Master Trust Agreement as supplemented by a Supplemental Trust Agreement related to each such Series of Certificates.

In November 2006, the Governing Board entered into Schedule 2006 to the Master Lease (together with the Master Lease, the "Original Series 2006 Lease"). Pursuant to the Original Series 2006 Lease, the Governing Board financed the lease-purchase of certain facilities and improvements to land for the restoration, protection and preservation of the Everglades ecosystem (the "Series 2006 Facilities"). In connection with the execution and delivery of the Original Series 2006 Lease, the Trustee executed and delivered \$546,120,000 aggregate principal amount of Certificates of Participation, Series 2006 (the "Series 2006 Certificates"). On February 9, 2016, the Governing Board executed and delivered \$385,425,000 aggregate principal amount of Refunding Certificates of Participation, Series 2015 (the "Series 2015 Certificates"), a portion of the proceeds of which, along with other legally available funds, were deposited in escrow and were applied to prepay the Series 2006A Certificates maturing on and after October 1, 2017. In connection therewith, Schedule No. 2006 was amended and restated pursuant to First Amended and Restated Schedule 2006, dated as of February 1, 2016 (together with the Master Lease, the "Current Series 2006 Lease"), pursuant to which the Board financed and refinanced the lease-purchase of the Series 2006 Project. As of the date of this Offering Statement, none of the Series 2006 Certificates are outstanding and \$256,085,000 of the Series 2015 Certificates remain outstanding; provided, however, that all of such Series 2015 Certificates are expected to be refunded with proceeds of the Series 2026 Certificates. See "PLAN OF REFUNDING" herein.

The Original Series 2006 Lease, as amended and restated by the Current Series 2006 Lease, is the only Lease that has been entered into under the Master Lease to date. No prior Leases have been entered into under the Master Lease and the Governing Board and the Corporation do not anticipate entering into any Additional Leases in the future.

Purpose of the Series 2026 Certificates

The Series 2026 Certificates are being issued for the principal purposes of providing funds, together with other legally available funds, sufficient to (i) refund all of the District's outstanding Series 2015 Certificates (the "Refunded Certificates"), and thereby refinance the lease-purchase of the Series 2006 Facilities, as more particularly described herein and (ii) pay certain costs of issuance of the Series 2026 Certificates.

The Series 2006 Lease

Pursuant to the applicable provisions of State law, including particularly Chapter 373, Florida Statutes, the Governing Board has, by resolution adopted on February 12, 2026, authorized the execution and delivery of the Second Amended and Restated Schedule 2006, dated as of March 1, 2026, which amends and restates Current Schedule 2006 in its entirety (the "Second Amended and Restated Schedule 2006," and together with the Master Lease, the "Series 2006 Lease"). The Series 2006 Lease has an initial Lease Term which commenced on November 15, 2006 and continued through and including September 30, 2007, when it was automatically renewed, and is renewable annually through September 30, 2036, unless earlier terminated as described herein. See "THE SERIES 2006 LEASE" herein.

The Series 2006 Facilities being refinanced with the proceeds of the Series 2026 Certificates and being lease-purchased under the Series 2006 Lease include a flow equalization basin, two test cells and expansion of stormwater treatment areas. See "THE SERIES 2006 FACILITIES" and "EVERGLADES RESTORATION" herein for more information regarding the Series 2006 Facilities.

The Series 2006 Ground Lease

The Governing Board currently holds title to the sites upon which the Series 2006 Facilities are located (collectively, the "Series 2006 Facility Sites"), except for the C-44 Reservoir site owned with Martin County, Florida. See "SERIES 2006 FACILITIES" herein. Pursuant to the Series 2006 Ground Lease, dated as of November 1, 2006 (the "Series 2006 Ground Lease"), between the Governing Board, as lessor, and the Corporation, as lessee, and joined and consented to by Martin County, Florida with respect to its interest in the C-44 Reservoir site, the Governing Board is leasing to the Corporation the Series 2006 Facility Sites for an initial term which ends on October 1, 2041, subject to Permitted Encumbrances (as defined in the Series 2006 Ground Lease), including certain limitations imposed by grant agreements with the Federal government. The initial term of the Series 2006 Ground Lease may be extended at the option of the Corporation for an additional five years. See "THE SERIES 2006 FACILITIES – General" and "- Series 2006 Facility Sites Use Restrictions Under Federal Grant Agreements" herein and "APPENDIX B – Certain Legal Documents – Series 2006 Ground Lease" hereto.

The Series 2006 Assignment Agreement

Pursuant to the Series 2006 Assignment Agreement dated as of November 1, 2006, as amended by a First Amendment to Assignment Agreement, dated as of February 1, 2016 (collectively, the "Series 2006 Assignment Agreement"), between the Corporation and the Trustee, the Corporation has irrevocably assigned to the Trustee, for the benefit of the owners of the Series 2026 Certificates, substantially all of its right, title and interest in and to the Series 2006 Ground Lease and the Series 2006 Lease, including the right to receive the Basic Lease Payments and all other amounts due under the Series 2006 Lease, as herein described. See "APPENDIX B – Certain Legal Documents – Series 2006 Assignment Agreement" hereto.

The District

The District is a government entity that is organized, exists and operates pursuant to the Florida Water Resources Act of 1972, Chapter 373, Florida Statutes (the "Act"). The District encompasses all or part of 16 counties in central and southern Florida, including Broward, Miami-Dade, Palm Beach, Collier and Lee counties. The District's primary responsibility is to manage the water and related land resources within its jurisdiction. Pursuant to the Act, the District is responsible for regional flood control, water supply and water quality protection and ecosystem restoration management within its territorial boundaries, including without limitation restoring and cleaning up the Everglades ecosystem (the "Everglades") in accordance with its internal plans and programs and various Federal and State statutes. As discussed further herein, such internal programs currently include (i) Restoration, (ii) Land Stewardship, (iii) Modeling and Scientific Support, (iv) Operations and Maintenance, (v) Regulation, (vi) Water Supply and (vii) Mission Support. Additionally the District's Restoration program contains several sub-programs under its

umbrella, including the Comprehensive Everglades Restoration Plan ("CERP"), Water Quality, Kissimmee River Restoration and the Lake Okeechobee and Estuary Recovery plan. The Series 2006 Facilities financed certain improvements comprising a portion of the CERP. Various Federal, State and local sources of revenue, including ad valorem taxes from the area within the District's jurisdiction, are available to the District for its operating and capital needs, as more fully described under "REVENUE SOURCES OF THE DISTRICT" herein. See also, "THE DISTRICT - Priorities and Programs" and "EVERGLADES RESTORATION" herein.

The Corporation

The Corporation is a Florida not-for-profit corporation formed by the District in October 2005 for the primary purpose of acting as lessor under the Master Lease with the Governing Board. The sole member of the Corporation is the Governing Board. The Board of Directors of the Corporation consists of the members of the Governing Board and its officers are Governing Board members and employees. See "THE CORPORATION" herein.

Miscellaneous

This Offering Statement contains brief descriptions of, among other matters, the Governing Board, the District, the Corporation and the Series 2006 Facilities, together with summaries or copies of certain provisions of the Series 2006 Certificates, the Series 2006 Lease, the Trust Agreement, the Series 2006 Ground Lease and the Series 2006 Assignment Agreement. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to such documents are qualified in their entirety by reference to the respective documents for a more complete description of such provisions. Copies of the documents may be obtained upon written request to the Trustee at U.S. Bank Trust Company, National Association, 6410 Southpoint Parkway, Suite 200, Jacksonville, Florida 32216, Attention: Corporate Trust Services. Capitalized terms used and not otherwise defined herein will have the meanings ascribed to such terms in the legal documents entered into by the Governing Board or the Corporation in connection with the delivery of the Series 2006 Lease and the issuance of the Series 2006 Certificates. See "APPENDIX B – Certain Legal Documents" hereto. This Offering Statement speaks only as of its date and the information contained herein is subject to change.

PLAN OF REFUNDING

The Series 2006 Certificates are being issued in order to provide the funds, together with other legally available funds, sufficient to refund, on a current basis, the Refunded Certificates and thereby refinance a portion of the Series 2006 Facilities. The Refunded Certificates are subject to optional prepayment on or about April 1, 2026*, at a price equal to the par amount of the Refunded Certificates, plus accrued interest to the prepayment date. Upon issuance of the Series 2006 Certificates, the Series 2006 Lease shall only secure the Series 2006 Certificates and the Refunded Certificates will not be secured thereby.

Upon the issuance of the Series 2006 Certificates, a portion of the proceeds of the Series 2006 Certificates, together with other legally available funds, will be deposited into an escrow

* Preliminary, subject to change.

deposit trust fund created pursuant to an Escrow Deposit Agreement by and between the Governing Board and U.S. Bank Trust Company, National Association, Jacksonville, Florida, as Escrow Agent (the "Escrow Deposit Agreement"), which funds will be held in cash or applied to the purchase of certain United States Treasury Obligations (the "Escrow Securities"), which together with interest earnings thereon and a cash deposit therein, will be sufficient to pay the Basic Lease Payments represented by the Refunded Certificates to their date of prepayment. Special Tax Counsel will render its opinion to the effect that, assuming the deposit and application of the Escrow Securities and uninvested cash in accordance with the terms of the Escrow Deposit Agreement for the payment of the Basic Lease Payments represented by the Refunded Certificates, the Refunded Certificates will be deemed to be paid and the obligations under the Series 2006 Lease to pay the Basic Lease Payments represented by the Refunded Certificates will have been released and discharged with respect to the Refunded Certificates. Special Tax Counsel will render such opinion in reliance upon the verification report of Causey Public Finance, LLC, Denver, Colorado, independent certified public accountants described herein under the heading "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

DESCRIPTION OF THE SERIES 2026 CERTIFICATES

General

The Series 2026 Certificates will be dated their date of delivery, will mature in the years and principal amounts and accrue interest at the fixed interest rates set forth on the inside cover page of this Offering Statement. The Series 2026 Certificates will initially be issued exclusively in "book-entry" form and ownership of one fully registered Series 2026 Certificate for each maturity as set forth on the inside cover page, each in the aggregate principal amount of such maturity, will be initially registered in the name of "Cede & Co." as nominee of The Depository Trust Company ("DTC"). The principal portion and interest portion of Basic Lease Payments represented by the Series 2026 Certificates are payable in the manner set forth under "DESCRIPTION OF THE SERIES 2026 CERTIFICATES - Book-Entry Only System" herein. Individual purchases of the Series 2026 Certificates will be made in increments of \$5,000 or integral multiples thereof.

The principal portion of Basic Lease Payments represented by the Series 2026 Certificates payable at maturity or earlier prepayment thereof represents undivided proportionate interests in the principal portion of the Basic Lease Payments due on each of the dates set forth in the Series 2006 Lease. The interest component of Basic Lease Payments represented by the Series 2026 Certificates is payable on October 1 and April 1 of each year, commencing on October 1, 2026, to and including the date of maturity or earlier prepayment (each a "Payment Date"), and represents undivided proportionate interests in the interest portion of Basic Lease Payments due on the March 15 and September 15 prior to each Payment Date to and including the maturity or earlier prepayment of the Series 2026 Certificates under the Series 2006 Lease.

The interest portion of the Basic Lease Payments represented by the Series 2026 Certificates will be computed on the basis of a 360-day year based on twelve 30-day months. The principal portion or Prepayment Price of the Series 2026 Certificates is payable to the registered owner upon presentation at the designated corporate trust office of the Trustee. Except as

otherwise provided in connection with the maintenance of a book-entry only system of registration of the Series 2026 Certificates, the interest portion of the Basic Lease Payments represented by the Series 2026 Certificates is payable by check or draft of the Trustee mailed to the registered owner at the address shown on the registration books maintained by the Trustee as of the 15th day of the month (whether or not a business day) preceding the Payment Date or at the prior written request and expense of any registered owner of at least \$1,000,000 in aggregate principal amount of Series 2026 Certificates by bank wire transfer to a domestic bank account designated in writing received no later than the fifteenth day of the month next preceding each Payment Date. Notwithstanding the above, reference is made to the book-entry system of registration described under "DESCRIPTION OF THE SERIES 2026 CERTIFICATES – Book-Entry Only System" below.

Prepayment

No Optional Prepayment. The Series 2026 Certificates are not subject to prepayment at the option of the Governing Board.

Extraordinary Prepayment. The principal portion of Basic Lease Payments due under the Series 2006 Lease represented by the Series 2026 Certificates shall be subject to extraordinary prepayment in whole or in part, at a prepayment price of par plus accrued interest to the Prepayment Date, in the event the Series 2006 Lease terminates prior to payment in full of all of the Basic Lease Payments due thereunder to the extent the Trustee has moneys available for such purpose pursuant to the Trust Agreement.

No Extraordinary Prepayment from Insurance or Condemnation Proceeds. The Series 2026 Certificates are not subject to extraordinary prepayment from the Net Proceeds of insurance or condemnation relating to the Series 2006 Facilities. See "THE SERIES 2006 LEASE - Lease Payments" herein for information regarding the required use of any insurance or condemnation proceeds related to the Series 2006 Facilities in the event of damage, destruction or condemnation of such Facilities.

Notice of Prepayment; Conditional Notice of Prepayment. So long as the Series 2026 Certificates are issued in book-entry only form, notice of prepayment will be mailed, postage prepaid, not less than five days nor more than ten days before the Prepayment Date in the case of an extraordinary prepayment, unless a different notice period is required by DTC to Cede & Co., as nominee for DTC, and the Trustee will not mail any prepayment notice directly to the Beneficial Owners of the Series 2026 Certificates. See "DESCRIPTION OF THE SERIES 2026 CERTIFICATES – Book-Entry Only System" herein.

Selection of Series 2026 Certificates for Prepayment; Notice of Prepayment. If less than all of the Series 2026 Certificates are called for prepayment, the particular Series 2026 Certificates or portions thereof to be prepaid will be in multiples of \$5,000 and the maturity of the Series 2026 Certificates to be prepaid will be determined by the Governing Board. If less than all the Series 2026 Certificates of like maturity are called for prepayment, the particular Series 2026 Certificates or portions thereof to be prepaid will be selected by lot by the Trustee in such manner as the Trustee deems fair and appropriate. The portion of any Series 2026 Certificate of a denomination of more than \$5,000 to be prepaid will be in the principal amount of \$5,000 or an integral multiple thereof, and, in selecting portions of such Series 2026 Certificates for prepayment, the Trustee will treat

each such Series 2026 Certificate as representing that number of Series 2026 Certificates in \$5,000 denominations which is obtained by dividing the principal amount of such Series 2026 Certificate to be prepaid in part by \$5,000.

DTC Procedures. Investors should note that while DTC is the registered owner of the Series 2026 Certificates, partial prepayments of the Series 2026 Certificates will be determined in accordance with DTC's procedures. The Governing Board intends that prepayment allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Governing Board and the Beneficial Owners of the Series 2026 Certificates be made in accordance with the method of selection of Series 2026 Certificates for a partial prepayment described above. However, the selection of the Series 2026 Certificates for prepayment in DTC's book-entry only system is subject to DTC's practices and procedures as in effect at the time of any such partial prepayment. The Governing Board can provide no assurance that DTC or the DTC Participants or any other intermediaries will allocate prepayments among Beneficial Owners in accordance with the method of selection of Series 2026 Certificates for a partial prepayment described above. See "DESCRIPTION OF THE SERIES 2026 CERTIFICATES – Book-Entry Only System" herein.

Effect of Prepayment. If, on the Prepayment Date, moneys for the payment of the Prepayment Price of the Series 2026 Certificates or portions thereof to be prepaid are held by the Trustee and available therefore on the Prepayment Date and if notice of prepayment has been given as described above, then from and after the Prepayment Date, the interest on the principal portion of the Basic Lease Payments represented by the Series 2026 Certificates or the portion thereof called for prepayment will cease to accrue. If such moneys are not available on the Prepayment Date, the principal portion of the Basic Lease Payments represented by such Series 2026 Certificates or portions thereof will continue to bear interest until paid at the same rate as would have accrued had it not been called for prepayment.

Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE BOARD BELIEVES TO BE RELIABLE, BUT THE BOARD TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 2026 Certificates. The Series 2026 Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2026 Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and

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

Purchases of the Series 2026 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2026 Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2026 Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026 Certificates, except in the event that use of the book-entry system for the Series 2026 Certificates is discontinued.

To facilitate subsequent transfers, all Series 2026 Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Certificates, such as defaults, and proposed

amendments to the Series 2026 documents. For example, Beneficial Owners of Series 2026 Certificates may wish to ascertain that the nominee holding the Series 2026 Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Distributions and payments on the Series 2026 Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Board or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of distributions, and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board and/or the Trustee for the Series 2026 Certificates. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2026 Certificates at any time by giving reasonable notice to the Board or its agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2026 Certificates are required to be printed and delivered.

The Governing Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2026 Certificates will be printed and delivered to DTC.

SECURITY FOR THE SERIES 2026 CERTIFICATES

General

The Series 2026 Certificates evidence undivided proportionate interests in the principal portion and interest portion of Basic Lease Payments made by the Governing Board to the Corporation under the Series 2006 Lease. The Series 2026 Certificates are secured by and payable from the Trust Estate established for the Series 2026 Certificates (the "Trust Estate") pursuant to the Trust Agreement. The Trust Estate consists of all estate, right, title and interest of the Trustee in and to the Basic Lease Payments under the Series 2006 Lease allocable to the Series 2026

Certificates, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Master Lease and the Trust Agreement, including investment earnings thereon, and any and all monies allocable to the Series 2026 Certificates received by the Trustee pursuant to the Series 2006 Lease and the Trust Agreement which are not required to be remitted to the Governing Board or the Corporation pursuant to the Master Lease or the Trust Agreement.

Neither the Corporation nor the Governing Board will mortgage or grant a security interest in the Series 2006 Facilities to the Trustee. However, upon termination of the Series 2006 Lease in the event of a non-appropriation of funds or certain events of default, the Series 2006 Lease provides that the Governing Board must surrender the Series 2006 Facilities to the Trustee, as assignee of the Corporation, for disposition by sale or re-letting of its leasehold interest in the Series 2006 Facilities as provided in the Trust Agreement, and, except as otherwise described herein with respect to the exercise of remedies available under the Master Lease upon termination of the term of the Series 2006 Lease, any proceeds of any such disposition will be applied to the payment of the Series 2026 Certificates, after payment of the expenses of the Trustee, in accordance with the terms of the Series 2006 Lease. See "THE SERIES 2006 FACILITIES" herein for a description of the Series 2006 Facilities against which the Trustee may exercise rights on behalf of the Owners of the Series 2026 Certificates. Upon termination of the Series 2006 Lease in the event of non-appropriation of funds or certain events of default, the Trustee may not have sufficient funds to pay the Series 2026 Certificates. See "THE SERIES 2006 LEASE – Effect of Termination for Non-Appropriation or Default" herein.

Lease Payments

All Lease Payments and all other amounts required to be paid by the Governing Board under the Series 2006 Lease and all other Leases are payable solely from legally available funds budgeted and appropriated by the Governing Board for such purpose. Revenues available to the Governing Board for operational purposes and capital projects such as the Series 2006 Facilities are described under "REVENUE SOURCES OF THE DISTRICT" herein.

The Master Trust Agreement, as supplemented by the Series 2026 Supplemental Trust Agreement, establishes a Series 2026 Lease Payment Account for deposit of Basic Lease Payments appropriated and paid under the Series 2006 Lease. Separate Lease Payment Accounts are established for each new group of Facilities to be financed by a Series of Certificates issued under the Trust Agreement. Lease Payments due under the schedules to the Master Lease are subject to annual appropriation by the Governing Board on an all-or-none basis and are payable on a parity basis solely from legally available funds appropriated by the Governing Board for such purposes. Such additional Facilities may be financed through the sale of additional Series of Certificates under the Trust Agreement. THE GOVERNING BOARD MAY NOT BUDGET AND APPROPRIATE FOR A PORTION OF LEASE PAYMENTS DUE FOR THE FACILITIES LEASED UNDER THE MASTER LEASE; IT MUST BUDGET AND APPROPRIATE FOR ALL SUCH LEASE PAYMENTS OR NONE OF THEM. THERE CAN BE NO ASSURANCE THAT SUFFICIENT FUNDS WILL BE APPROPRIATED OR OTHERWISE BE MADE AVAILABLE TO MAKE ALL OF THE LEASE PAYMENTS DUE UNDER THE MASTER LEASE.

Failure to appropriate funds to make Lease Payments under any Lease will, or an event of default under any Lease may, result in the termination of all Leases, including the Series 2006 Lease. Upon any such termination of the Lease Term of all Leases, the Governing Board must surrender possession of all Facilities, including the Series 2006 Facilities, to the Trustee for sale or lease of the Trustee's interest. The proceeds of any such disposition of the Series 2006 Facilities will be applied to the payment of the Series 2026 Certificates, after payment of the Trustee's expenses, except as otherwise described herein with respect to the exercise of remedies available under the Master Lease upon termination of the term of the Series 2006 Lease. In no event will owners of the Series 2026 Certificates have any interest in or right to any proceeds of the disposition of Facilities financed with the proceeds of another Series of Certificates, except as described herein. There can be no assurance that the remedies available to the Trustee upon any such termination of all Leases and the disposition of the applicable Facilities will produce sufficient amounts to pay the outstanding Series 2026 Certificates. See "THE SERIES 2006 LEASE – Effect of Termination for Non-Appropriation or Default" and "RISK FACTORS" herein.

For a discussion of remedies available to the Trustee upon the occurrence of an event of the non-appropriation of funds to pay Lease Payments or upon the occurrence of an event of default by the Governing Board under any Lease, see "THE SERIES 2006 LEASE – Termination of Lease Term" and "– Effect of Termination for Non-Appropriation or Default" herein and "APPENDIX B – Certain Legal Documents – Master Lease Purchase Agreement – Events of Default and Remedies" hereto.

Limited Obligation

THE GOVERNING BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS. LEASE PAYMENTS ARE PAYABLE FROM FUNDS APPROPRIATED BY THE GOVERNING BOARD FOR SUCH PURPOSE FROM CERTAIN AVAILABLE FUNDS AUTHORIZED BY LAW AND REGULATIONS OF THE STATE OF FLORIDA. NEITHER THE DISTRICT, THE GOVERNING BOARD, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS OBLIGATED TO PAY, EXCEPT FROM GOVERNING BOARD APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES 2006 LEASE FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE DISTRICT, THE GOVERNING BOARD, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER. SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE GOVERNING BOARD, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE CORPORATION, THE TRUSTEE NOR ANY CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE GOVERNING BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO PAY ANY SUMS, INCLUDING THE BASIC LEASE PAYMENTS, DUE UNDER THE SERIES 2006 LEASE. SEE "RISK FACTORS" HEREIN.

Additional Leases

The Series 2006 Lease is the only Lease under the Master Lease. The Governing Board may enter into additional Leases under the Master Lease. Currently, no Additional Leases are contemplated to be entered into in the future.

Additional Certificates

In addition to the Series 2026 Certificates, the Governing Board and the Corporation may also cause additional Certificates to be issued in relation to the execution and delivery of additional Leases. Additional Certificates may be authorized by the Corporation at the request of the Governing Board and executed and delivered by the Trustee with respect to additional Leases entered into in the future, for the purpose of (a) financing the cost of acquisition, construction, installation and equipping of any Facilities; (b) financing the cost of completing the acquisition, construction, installation and equipping of any Facilities; (c) financing the cost of increasing, improving, modifying, expanding or replacing any Facilities; (d) paying or providing for the payment of the principal portion and interest portion of the Basic Lease Payments with respect to, or the Purchase Option Price of, all or a portion of the Facilities financed from the proceeds of any Series of Certificates previously executed and delivered; (e) funding a Reserve Account in an amount equal to the applicable Reserve Account Requirement, if any; (f) capitalizing the interest portion of Basic Lease Payments during construction; or (g) paying the applicable Costs of Issuance. Currently, the Governing Board does not anticipate the issuance of any additional Series of Certificates in the future.

Unless otherwise set forth in the Supplemental Trust Agreement authorizing the issuance of more than one series of Certificates, each Certificate within a Series of Certificates executed and delivered pursuant to the Trust Agreement shall rank *pari passu* and be equally and ratably secured under the Trust Agreement with each other Certificate of such series, but not with any Certificates of any other series, without preference, priority, or distinction of any such Certificate over any other such Certificate, except that to the extent that Basic Lease Payments available for payment to all Certificate holders are less than all amounts owed with respect to all Series of Certificates on any Payment Date, such amounts available shall be applied on a pro rata basis to Certificate holders of all Series in accordance with the ratio that the principal balance of each Series of Certificates outstanding bears to the total amount of Certificates Outstanding under the Trust Agreement.

Non-Appropriation Risk

The Governing Board is not legally required to appropriate moneys for the purpose of making Lease Payments. See "REVENUES AVAILABLE FOR BASIC LEASE PAYMENTS" herein. For a discussion of the remedies available to the Trustee in the event of the non-appropriation of funds to make Lease Payments, see "THE SERIES 2006 LEASES – Termination of Lease Term" and "– Effect of Termination for Non-Appropriation or Default" herein and "APPENDIX B – Certain Legal Documents – Master Lease Purchase Agreement – Events of Default and Remedies" hereto. There can be no assurance that the remedies available to the Trustee in the event of non-appropriation will produce sufficient amounts to pay the outstanding Series 2026 Certificates.

Purchase Option Price

The Governing Board has the right to prepay all or a portion of the Basic Lease Payments represented by the Series 2026 Certificates and in connection therewith remove all or a portion of the Series 2006 Facilities from the Series 2006 Lease and from the lien of the Series 2006 Ground Lease by paying the Purchase Option Price for the specific Series 2006 Facilities being purchased or, to the extent permitted by law, by substituting other Facilities for the Series 2006 Facilities being acquired.

The Purchase Option Price shall mean, with respect to the Series 2006 Facilities, as of each Lease Payment Date, (i) the Basic Lease Payment then due plus the amount so designated and set forth in the Series 2006 Lease, (ii) minus any credits pursuant to the provisions of the Master Lease, (iii) plus an amount equal to the interest to accrue with respect to the Series 2026 Certificates to be paid as a result of the release of such Facility from the Series 2006 Lease, from such Lease Payment Date to the next available date for paying such Series 2026 Certificates unless such payment shall occur on such Lease Payment Date and (iv) plus an amount equal to a pro rata portion of any Lease Payments and Supplemental Payments then due and owing under the Series 2006 Lease relating to such Facility.

No Reserve Account for Series 2026 Certificates

THERE IS NO RESERVE ACCOUNT ESTABLISHED FOR THE SERIES 2026 CERTIFICATES.

THE SERIES 2006 FACILITIES

General

The Series 2006 Facilities are located within the territorial boundaries of the District. The District currently owns the Series 2006 Facility Sites.^(*) The Series 2006 Facilities constitute a portion of the improvements comprising the CERP project. See "EVERGLADES RESTORATION – Comprehensive Everglades Restoration Plan" herein.

The Series 2006 Facilities generally consist of the following components:

A-1 Flow Equalization Basin (the "EAA FEB")

The EAA FEB is a 60,000 acre-feet constructed storage feature used to capture and store peak stormwater flows, allowing water managers to move water from the EAA FEB into a stormwater treatment area ("STA") at a steady rate to optimize STA performance and achieve water quality improvement targets.

^(*) Martin County, Florida owns an undivided 16.2% fee simple interest in the C-44 Reservoir site, including the C-44 Test Cells, and has joined in and consented to the Series 2006 Ground Lease with respect to its interest.

C-44 (St. Lucie Canal) Reservoir/Stormwater Treatment Area Test Cells (the "C-44 Test Cells")*

This project consisted of a 4,000-acre, 10-foot-deep above-ground reservoir that provides additional water storage for the C-44 basin. The project also included a 4,000-acre STA to capture and treat excess stormwater runoff before it enters the St. Lucie Canal and, ultimately, the St. Lucie Estuary and Indian River Lagoon. The project included an option for expansion of an additional 4,000-acre reservoir that would be capable of reducing the impact of Lake Okeechobee regulatory releases to the estuary. Only the construction costs of the C-44 Test Cells are included in the Series 2006 Facilities and owners of the Series 2026 Certificates have no rights to the reservoir constructed thereon.

C-43 (Caloosahatchee River Canal) West Reservoir Test Cells (the "C-43 Test Cells")

This project consisted of an above-ground reservoir located along the Caloosahatchee River. Maximum storage capacity is 160,000 acre-feet. The reservoir was constructed on an 11,000-acre parcel owned by the District in Hendry County, west of LaBelle. Only the construction costs of the C-43 Test Cells are included in the Series 2006 Facilities and owners of the Series 2026 Certificates have no rights to the reservoir constructed thereon.

Everglades Agricultural Area ("EAA") Stormwater Treatment Areas ("STA") Expansion, Compartments B and C (the "EAA STA Expansion")

This project expanded the size and enhances the performance of existing STAs created as part of the Everglades Construction Project ("ECP"). These constructed wetlands naturally reduce stormwater runoff pollution levels flowing from the EAA before entering the Everglades. This project included seven project components that expanded EAA STA Compartment B and EAA STA Compartment C. Only construction costs of four independent project components are included in the Series 2006 Facilities.

EAA STA Compartment B Buildout & EAA STA Compartment C Buildout

EAA STA Compartment B Buildout consisted of two independent stormwater treatment areas, the North Buildout and the South Buildout. The North Buildout site is 4,500 acres and its components include an inflow pump station G-434 with a flow rate of 1,120 cubic feet per second, STA Cell 5 and Cell 6, distribution and seepage canals, levees, and water control structures. The South Buildout site is 3,000 acres and its components include an inflow pump station G-435 with a flow rate of 480 cubic feet per second and an outflow pump station G-436 with a flow rate of 1,600 cubic feet per second, STA Cell 7 and Cell 8, distribution canals and seepage canals, levees, water control structures, and a 26 cubic feet per second seepage pump station G-445. EAA STA Compartment C Buildout site is 6,400 acres and its components include an inflow pump station G-508 with a flow rate of 1,630 cubic feet per second, STA Cell 5-4A & 5-4B, Cell 5-5A & 5-5B, and Cell 6-4, distribution and outflow canals, levees, water control structures, and a 100 cubic feet per second hydration pump station G-509.

The District, Federal and State governments made substantial equity investments towards the land, planning, design and construction associated with the Series 2006 Facility Sites. The total equity investment by the District and its partners amounted to approximately \$500 million for the

Series 2006 Facilities. The proceeds of the Series 2026 Certificates will refinance the costs of the Series 2006 Facilities.

The Series 2006 Ground Lease

The Governing Board, as lessor under the Series 2006 Ground Lease, granted to the Corporation, as lessee thereunder, a leasehold estate in the Series 2006 Facilities and the Series 2006 Facility Sites, including Martin County, Florida's interest in the C-44 Reservoir site. The initial term of the Series 2006 Ground Lease commenced on November 15, 2006 and ends on the earlier of (a) the payment in full of all Lease Payments under the Series 2006 Lease or payment of the applicable Purchase Option Price of the Series 2006 Facilities, or (b) October 31, 2041 (subject to the Corporation's or its assignee's right and option to renew for a period not to exceed five (5) years upon the occurrence of an Event of Default or a non-appropriation of funds under the Series 2006 Lease as described therein). So long as no Event of Default or a non-appropriation of funds under the Series 2006 Lease has occurred, the Series 2006 Facility Sites shall be used by the Governing Board to acquire, construct and install the Series 2006 Facilities. So long as the Master Lease has not been terminated, the Corporation shall pay the Governing Board \$10.00 per annum as rental payment under the Series 2006 Ground Lease.

Throughout the term of the Series 2006 Ground Lease, fee title to the Series 2006 Facility Sites shall be in the name of the Governing Board, subject to Permitted Encumbrances, Martin County, Florida's interest in the C-44 Reservoir site, and the restrictions of certain grant agreements with the Federal government, and title to the Series 2006 Facilities shall be in the name of the Corporation and shall remain severed from title to the Series 2006 Facility Sites until the earlier of (a) payment in full of all Lease Payments under the Series 2006 Lease or payment of the applicable Purchase Option Price of the Series 2006 Facilities or (b) the end of the term of the Series 2006 Lease.

Facility Sites Use Restrictions Under Federal Grant Agreements

The District, the United States Department of Interior (the "DOI"), the Corps and the Florida Department of Environmental Protection ("DEP") executed a Framework Agreement, dated October 3, 1996, that established the basic principles governing their respective roles in the expenditure of Federal funds for Everglades ecosystem restoration (the "Framework Agreement"). Subsequently, the District, DEP and DOI entered into several Federal assistance agreements using State and Federal Farm Bill/Land and Water Conservation Funds ("Section 390 Funds") for land acquisition for Everglades restoration purposes (the "Grant Agreements") for the following projects:

- EAA FEB
- C-44 (St. Lucie Canal) Reservoir/STA (including C-44 Test Cells)
- C-43 (Caloosahatchee River Canal) West Reservoir (including C-43 Test Cells)
- EAA STA Expansion
- Water Preserve Areas*
- Picayune Strand (Southern Golden Gate Estates) Restoration*

- Biscayne Bay Coastal Wetlands – Phase 1*
- C-111 Spreader Canal*

* No portion of these projects were funded by the Series 2006 Certificates. See "EVERGLADES RESTORATION" herein.

The Grant Agreements require that lands acquired with Section 390 Funds (the "Grant Properties") be used solely to restore the Florida Everglades Restoration Area, as defined in Section 390 of the Federal Agriculture Improvement and Reform Act of 1996, Public Law 104-127, 110 Stat. 1022 (the "Everglades ecosystem"). They further provide that DOI must approve all activities conducted by the District on the Grant Properties, including the Series 2006 Facility Sites, to ensure that they are consistent with the restoration of the Everglades ecosystem. The Grant Agreements further generally prohibit the encumbrance of Grant Properties.

By letters dated February 16, 2006 and February 24, 2006, DOI approved the encumbrances on the Series 2006 Facility Sites contemplated by the Series 2006 Lease and the Series 2006 Ground Lease and approved the District's financing of the Series 2006 Facilities with the proceeds of the Series 2006 Certificates. DOI has, nonetheless, retained its rights under the Grant Agreements. Thus, in the event of a default under the Series 2006 Lease, or a non-appropriation of funds by the District, the Trustee or assignee of the Corporation may take possession of the Series 2006 Facilities and sell or re-let its interest therein. However, the District would still remain subject to the Grant Agreements as described below.

In the event that the Series 2006 Facilities (subject to the Grant Agreements) are not used for Everglades restoration the District shall provide replacement land under the Grant Agreements, which may include land already in District ownership or land that will be acquired by the District, which replacement land shall remain in District ownership and be managed by the District in perpetuity for Everglades restoration purposes ("Replacement Land"). Such Replacement Land shall be of at least equal fair market value to the grant land or match land to be retained based on an appraisal obtained by the District and approved by DOI in writing, which approval shall not be unreasonably withheld. Fair market value of the grant land or match land and the Replacement Land is to be determined as of the date of DOI approval of the retention or disposal option. So long as the difference in the fair market values of the lands is not more than ten (10) percent, the parties may equalize the difference in values by a credit or cash payment to the appropriate party. The District will pay the actual and reasonable expenses incurred in determining the fair market value of the property. Upon DOI approval of the proposed Replacement Lands, which approval may not be unreasonably withheld, the parties will amend the Grant Agreements to (a) substitute the Replacement Land for the grant lands or match lands to be retained for other purposes or to be disposed of and (b) release such grant lands or match lands from the Grant Agreements. Prior to the amendment of the Grant Agreements, the District shall submit to DOI a Management and Use Plan for the Replacement Lands.

Substitution

To the extent permitted by law and with the prior consent of the Credit Facility Issuer, if any, the Governing Board may substitute for any Series 2006 Facility other facilities owned by the Governing Board, provided such substituted facilities (a) have the same or greater remaining useful

life, (b) have a fair market value equal to or greater than the Series 2006 Facilities for which they are substituted (based on an MAI appraisal), (c) are of substantially equal usefulness as the Series 2006 Facilities to be replaced and provide essential governmental services, and (d) are free and clear of all liens and encumbrances, except Permitted Encumbrances and subject to certain limitations imposed in the Grant Agreements. In order to effect such substitution, the Series 2006 Facilities and Series 2006 Facility Sites to be replaced will be released from the encumbrance of the Series 2006 Ground Lease and the Series 2006 Lease, and the Facilities and Facility Sites to be substituted shall be incorporated into the Series 2006 Ground Lease and the Series 2006 Lease.

At the time of any such substitution, there must be delivered an opinion of counsel as to the legality and validity of such substitution under the laws of the State and the terms of the Grant Agreements, a policy of leasehold title insurance (if required by the Credit Facility Issuer, if any) and an opinion of counsel as described in the Master Lease with respect to a substitute Facility Site, among other things.

[Remainder of page intentionally left blank]

SOURCES AND USES OF FUNDS

Proceeds received from the sale and delivery of the Series 2026 Certificates, together with other legally available funds, will be used as follows:

Sources of Funds

Par Amount of Series 2026 Certificates.....	\$
Plus/Less: Net Original Issue Premium/Original Issue Discount	
Other Legally Available Funds ⁽¹⁾	
Total Sources of Funds	\$

Uses of Funds

Deposit to Escrow Fund ⁽²⁾	\$
Deposit to Series 2026 Cost of Issuance Subaccount ⁽³⁾	
Underwriters' Discount	
Total Uses of Funds	\$

⁽¹⁾ Represents moneys in the funds and accounts related to the Refunded Certificates.

⁽²⁾ To be applied to refund the Refunded Certificates. See "PLAN OF REFUNDING" herein.

⁽³⁾ To pay certain costs of issuance of the Series 2026 Certificates, including, without limitation, printing costs, legal, accounting and municipal advisory fees, fees of Special Tax Counsel and Disclosure Counsel.

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SERIES 2026 CERTIFICATES PAYMENT SCHEDULE

Estimated payment requirements on the Series 2026 Certificates are as follows:⁽¹⁾⁽²⁾

Fiscal Year Ending September 30	Principal Portion	Interest Portion	Aggregate Total
2027	\$15,955,000	\$11,171,878	\$27,126,878
2028	16,905,000	10,191,875	27,096,875
2029	17,750,000	9,325,500	27,075,500
2030	18,630,000	8,416,000	27,046,000
2031	19,550,000	7,461,500	27,011,500
2032	20,520,000	6,459,750	26,979,750
2033	21,540,000	5,408,250	26,948,250
2034	22,610,000	4,304,500	26,914,500
2035	23,730,000	3,146,000	26,876,000
2036	24,910,000	1,930,000	26,840,000
2037	26,145,000	653,625	26,798,625
	<u>\$228,245,000</u>	<u>\$68,468,878</u>	<u>\$296,713,878</u>

⁽¹⁾ Preliminary, subject to change. Numbers may not add due to rounding.

⁽²⁾ Assumes the refunding of the Refunded Certificates. See "PLAN OF REFUNDING" herein.

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THE SERIES 2006 LEASE

The following is a brief summary of certain provisions of the Series 2006 Lease, which is not intended to be definitive. Reference is made to the Series 2006 Lease for the complete text thereof. The form of the Series 2006 Lease is included in "APPENDIX B – Certain Legal Documents – Master Lease Purchase Agreement" and "– Form of Second Amended and Restated Schedule 2006" hereto.

Authority

The Series 2006 Lease is entered into pursuant to the authority granted under the Act, particularly Section 373.584, Florida Statutes, to facilitate the lease-purchase financing and refinancing of the Series 2006 Facilities.

Lease Term

Under the Series 2006 Lease, the Corporation is leasing to the Governing Board the Series 2006 Facilities for an initial Lease Term which commenced on November 15, 2006 and continued through and including September 30, 2007, when it was automatically renewed and is automatically renewable annually through and including September 30, 2036, unless sooner terminated in accordance with the provisions of the Series 2006 Lease. See "THE SERIES 2006 LEASE – Termination of Lease Term" herein.

Lease Payments

Subject to the conditions stated in the Series 2006 Lease, the Governing Board has expressed its current intent to make all Lease Payments due under the Series 2006 Lease; **provided, however, that neither the Governing Board, the District, the State of Florida, nor any political subdivision or agency thereof, is obligated to pay, except from appropriated funds, any sums due under the Series 2006 Lease from any source of taxation, and the full faith and credit of the Governing Board, the District, the State of Florida or any political subdivision or agency thereof is not pledged for payment of such sums due under the Series 2006 Lease, and the sums do not constitute an indebtedness of the Governing Board, the District, the State of Florida or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.** All Lease Payments due under the Series 2006 Lease will be made from certain available funds authorized by law and regulations of the State of Florida and appropriated for such purpose by the Governing Board.

On the March 15 and September 15 of each year, the Series 2006 Lease Payment Dates preceding each Certificate Payment Date, the Governing Board is required to pay to the Trustee the Basic Lease Payment due, which amount corresponds to the next succeeding Certificate payment. The Governing Board is also required to pay, when due, Additional Lease Payments and Supplemental Payments, consisting, among other things, of fees and expenses of the Trustee and the Corporation. Lease Payments due under the Series 2006 Lease may be reduced, when applicable, by amounts credited as follows:

(a) The Trustee will deposit into the applicable Lease Payment Account interest income in accordance with the Trust Agreement and apply such interest income as a credit against the next ensuing Lease Payment to the extent provided in the Trust Agreement.

(b) The Trustee will deposit into the applicable Lease Payment Account or the applicable Prepayment Account, as applicable, any amounts remaining in the Acquisition Account for the Series 2006 Facilities financed under the Series 2006 Lease upon the completion thereof, to be applied to Basic Lease Payments under the Series 2006 Lease or the Prepayment Price of the related Certificates under the Series 2006 Lease.

(c) The Trustee will deposit in the applicable Lease Payment Account or the Series 2006 Prepayment Account, as applicable, Net Proceeds realized in the event of damage, destruction or condemnation to be applied to Basic Lease Payments under the Series 2006 Lease or the Prepayment Price of the related Certificates under the Series 2006 Lease. Pursuant to the Series 2006 Lease, if the Net Proceeds related to the Series 2006 Facilities allocable to the Series 2026 Certificates are not greater than the amount of the Lease Payments represented by the Series 2026 Certificates coming due in the current and immediately following fiscal year under the Series 2006 Lease, then such amounts shall be used first, to pay the Interest Component of the Series 2026 Certificates for the next two interest Payment Dates and then to pay the Principal Component next coming due on the Series 2026 Certificates. In the event such Net Proceeds are greater than the amount of the Lease Payments represented by the Series 2026 Certificates coming due under the Series 2006 Lease in the current and immediately following fiscal year, at the option of the Governing Board, the Governing Board shall apply the portion of the Net Proceeds of such insurance or condemnation award to (i) the acquisition, construction and installation of Facilities that will be subject to the Series 2006 Lease, or (ii) upon receipt of an approving opinion of Special Tax Counsel, to the Series 2026 Subaccount of the Interest Account or the Series 2026 Subaccount of the Principal Account to be credited against the payments next due to such accounts and subaccounts.

Assignment to Trustee

Pursuant to the Series 2006 Assignment Agreement, and except for its rights to indemnification, to hold title to the Series 2006 Facilities and to receive notices, substantially all right, title and interest of the Corporation in and to the Series 2006 Ground Lease, and in and to the Series 2006 Lease, including the right to receive Basic Lease Payments thereunder, has been absolutely and unconditionally assigned by the Corporation to the Trustee for the benefit of the Series 2026 Certificate Holders. The Governing Board has consented to such assignment.

Lease Covenants

In the Series 2006 Lease, the Governing Board covenants that it will (i) maintain the Series 2006 Facilities at all times during the Lease Term in good repair and condition; (ii) pay applicable taxes, utility charges and other governmental charges; and (iii) provide applicable insurance coverage, including property and liability insurance, all in accordance with the terms and provisions relating to these requirements, contained in the Series 2006 Lease.

Budget and Appropriation

The cost and expense of the performance by the Governing Board of its obligations under the Series 2006 Lease and any additional Leases, and the incurrence of any liabilities of the Governing Board under the Series 2006 Lease and any additional Leases, including, without limitation, the payment of all Lease Payments and all other amounts required to be paid by the Governing Board under all Leases, are subject to and dependent on appropriations being duly made from time to time by the Governing Board for such purposes. **THE GOVERNING BOARD MAY NOT BUDGET AND APPROPRIATE AVAILABLE REVENUES TO MAKE PAYMENTS SELECTIVELY ON A LEASE BY LEASE BASIS, BUT MUST APPROPRIATE SUCH REVENUES FOR ALL LEASES OR NONE OF THEM.** Under no circumstances will the failure of the Governing Board to appropriate sufficient funds constitute a default or require payment of a penalty, or in any way limit the right of the Governing Board to purchase or utilize facilities similar in function to those leased under any Lease, including the Series 2006 Lease.

Unless the Governing Board, at a public meeting held prior to the end of the then current Fiscal Year, gives notice of its intent not to appropriate the funds necessary to make the Lease Payments coming due in the following Fiscal Year under all Leases, the Chief Financial Officer of the District shall include in the District's tentative budget proposal the funds necessary to make such Lease Payments, and all Leases will be automatically renewed on September 30 of the current Fiscal Year, for the following Fiscal Year, subject to appropriation being made by the Governing Board in the final official budget. If Lease Payments are due during the period prior to the adoption of the Governing Board's final official budget for an ensuing Fiscal Year, the Lease Term of all Leases shall be deemed extended only if the tentative budget or extension of the prior budget (whether by Governing Board action or operation of law) makes available to the Governing Board monies which may be legally used to make the Lease Payments due under all Leases during such period. If no such appropriation is made in the budget as finally adopted or if no official budget is adopted as of the last day on which a final budget is required to have been adopted under applicable law and regulations, all Leases will terminate as of the date of adoption of the final official budget or the last date on which a final budget is required to have been adopted, whichever is earlier, and under which no appropriation has been made.

If the Governing Board declares its intent at such public meeting prior to the end of the then current Fiscal Year not to appropriate the funds necessary to make Lease Payments under all Leases, no Leases will be automatically renewed for the following Fiscal Year, but all Leases will terminate on September 30th of the current Fiscal Year. The Governing Board will, however, provide written notice of any non-appropriation of funds, as described above, to the Trustee and the Credit Facility Issuer, if any, within three Business Days after declaring its intent not to appropriate the funds necessary to make payments under all Leases. For a discussion of the effect of termination of the Lease Term of the Leases, see "THE SERIES 2006 LEASE – Effect of Termination for Non-Appropriation or Default" herein.

Budget Subject to Review and Approval

Section 373.535, Florida Statutes, requires the District, by January 15 of each year, to submit its preliminary budget, which serves the basis for the District's tentative budget, for

legislative review to the President of the Florida Senate (the "Senate"), the Speaker of the State House of Representatives (the "House of Representatives"), and the chairs of each legislative committee and subcommittee having substantive or fiscal jurisdiction over the District, as determined by the President of the Senate or the Speaker of the House of Representatives. The State Legislature may annually review the preliminary budget for each district, including, but not limited to, those items specific to the regulation, outreach, management, and administration program areas. On or before March 1 of each year, the President of the Senate and the Speaker of the House of Representatives may submit comments regarding the preliminary budget to the District, and provide a copy of the comments to the Governor. The District shall respond to any comments in writing on or before March 15 of each year to the President of the Senate, the Speaker of the House of Representatives, and the Governor.

Based upon its review, the State Legislature may enact legislation to set the authorized maximum millage rate or the maximum amount of property tax revenue to be raised by the District in the next Fiscal Year from the taxes levied. If, following such review, the State Legislature does not take any action to enact legislation to set the authorized maximum millage rate on or before July 1 of each year, the District may proceed with tentative budget development pursuant to Sections 373.535(3) and 373.536, Florida Statutes.

The District is required, by August 1 of each year, to submit its tentative budget to the Governor, the State Legislature, various committees and the governing body of each county within the territorial boundaries of the District. The District's tentative budget must set forth certain required information as to the prior Fiscal Year and the current Fiscal Year, and the proposed amounts for the upcoming Fiscal Year, including funds available, estimated funding sources, millage rates and proposed expenditures and expenses by program area, including the Everglades Construction Project (the "ECP") and the CERP.

Pursuant to Section 373.536(5), Florida Statutes, the District's tentative official budget is subject to approval, in whole or in part, by the Governor of the State, based upon an analysis of the adequacy of fiscal resources available to the District and the adequacy of District expenditures related to water supply; water quality; flood protection and flood plain management; and natural systems. The Joint Legislative Budget Commission may reject any of the following district budget proposals: (1) a single purchase of land in excess of \$10 million, except for land exchanges; (2) any cumulative purchase of land during a single Fiscal Year in excess of \$50 million; (3) any issuance of debt on or after July 1, 2012; (4) any program expenditures as described for outreach, management and administration program areas in excess of 15% of the District's total annual budget; or (5) any individual variances in a District's tentative budget in excess of 25% from the District's preliminary budget. Written disapproval of any portion of the proposed budget must be received at least five business days prior to the final District budget adoption hearing. If written disapproval of any portion of the budget is not timely received, the Governing Board may proceed with final adoption of the proposed budget. Any provision of the budget rejected by the Joint Legislative Budget Commission or Governor shall not be included in the District's final official budget.

In addition, by September 5 of each year, the House of Representatives and Senate appropriations chairs may transmit to the District comments and objections to the proposed budget. The District shall include a response to such comments and objections in the record of the

Governing Board meeting where final adoption of the budget takes place, and such record must be transmitted to the Governor, House of Representatives and Senate appropriations chairs, among others. Since the enactment of Section 373.535, Florida Statutes, the District has not had any items vetoed from its budget in connection with the State review and approval process described above. See "THE DISTRICT - Budgeting Process" herein for further information on the District's budget process, including a description of its internal budget procedures.

Termination of Lease Term

As described under "SECURITY FOR THE SERIES 2026 CERTIFICATES – Additional Leases," the Governing Board may enter into Leases in addition to the Series 2006 Lease. The Leases, including the Series 2006 Lease, will terminate upon the earliest of any of the following events:

- (a) Each Lease will terminate on the latest Lease Payment Date set forth therein;
- (b) All Leases will terminate in the event of non-appropriation of funds for the payment of any Lease Payments as provided in each Lease;
- (c) All Leases will terminate upon a default by the Governing Board with respect to any Lease and the termination of the Lease Term of all Leases by the Trustee pursuant to the Master Lease;

A particular Lease will terminate upon payment by the Governing Board of the Purchase Option Price of the particular Facilities leased under such Lease by the Governing Board or upon provision for such payment pursuant to the Master Lease.

Effect of Termination for Non-Appropriation or Default

Upon termination of the Lease Term for the reasons referred to in (b) or (c) under "THE SERIES 2006 LEASE – Termination of Lease Term" above, the Governing Board is required to immediately surrender and deliver use, possession and control of all the Facilities financed under all Leases, including the Series 2006 Facilities (but not any other Facilities excluded under the terms of any Lease), to the Trustee in the condition, state of repair and appearance required under the Leases and in accordance with the Trustee's instructions. Upon such surrender, the Trustee (or other transferee) will attempt to sell or re-let its interest in such Facilities in such manner and to such person or persons for any lawful purpose as it, in its sole discretion, determines to be appropriate. The proceeds derived from any such disposition of Facilities will be applied first to the payment in full of the Series of Certificates relating to such Facilities and then as described in the Lease. The proceeds of any such disposition of the Series 2006 Facilities will be applied to the payment of the Series 2026 Certificates, after payment of the expenses of the Trustee, in accordance with the terms of the Series 2006 Lease, and then to the payment of any accrued but unpaid obligations of the Corporation under the Series 2006 Ground Lease. Any excess thereafter shall be returned to the Governing Board. See "RISK FACTORS - Limitation Upon Disposition; Ability to Sell or Relet" herein. In no event will owners of the Series 2026 Certificates have any interest in or right to any proceeds of the disposition of Facilities financed with the proceeds of

another Series of Certificates. See "SECURITY FOR THE SERIES 2026 CERTIFICATES – Additional Leases" and "– Additional Certificates" herein.

For a discussion of the remedies available to the Trustee and the Corporation if the Governing Board refuses or fails to voluntarily deliver possession of the Facilities to the Trustee, see "APPENDIX B - Certain Legal Documents – Master Lease Purchase Agreement – Surrender of Facilities" hereto.

There can be no assurance that the remedies available to the Trustee upon any termination of the Lease Term of all Leases for non-appropriation of funds or certain events of default and the disposition of all or a portion of the Series 2006 Facilities will produce sufficient amounts to pay the outstanding Series 2026 Certificates. The Federal income tax status of payments made to Series 2026 Certificate holders after such termination may also be adversely affected. See "TAX MATTERS" herein. Further, after such termination of the Lease Term of all Leases, the transfer of Series 2026 Certificates may be subject to the registration provisions of applicable Federal and State securities laws. Accordingly, there is no assurance that the liquidity of the Series 2026 Certificates will not be impaired following termination of the Lease Term of the Leases. See "RISK FACTORS" herein.

THE CORPORATION

The Corporation is a Florida not-for-profit corporation formed by the District in October 2005 for the primary purpose of acting as lessor under leases with the Governing Board. The sole member of the Corporation is the Governing Board. Upon dissolution, all of its assets will be distributed to the Governing Board. The Board of Directors of the Corporation consists of the members of the Governing Board and its officers are Governing Board members and employees.

There is no litigation pending against the Corporation.

Pursuant to the Series 2006 Assignment Agreement, the Corporation has made an absolute and unconditional assignment of substantially all its right, title and interest under the Series 2006 Ground Lease and the Series 2006 Lease to the Trustee, retaining its rights to indemnification, its right to hold title to the Series 2006 Facilities, and to receive notices under the Master Lease. In accordance therewith, the Trustee collects directly all of the Basic Lease Payments that are the primary source of and security for payment of the Series 2026 Certificates. The credit of the Corporation is not material to any of the transactions contemplated in this Offering Statement. No financial information concerning the Corporation has been included herein, nor is it contemplated that any such financial information will be included in any future Offering Statement relating to the sale of any additional Certificates or other obligations of the Governing Board or the Corporation.

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THE DISTRICT

Organization

Headquartered in West Palm Beach, Florida, the District is a public corporation under the Act charged with overseeing the water resources of the Okeechobee and Big Cypress Basins, the two major watershed basins in the District's 16-county region. The District is composed of the Governing Board, the Big Cypress Basin Board, the Inspector General's Office, the Executive Office and several other offices and divisions thereunder.

The Big Cypress Basin Board sets the regional policy, budget and millage rate for the area within the Big Cypress Basin. A Governing Board member residing in the Big Cypress Basin (or appointed by the Governing Board Chair) serves as the Big Cypress Basin Board's Chair. The Governing Board serves as the Basin Board of the Okeechobee Basin and sets the regional policy, budget and millage rate for the area within the Okeechobee Basin.

The Executive Office includes the Executive Director, Assistant Executive Director, Chief of Staff and General Counsel, and is responsible for the overall direction and management of the District according to the policy direction set by the Governing Board and facilitation of new initiatives and agency-wide policy coordination. The Executive Office also acts as liaison between District staff and the Governing Board, and for the enforcement of District rules and regulations, local government assistance, and for legal support and advice for all functions.

Governing Board

A nine-member Governing Board sets policy and provides overall direction for the District. The Governing Board consists of nine members who are appointed by the Governor, confirmed by the Florida Senate, and generally serve staggered four-year terms. The Board elects its officers, including a Chairman and a Vice Chairman. The District's annual budget is funded by a combination of property taxes and other sources such as Federal, State and local revenue, licenses, permit fees, grants, agricultural taxes and investment income.

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The members of the Governing Board are:

Member	Beginning Term of Office	Expiration of Term of Office	County of Residence	Occupation
Chauncey Goss, Chairman	August 2023	March 2027	Lee	Founder and Partner, Goss Practical Solutions
Scott Wagner, Vice Chairman	August 2023	March 2027	Miami-Dade	Founder at Wagner Legal, and Partner at Ballard Partners
Ron Bergeron, Sr.	June 2022	March 2026	Broward	Founder of Bergeron Family of Companies & Glades Asset & Property Management, Engineering Construction Contractor
Benjamin Butler	August 2024	March 2028	Highlands	Vice-President of Butler Oaks Farm, Inc.
Thomas Hurley	April 2025*	March 2029	Palm Beach	Chairman and Chief Executive Officer of Becker Holding Corporation
Carlos "Charlie" Martinez	August 2024	March 2028	Miami-Dade	President, CEM Investments LLC
Charlette Roman	April 2025*	March 2029	Collier	Retired Colonel, U.S. Army
Robert A. Spottswood, Jr.	April 2025*	March 2030	Monroe	CEO and President of Spottswood Companies, Inc., and President of Keystar, Inc.
Jay Steinle	August 2023	March 2027	Palm Beach	Manager Director and Head of Investor Relations at HighPost Capital

* Awaiting Florida Senate confirmation.

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Executive Office

The Executive Director is appointed by the Governing Board and confirmed by the Florida Senate. The Assistant Executive Director and General Counsel of the District are appointed by and report to the Executive Director. Their backgrounds are as follows:

Drew Bartlett, Executive Director

Mr. Bartlett was appointed Executive Director of the District by the Governing Board in 2019 and was unanimously confirmed by the Florida Senate in 2020.

Mr. Bartlett previously served as the Florida Department of Environmental Protection's Deputy Secretary for Ecosystem Restoration, where he was responsible for setting water quality standards, establishing restoration goals, and adopting restoration plans. Mr. Bartlett has also held senior roles at the U.S. Environmental Protection Agency where he was responsible for implementing the Clean Water Act and Safe Drinking Water Act.

Mr. Bartlett holds a Bachelor of Science degree in Industrial Engineering from the Georgia Institute of Technology and received a Master's degree in Business Administration from Georgia State University.

As Executive Director, Mr. Bartlett has expedited Everglades projects like the Everglades Agricultural Area Reservoir, implemented major water quality improvement and monitoring efforts, and advanced the resiliency of the region's water resources.

John Mitnik, Assistant Executive Director

Mr. Mitnik serves as the Assistant Executive Director and Chief District Engineer at the District. Mr. Mitnik oversees the agency's core mission functions, including water management operations, maintenance and construction; water resource science, engineering and planning; and Everglades restoration. Mr. Mitnik has been instrumental in some of the most critical Everglades Restoration projects and manages the implementation of the District's Capital Improvement Program, which is vital to restoring and safeguarding our environment.

Mr. Mitnik previously served as Engineering and Construction Bureau Chief after working as a section administrator and a supervising engineer with that group. Prior to joining the District in 2004, Mr. Mitnik worked as an environmental administrator and engineer for the Florida Department of Environmental Protection.

Mr. Mitnik has a Bachelor of Science in Environmental Engineering from the University of Florida and an MBA specializing in Environmental Resource Management from Florida Atlantic University. He is a professional engineer registered in the State of Florida.

Maricruz R. Fincher, Esq., General Counsel to the District

Ms. Fincher has served as the District's General Counsel for three years. Prior to that, she served as counsel for the City of Franklin, Tennessee, providing legal counsel and representation to the municipality's commissions and departments in various areas. Ms. Fincher has over 17 years of legal experience representing local and state governmental entities. Ms. Fincher holds a

Bachelor of Arts degree in Political Science and a Bachelor of Science in Accounting from Florida International University, and a Juris Doctorate from Florida State University College of Law. As General Counsel for the District, Ms. Fincher provides and supervises legal services in support of the District's mission. Key program areas include Everglades restoration, environmental policy, governmental law, civil litigation, and legal disputes involving federal and State environmental law.

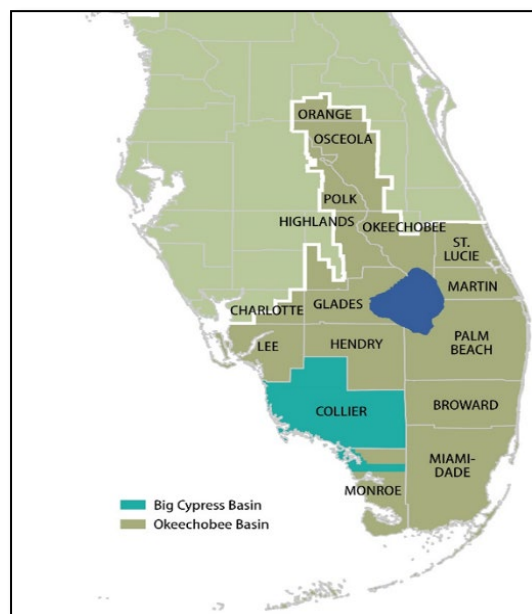
History of the District

After years of severe hurricanes and drought, in 1948 the U.S. Congress adopted legislation creating the Central and Southern Florida Flood Control Project (the "C&SF Project"), the largest civil works project in the country at the time. Over the next 20 years, the Corps built the massive system of canals, levees, dikes and reservoirs stretching from south of Orlando to Florida Bay, designed to control flooding, manage water supplies and create the Everglades Agricultural Area (the "EAA").

In 1949, the State Legislature created the Central and Southern Florida Flood Control District, the predecessor to the District, to manage the C&SF Project being designed and built by the Corps. In 1972, with the passage of the Act, the State created five separate and independent water management districts, each with expanded responsibilities for regional water resource management and environmental protection. In 1976, Florida voters approved a constitutional amendment giving these districts the authority to levy property taxes to help fund these activities.

District Boundaries

The oldest and largest of the State's five water management districts, the District oversees the water resources in 16 counties – from Orlando to the Keys – in central and southern Florida. This region covers 18,000 square miles (about 30% of the entire State) and includes vast areas of agricultural lands, water conservation areas, and areas of enormous urban growth and development. The cities of Miami, Fort Lauderdale, West Palm Beach, Naples, Fort Myers and a portion of Orlando are all within the District's boundaries. As depicted on the map to the right, the District is divided into two subdistricts or basins, comprised of the Okeechobee Basin and the Big Cypress Basin.



Population Data

Conditions in the local economy affect the District's ability to generate revenues. This is because the District's second largest source of revenues is from ad valorem taxes, which are property taxes based on assessed values of property in the region. Population growth and the associated construction of housing and commercial structures, unemployment and interest rates are the primary factors that contribute to property prices, which result in adjustments to assessed values.

As of the date hereof, the District serves a current estimated population of approximately 9 million people, which accounts for approximately 37.8% of the current estimated State population of approximately 23.8 million people. Population in the District has increased by 15.3% over the past 10 years. Population growth within the District's geographic boundaries has continued to slowly increase during fiscal year 2024, with a 2.5 percent increase, compared to a five year average increase of 6.5 percent. The District's population is expected to steadily increase by 1.3 percent through 2025 and 5.3 percent through 2030, with the most significant numerical increases through 2025 occurring in Miami-Dade, Broward, and Palm Beach counties. Further, the highest percentage growth rates are expected to occur in Osceola, St. Lucie, Polk, and Lee counties, according to data published by the Florida Office of Economic and Demographic Research:

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**DEMOGRAPHIC STATISTICS – DISTRICT POPULATION BY COUNTY
FOR THE LAST TEN CALENDAR YEARS**

County	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Broward	1,827,367	1,854,513	1,873,970	1,897,976	1,919,644	1,932,212	1,965,062	1,969,099	1,972,801	2,002,043
Charlotte*	6,351	6,477	6,563	6,764	6,907	7,140	1,585	1,672	1,725	1,789
Collier	343,802	350,202	357,470	367,347	376,706	387,450	390,527	390,912	399,464	408,381
Miami-Dade	2,653,934	2,700,794	2,743,095	2,779,322	2,812,130	2,832,794	2,902,739	2,757,592	2,760,306	2,798,183
Glades	12,853	13,047	13,087	13,002	13,121	13,609	13,299	12,273	11,616	12,815
Hendry	38,096	38,370	39,057	39,586	40,120	40,953	40,657	40,633	40,895	45,413
Highlands*	8,765	8,833	8,886	8,920	8,999	9,121	9,086	8,929	9,038	9,191
Lee	665,845	680,539	698,468	713,903	735,148	750,493	764,149	802,178	800,864	854,222
Martin	150,062	150,870	153,022	155,556	158,598	161,301	160,872	161,655	160,785	164,853
Monroe	74,206	76,047	76,889	73,940	76,212	77,823	74,030	83,961	84,509	84,681
Okeechobee*	39,251	39,990	40,317	40,298	40,972	41,270	40,611	38,365	36,767	39,189
Orange*	303,080	309,854	317,959	326,602	335,431	342,493	406,731	415,955	474,331	491,427
Osceola*	305,244	319,633	334,238	348,971	366,846	383,184	392,795	422,779	436,684	456,601
Palm Beach	1,378,417	1,391,741	1,414,144	1,433,417	1,447,857	1,466,494	1,493,842	1,518,152	1,530,115	1,556,503
Polk*	18,992	19,410	19,410	20,191	20,718	21,453	39,927	43,121	44,475	46,267
St. Lucie	287,749	292,826	297,634	302,432	309,359	322,265	318,434	350,518	368,505	385,746
Total	<u>8,114,014</u>	<u>8,253,146</u>	<u>8,394,209</u>	<u>8,528,227</u>	<u>8,668,768</u>	<u>8,790,055</u>	<u>9,014,346</u>	<u>9,017,794</u>	<u>9,132,880</u>	<u>9,357,304</u>
Annual Percent Increase	1.59%	1.71%	1.71%	1.60%	1.65%	1.40%	2.55%	0.04%	1.28%	2.46%

* Each County is only partially within the District's boundaries. Population is prorated based on estimated population within the geographic boundaries of the District.

Source: Annual Comprehensive Financial Report of the South Florida Water Management District for the Fiscal Year Ended September 30, 2024.

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District Responsibilities

The District is responsible for the operations, maintenance and management of the primary canals along with associated structures in South Florida. These include the C&SF Project, as well as the Big Cypress Basin, as authorized by Chapter 373, Florida Statutes and the Corps. Activities include the operation and maintenance of a multi-purpose water management system comprised of 4,305 miles of canals and levees, 936 water control structures, 98 pumping stations and 620 smaller project culverts, which send water south as well as eastward and westward to both the Gulf and Atlantic coasts. This system serves as the primary flood-control, drainage and water supply network for central and south Florida. Although several key water control structures are under the jurisdiction of the Corps, water management decisions relative to the operation of this system are made with input from the District.

The District is also responsible for the management and control of all waters and related land resources in the District. To fulfill these responsibilities, the District manages comprehensive permitting programs regulating the consumptive use of water and the construction, alteration, operation and maintenance of dams, impoundments, reservoirs, appurtenant work and other works. In addition, the District constructs, operates and maintains works of the District and regulates their use by others.

Priorities and Programs

Pursuant to the Act, the DEP oversees the activities of the State's five regional water management districts and delegates to the districts certain powers vested in DEP. It is statutory policy that DEP delegate to the governing boards of the respective districts its powers to the greatest extent practicable in order to carry out these responsibilities. The District thus shares responsibility with DEP for managing the water and related land resources within the District; for promoting the conservation, development and proper utilization of surface and ground water; for developing and regulating dams, impoundments, reservoirs and other works; for providing water storage; for preventing damage from floods, soil erosion and excessive drainage; for preserving natural resources, fish and wildlife; for promoting recreational development; for protecting public lands; and for assisting in maintaining the navigability of rivers and harbors.

As part of the District's strategic plan, the Governing Board provides policy-setting guidance and identifies the District's strategic priorities. The District's established priorities are as follows:

1. Restoration of Water Resources and Ecosystems (Natural Systems/Water Quality): Safeguarding and restoring South Florida's delicate ecosystem.
2. Flood Protection: Protecting South Florida's communities from flooding, ensuring and managing water flow.
3. Water Supply: Ensuring water for South Florida's communities.
4. Public Engagement and Administration: Delivering efficient and cost-effective services on behalf of South Florida citizens.

As previously described herein, the District's broad mission and many mandates have been organized into six programs. The District's managers report to the Governing Board on the status of the six programs and progress towards achieving the District's goals. The six programs are as follows:

1. Water Resources Planning and Monitoring. This program encompasses a broad scope of activities including water supply planning, minimum flows and levels and other water resources planning. This includes the stormwater projects, cooperative funding, water supply plan development, hydrogeologic data collection, Caloosahatchee River peer review, nutrient budget analysis for the St. Lucie watershed, research and monitoring and support of St. Lucie and Caloosahatchee Rivers watershed protection plan implementation, Florida Bay trend assessments and modeling, and Indian River Lagoon National Estuary Program. The program also supports research, data collection and analysis and monitoring for the ongoing C&SF Project, water quality monitoring, flood protection level of service modeling and analysis, STA operations and monitoring, Everglades research and evaluation. Continuing efforts include implementing and updating the plans described above as required, monitoring inflow and nutrient loading to Lake Okeechobee and the Northern Estuaries and evaluating progress towards meeting the new phosphorus criterion for the Everglades, as well as levels and limits set by the Settlement Agreement (as hereinafter defined).

2. Land Acquisition, Restoration and Public Works. This program includes the development and construction of all capital projects (except Operation and Maintenance of Works and Lands described below), including water resource development projects, water supply development assistance, water control projects, and support and administrative facilities construction; cooperative projects; land acquisition; and the restoration of lands and water bodies. The District oversees the development and construction of all restoration capital projects including surface water projects pertaining to restoration strategies, CERP/Central Everglades Planning Project, STA capital construction, and the Northern Everglades and Estuaries Protection Program, as well as water supply development assistance through cooperative funding for alternative water supply.

3. Operation and Maintenance of Works and Lands. This program includes all operation and maintenance of facilities, flood control and water supply structures, lands, and other works authorized by Chapter 373, Florida Statutes. This program contains field operations, right-of-way, engineering and construction, land management, recreation and public use, upland and wetland species invasive management. Additional activities include canal/levy and aquatic plant management, STA operations, infrastructure management, facilities and hydrology/hydraulics and includes all operation and maintenance of facilities, flood control and water supply structures, lands, and other works authorized by Chapter 373, Florida Statutes.

4. Regulation. This program includes all permitting functions of the District, including water use permitting, water well construction permitting and well contractor licensing, and environmental resource permitting. These activities are designed to ensure that water and related natural resources in the District are protected and conserved. Also included are permit compliance and enforcement activities, administration of water shortage rules, and other activities necessary to support the District's regulatory responsibilities.

5. Outreach. This program includes all environmental education activities, such as water conservation campaigns and water resource education; public information activities; all lobbying activities relating to local, regional, State, and federal governmental affairs; and all public relations activities, including related public service announcements and advertising in the media.

6. District Management and Administration. This program encompasses the business functions necessary to operate the District, including executive direction, legal services, internal audit services, budget, finance, procurement, human resources, risk management and other administrative support.

Partnerships

Balancing and improving water and land-related resources within the District's multi-county area is a daily challenge that requires active information-exchange, open dialogue and effective partnerships at all levels. Direct links and strong working relationships with other government officials and staff, organizations, community and business leaders, and others are vital to carrying out shared water resource stewardship obligations.

Agencies at all levels of government, and many other stakeholders, are working together to protect shared water resources, provide flood control and restore the greater Everglades ecosystem. The District's primary partners include the following:

Federal

U.S. Army Corps of Engineers
U.S. Department of the Interior
U.S. Environmental Protection Agency

State

Florida Department of Environmental Protection
Florida Department of Community Affairs
Florida Fish and Wildlife Conservation Commission
Florida Department of Agriculture and Consumer Services

Local

The District partners with local city and county governments across its 16-county jurisdiction to implement ecosystem protection and restoration, enhance flood protection and protect water supplies.

Regulation

Operations of the District are subject to environmental and other regulations of certain Federal, State and local authorities, including the United States Environmental Protection Agency, the Corps and DEP. Federal and State standards and procedures that currently regulate and control

operations of the District may change from time to time as a result of continuing legislative, regulatory and judicial action.

Budgeting Process

The annual budget is prepared and submitted in accordance with Sections 200.065, 373.535 and 373.536, Florida Statutes. The Fiscal Year of the District, created under the provisions of Section 373.536, Florida Statutes, extends from October 1 of each year through September 30 of the following year.

On or before July 15 of each year, the District budget officer submits a tentative budget to the Governing Board. The budget covers proposed operations and funding requirements for the ensuing fiscal year. The proposed budget is submitted to DEP, the Governor and the Legislature by August 1 for review and approval. The tentative budget must be posted to the District's website at least two days before budget hearings. Within 15 days after the meeting at which the tentative budget is adopted, the District advertises its intent to adopt a final millage rate and budget. The resolution states the percent, if any, by which the millage rate to be levied exceeds the rolled-back rate. The adopted budget must be posted on the District's website within 30 days of the final adoption hearing.

The District follows statutory procedures for adoption of the budget, including publication of the proposed budget and proposed tax rates, and the holding of public hearings. The final budget serves as the operating and fiscal guide for the ensuing year; however, budgetary appropriation increases may be made within the budget by action of the Governing Board at a public meeting. The budget is also subject to review by the Governor and the Joint Legislative Budget Commission. See "THE SERIES 2006 LEASE – Budget Subject to Review and Approval" herein.

Ad Valorem Taxation

The District is empowered to levy ad valorem taxes on real and tangible personal property within the District, pursuant to Section 373.503, Florida Statutes, subject to statutorily set maximums. Although a source of revenues available, and expected to be used, for payment of the Series 2026 Certificates, ad valorem taxes do not secure the Series 2026 Certificates. See "REVENUE SOURCES OF THE DISTRICT" and "AD VALOREM TAX PROCEDURES" herein.

Five-Year Capital Improvement Plan

The District's Five-Year Capital Improvement Plan (the "CIP") includes projected revenues and expenditures for capital improvements for Fiscal Years 2025 through 2029. In accordance with Section 373.536, Florida Statutes, the CIP is presented in the fixed capital outlay format set forth in Section 216.043, Florida Statutes. This format is structured based on the standard budget reporting format prescribed by the Executive Office of the Governor. The District amends and adopts the CIP annually. Most recently updated on March 1, 2025, the current CIP provides for five-year work plan totaling approximately \$6.1 billion and is expected to be funded from State, federal and local revenue sources, including fund balance. A description of the projects listed in the District's CIP is included in the South Florida Environmental Report Consolidated Project Report Database, which is available at www.sfwmd.gov/sfer. (The preceding website address is

provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

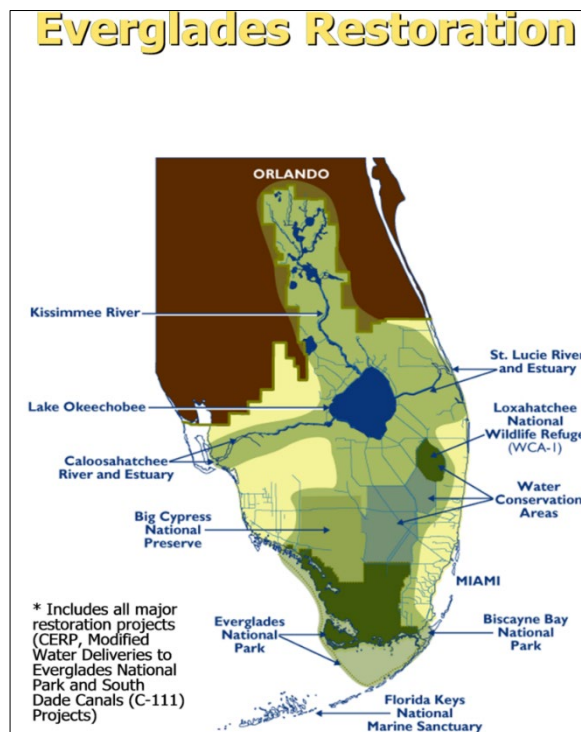
EVERGLADES RESTORATION

Everglades Forever Act

Since its inception, the C&SF Project has provided water supply, flood protection, water management and other benefits to central and south Florida. However, the C&SF Project has had unintended adverse effects on the water quality and quantity of the unique and diverse environment that constitutes central and south Florida ecosystems, including the Everglades and Florida Bay, the 700-square mile estuary at its southern tip. Because of these effects, a Federal court lawsuit was filed by the United States in 1988 against the District and the State seeking injunctive relief to stop alleged harmful water discharges into the Everglades. In 1991, the District, along with the Federal and State governments, entered into a court-approved settlement agreement ("Settlement Agreement") ending that suit. In the Settlement Agreement, the parties agreed to work jointly to restore, preserve and protect the unique flora and fauna of the Everglades National Park and the Arthur R. Marshall Loxahatchee National Wildlife Refuge from damage from stormwater runoff coming out of the EAA. Implementation of the Settlement Agreement resulted in numerous administrative challenges and other litigation from the agricultural industry and other interests. During 1993, the parties attempted to end such litigation and administrative proceedings by agreeing to the provisions of a Statement of Principles committing to reach a subsequent mediated agreement acceptable to all parties. Although mediation was unsuccessful, the Statement of Principles formed the basis for the Everglades Forever Act (the "EFA") passed by the State Legislature in 1994.

The Everglades Construction Project was the first major step in Everglades restoration and a requirement of the EFA. It is also one of the largest environmental restoration public works projects in the nation. The cost associated with implementing Everglades restoration is shared among the District, State, and federal governments. The major funding sources identified in the EFA were ad valorem property taxes, agricultural privilege taxes, State land funds, federal funds, Alligator Alley toll revenues, and other environmental mitigation funds.

The EFA directed the District to implement regulatory source control programs in all areas tributary to the Everglades Protection Area ("EPA") to reduce phosphorus in stormwater runoff. The District was also required to acquire land, then design, permit, construct and operate a series of treatment wetlands, referred to as STAs,



to reduce phosphorus levels from stormwater runoff and other sources before it enters the EPA. The STAs, which were originally planned to consist of approximately 40,000 acres, were expanded by approximately 5,000 acres in 2006 and 12,000 acres in 2012 for a total of approximately 57,000 acres of effective treatment area.

Despite the success of the STAs and source control programs in removing phosphorus from stormwater, the existing STAs in combination with best management practices had not achieved compliance with the Everglades numeric phosphorus criterion. To address this issue, the District, the DEP, and the United States Environmental Protection Agency engaged in technical discussions starting in 2010. The primary objectives were to establish a Water Quality Based Effluent Limit ("WQBEL") for phosphorus in discharges from the Everglades STA that would achieve compliance with the State's numeric phosphorus criterion in the EPA and to identify a suite of additional water quality projects to work in conjunction with the existing STAs to meet the WQBEL.

Based on this collaborative effort, a suite of projects that would achieve the WQBEL were identified in 2012 and are prescribed by DEP consent orders associated with EFA and National Pollutant Discharge Elimination System permits. Under the District's Everglades restoration program, the projects have been divided into three flow paths - Eastern, Central, and Western. The identified projects primarily consist of FEBs, STA expansions, and associated infrastructure and conveyance improvements. The primary purpose of FEBs is to attenuate peak stormwater flows prior to delivery to STAs, while the primary purpose of STAs is to utilize biological processes to reduce phosphorus concentrations to achieve the WQBEL.

In Fiscal Year 2019-20, the District initiated construction on a suite of STA refurbishment projects to improve the hydraulics, vegetation conditions, and treatment performance of the existing STAs. These proactive measures were implemented to ensure the facilities are poised to achieve compliance with the WQBEL once all restoration strategies projects are complete, which will be confirmed once sufficient data from water years 2027 through 2031 is available for assessment. The majority of these projects have been completed and are operational.

Comprehensive Everglades Restoration Plan

It became apparent that, while the actions mandated by the EFA would have a positive impact on the Everglades ecosystem, substantial additional actions would be required to mitigate the effects of the C&SF Project. The Water Resources Development Acts of 1992 and 1996 provided the Corps with the authority to re-evaluate the performance and impacts of the C&SF Project and to recommend improvements and or modifications to the project in order to restore the south Florida ecosystem and/or to provide for other water resource needs. The resulting Comprehensive Everglades Restoration Plan, or CERP, was further authorized by the United States Congress by the Water Resources Development Act, and was designed to capture, store and redistribute fresh water previously lost to tide, and to regulate the quality, quantity, timing and distribution of water flows.

The CERP provides a framework and guide to restore, protect, and preserve the water resources of central and southern Florida, including the Everglades ecosystem. The CERP contains 68 major components that involve the creation of reservoirs, wetland-based water quality treatment

areas and other conveyance features. These components will vastly improve the quantity, quality, timing, and distribution of water for the South Florida environment. Benefits will be widespread and include improvements in Lake Okeechobee, the Caloosahatchee River and Estuary, the St. Lucie River and Estuary, the Indian River Lagoon, Loxahatchee Watershed, River and Estuary, Lake Worth Lagoon, Biscayne Bay and Biscayne National Park, Florida Bay, Picayune Strand, Big Cypress National Preserve and the EPA. In addition, implementation of the CERP will improve and sustain water supplies for urban and agricultural needs, while maintaining current Central and Southern Florida Flood Control Project purposes. The CERP includes pilot projects to test technologies, such as aquifer storage and recovery and seepage management methods, which are essential to the implementation of CERP. Pre-CERP projects, known as foundation projects, include seven critical restoration projects, for which Project Cooperation Agreements were executed and the projects constructed by the Corps and the District. Implementation of the CERP began with the Water Resources Development Act ("WRDA") of 2000 and the execution of the Design Agreement (the "Design Agreement") between the Corps and the District in May 2000. The Design Agreement covers the terms and conditions for 50-50 cost-share on the costs for planning, design, development of construction plans and specifications, engineering during construction, adaptive assessment and monitoring and several CERP programmatic activities.

In August of 2009, the District and the Corps executed the "Master Agreement for Cooperation in Constructing and Operating, Maintaining, Repairing, Replacing and Rehabilitating Projects Authorized to be undertaken pursuant to the Comprehensive Everglades Restoration Plan" (the "CERP Master Agreement"). The CERP Master Agreement covers the terms and conditions for 50-50 cost-share on the costs for real estate acquisition and construction of CERP projects, as well as costs for long-term operation, maintenance, repair, replacement and rehabilitation of those projects. In the WRDA of 2007, Congress authorized four CERP Projects for construction: Indian River Lagoon South – Phase 1; Site 1 Impoundment (Fran Reich Preserve); Picayune Strand Restoration; and the *Melaleuca* Eradication Facility. In 2014, Congress passed the Water Resources Reform and Development Act that authorized four additional CERP projects: Caloosahatchee River West Basin Storage Reservoir; Biscayne Bay Coastal Wetlands - Phase I; C-111 Spreader Canal Western; and Broward County Water Preserve Areas. In the WRDA of 2016, Congress authorized the Central Everglades Planning Project ("CEPP"), as subsequently modified, to include the CEPP EAA Reservoir and STA. In the WRDA of 2020, Congress also authorized the Loxahatchee River Watershed Restoration Project and modifications to the Caloosahatchee River West Basin Storage Reservoir. Recently, the WRDA of 2024 authorized the North of Lake Okeechobee Storage Reservoir (Component A) and the Western Everglades Restoration Project.

From 2000 through 2023, the District and the Corps maintained the 50-50 cost-share balance under the Design Agreement with no requirement for cash payments to the Corps. The balance was maintained by development and management of annual work plans that allocated the planning, design and construction work and expenditures between the District and the Corps. The District and the Corps continue to work closely to maintain the 50-50 cost-share balance without the District being required to make cash contributions to the Corps. In 2024, the District initiated design and construction of several CERP projects. In Fiscal Year 2024-25, the District continued planning, design, construction and land acquisition for the CEPP EAA Reservoir STA, associated canal expansions, and CEPP North and CEPP South features, as well as other projects.

Northern Everglades and Estuaries Protection Program

During the regular 2016 legislative session, the Florida legislature amended the Northern Everglades and Estuaries Protection Program ("NEEPP") to strengthen provisions for implementing Basin Management Action Plans in the Northern Everglades watersheds. The legislation also clarified the roles and responsibilities, coordination, implementation, and reporting efforts of the District, DEP and Florida Department of Agriculture and Consumer Services ("FDACS"), with NEEPP taking the lead on water quality protection measures, the District leading the effort on hydrologic improvements and FDACS being the lead for agricultural interim measures, best management practices and other measures.

Permitting

The construction and operation of the Restoration program projects will require the District to obtain numerous Federal, State and local permits and approvals. Many of these permits have already been obtained and many more have been applied for. Many local permits from counties and cities are needed for the projects; however, their issuance is generally routine and the District does not anticipate any problems in obtaining them.

The following paragraphs provide general information regarding each type of required Federal and State permits and approvals listed above.

Section 404, Clean Water Act (Federal)

Section 404 of the Clean Water Act of 1977 (Public Law 95-217, as amended, 33 U.S.C. Section 1344), enables the Corps to grant permits for certain activities within waters of the United States. Construction projects affecting wetlands cannot proceed until a Section 404 permit has been issued. All of the projects require Section 404 permits. In deciding whether to grant or deny a permit, the Corps must follow certain defined guidelines. The Corps reviews permit applications to determine if practical alternatives to the project exist. It also may impose mitigation requirements on the constructing party if warranted and it performs a public interest review. The Corps also determines if other environmental laws must be addressed, including the National Environmental Policy Act, the Endangered Species Act, and the National Historic Preservation Act. If the Corps' review reveals that the project should not proceed, it has the authority to either deny or condition the project. The District has applied for and received all necessary Section 404 permits for the Series 2006 Facilities. In addition to a Section 404 permit, a Section 408 Approval under the authority provided in Section 14 of the Rivers and Harbors Act of 1899, as amended (33 U.S.C. 408) may also be required.

National Pollution Discharge Elimination Permit

Pursuant to Sections 301 and 402 of the Clean Air Act, 33 U.S.C. Sections 1311 and 1342, a National Pollution Discharge Elimination Permit ("NPDES") permit is required after construction of certain regulated facilities for the discharge from that facility of any pollutant. This permit was required for the operation of the EAA STA Expansion component of the Series 2006 Facilities. This permit is issued under Section 403.0885, Florida Statutes, to insure that the facilities are operated in compliance with applicable pollution control regulations. While the

permit is required under Federal law, the State implements the Federal NPDES program and the permit is issued and administered by the State DEP. The District has applied for and received NPDES permits for several of its existing projects including the EAA STA Expansion component of the Series 2006 Facilities.

Change in Land Use Approval from DOI

Much of the land upon which the Series 2006 Facilities are located was acquired pursuant to the Grant Agreements with the DOI. When these lands were acquired, the existing land uses were permitted to continue on the land. In the Grant Agreements, the District agreed to obtain the approval of DOI before changing the land uses on the lands. As these lands were acquired for the express purpose of incorporating them into CERP projects, DOI approved the change in use by letter dated July 12, 2006. See "SERIES 2006 FACILITIES – Series 2006 Facility Site Use Restrictions Under Federal Grant Agreements" and "RISK FACTORS" herein.

Section 373.1502, Florida Statutes - Regulation of Comprehensive Plan Project Components (DEP)

All of the CERP Projects are required to obtain permits under Section 373.1502, Florida Statutes. This law requires a permit to be issued by the DEP for all CERP projects that are not already regulated under Sections 373.4595, 373.4592, or 403.0885 Florida Statutes, or Chapter 62-610, Florida Administrative Code.

The criteria for issuance of these permits include that the projects are designed to achieve specific objectives, that water quality standards are met and discharges for the project do not threaten public health and safety, and that impacts to threatened and endangered species are minimized and mitigated. The District has applied for and received permits under this law for several of its existing projects, including those required for the Series 2006 Facilities.

Section 373.4592, Florida Statutes – EFA

The construction of the EAA STA Expansion component of the Series 2006 Facilities requires permits from the DEP pursuant to the EFA. The criteria for the issuance of this permit include compliance with Everglades Act mandated goals regarding phosphorous content of discharges into the Everglades ecosystem and compliance with other water quality standards for discharges. The District has applied for and received permits under this law for several of its existing projects, including the EAA STA component of the Series 2006 Facilities.

REVENUE SOURCES OF THE DISTRICT

General

The following briefly describes revenues available to the District for operating and capital purposes. For information concerning such matters as financial results of the District, ad valorem tax collections and certain District liabilities, see "SELECTED FINANCIAL AND OTHER INFORMATION," "AD VALOREM TAX PROCEDURES" and "APPENDIX A – Excerpted Pages from the Annual Comprehensive Financial Report of the South Florida Water Management

District for the Fiscal Year Ended September 30, 2024." The figures for the Fiscal Year ended September 30, 2025 set forth below and elsewhere in this Offering Statement are unaudited and therefore subject to change during the auditing process.

Operating Revenues

The District derives its operating income from a variety of Federal, State and local sources. The major categories of income sources for the operating funds of the District are briefly described below.

Ad Valorem Taxes

Ad valorem property taxes are the second largest source of primary revenue for the District. For Fiscal Year 2025, ad valorem property tax revenue totaled \$365.8 million (unaudited). For Fiscal Years 2024 and 2023, ad valorem property tax revenue totaled \$333.7 million and \$295.9 million, respectively. Pursuant to the Florida Constitution, the District may levy ad valorem taxes up to 1 mill per \$1,000 of assessed valuation. The District is authorized by Florida Statutes to levy ad valorem property taxes up to 0.800 mills per \$1,000 of assessed valuation but actual historical millage rates have been much less. Ad Valorem property taxes are the primary source of revenue utilized to make Basic Lease Payments. See "REVENUES AVAILABLE FOR BASIC LEASE PAYMENTS" and "AD VALOREM TAX PROCEDURES - Millage Rates" herein.

Operating and Capital Grants and Contributions

The District receives operating and capital grants and contributions from various sources, including the State. Capital grants and contributions have surpassed ad valorem property taxes as the District's primary source of revenue. This is due to additional State funding for environmental restoration projects. State revenues received by the District may be impacted by Article VII, Section 1(e) of the Florida Constitution (the "Amendment") which generally limits the amount of State revenues collected for any Fiscal Year to the amount permitted by the Amendment for the prior Fiscal Year, plus an adjustment for growth. The District may also receive other legislatively approved revenues from the State that are not subject to, or limited by, the Amendment. Typically, these operating and capital grants and contributions are not available to make Basic Lease Payments.

In addition, pursuant to the Framework Agreement the DOI has agreed to contribute funds necessary for the acquisition of real property needed for water management, conservation, and other restoration activities consistent with and to implement CERP. Such funds will be expended on a dollar for dollar basis with non-Federal funds, including State and District expenditures, spent.

REVENUES AVAILABLE FOR BASIC LEASE PAYMENTS

The following table utilizes actual historical financial results for Fiscal Years 2022 through 2024 to show the historical coverage of Basic Lease Payments evidenced by the Series 2015 Certificates. The table also includes the coverage calculation using the unaudited financial results for the 2025 Fiscal Year and the adopted budget for the 2026 Fiscal Year.

Total revenues available to the District for Basic Lease Payments include ad valorem taxes and other revenues, including agricultural privilege taxes, interest earnings and certain other fees. In addition to the revenues shown in this table, other revenues may be available to the District that can be used to make Basic Lease Payments. While ad valorem taxes and other revenue sources are not pledged to the payment of Basic Lease Payments evidenced by the Series 2026 Certificates and any other Certificates evidencing an interest in the Series 2006 Lease, to the extent revenues from such sources are legally available, the District currently intends to use these sources to make such payments. See "SECURITY FOR THE SERIES 2026 CERTIFICATES" herein. For more information on the District's revenue sources, see "REVENUE SOURCES OF THE DISTRICT" and "AD VALOREM TAX PROCEDURES" herein.

The rows in the following table entitled "Restricted Revenues" identify revenue sources that will not be available for payment of Basic Lease Payments evidenced by the Series 2026 Certificates and any other Certificates evidencing an interest in the Series 2006 Lease. The Big Cypress Basin Levy is not available for such payment since none of the Series 2006 Facilities are within the Big Cypress Basin. In addition, certain other revenues of the District are not used for Basic Lease Payments and are therefore not included in the table. The row entitled "Available Revenues" identifies the estimated revenues available for payment of Basic Lease Payments evidenced by the Series 2026 Certificates and any other Certificates evidencing an interest in the Series 2006 Lease.

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The row entitled "Basic Lease Payment Coverage" in the following table is calculated by dividing "Available Revenues" by the "Basic Lease Payment on the Series 2006 Certificates" for each year.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
SUMMARY OF REVENUES AVAILABLE FOR CERTIFICATES PAYMENTS⁽¹⁾**

	Actual Audited			Unaudited	Budgeted
	2022	2023	2024	2025	2026
<u>Ad Valorem Taxes</u>					
District Wide Levy	\$121,586,074	\$123,760,275	\$139,559,054	\$153,532,840	\$165,894,441
Okeechobee Basin Levy	119,841,505	121,754,318	137,324,109	151,094,939	163,286,776
EFA Levy	38,165,672	38,782,141	43,787,254	48,337,048	52,041,692
Big Cypress Basin Levy	11,250,081	11,589,592	13,016,582	14,354,890	15,496,636
Total - Ad Valorem Revenues	\$290,843,332	\$295,886,326	\$333,686,999	\$367,319,717	\$396,719,545
<u>Other Revenues</u>					
Agricultural Privilege Taxes (EAA & C-139)	\$11,021,238	\$10,820,564	\$10,772,213	\$10,555,722	\$10,549,773
Investment Earnings ⁽²⁾	3,293,154	5,162,845	14,395,623	8,524,767	4,000,000
Permits and Fees	5,548,622	4,907,599	6,014,208	5,437,051	3,714,000
Sale of District Property	547,592	1,439,052	1,725,243	2,113,168	1,154,610
Leases	362,399	420,362	641,748	378,400	752,824
Total Other Revenues	\$20,773,005	\$22,750,422	\$33,549,035	\$27,009,108	\$20,171,207
Total Ad Valorem & Other Revenues	\$311,616,337	\$318,636,748	\$367,236,034	\$394,328,825	\$416,890,752
<u>Less: Portion of Restricted Revenues</u>					
Ad Valorem Levy - Big Cypress Basin (BCB)	\$11,250,081	\$11,589,592	\$13,016,582	\$14,354,890	\$15,496,636
Investment Earnings – BCB ⁽²⁾	164,660	229,287	695,765	381,925	200,000
Permits and Fees - BCB	29,700	11,800	10,875	8,575	8,000
Sale of District Property - BCB	4,150	8,400	-	42,531	1,000
Leases - BCB	76,866	78,787	80,757	85,381	92,726
Total Restricted Revenues	\$11,525,457	\$11,917,866	\$13,803,979	\$14,873,302	\$15,798,362
Available Revenues	\$300,090,880	\$306,718,882	\$353,432,055	\$379,455,523	\$401,092,390
<u>Basic Lease Payments</u>					
Annual Payments	\$30,348,000	\$30,312,125	\$30,295,125	\$30,269,875	\$30,244,625
Proforma Basic Lease Payment Coverage	9.89x	10.12x	11.67x	12.54x	13.26x

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ Includes only investment earnings available for payments; unrealized gains/losses are excluded.

Source: South Florida Water Management District.

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AD VALOREM TAX PROCEDURES

The District is authorized to levy ad valorem property taxes for the purposes authorized under Chapter 373, Florida Statutes. The amount of each such levy is subject to constitutional and statutory limitations. Local ad valorem property taxes are levied by applying the then-current adopted millage rate to the assessed value of non-exempt property within the District. Under State law, the assessment of all properties and the collection of all county, municipal, school district and special district property taxes are consolidated in the offices of the property appraiser and tax collector for each county.

Property Assessment and County Property Appraiser

General. Ad valorem taxes may be levied only by counties, school districts, municipalities, and certain special districts, such as the District (railroad properties are centrally assessed at the State level). No State ad valorem taxes shall be levied upon real estate or tangible personal property. State law requires that all ad valorem taxation be assessed at a uniform rate within each taxing unit and, with certain exceptions, that real and personal property subject to ad valorem taxation be assessed at 100% of its just value. See "Limitation on Increase in Assessed Value of Property" below. The following property is generally subject to taxation in the manner provided by law: (a) all real and personal property in the State and all personal property belonging to persons residing in the State; and (b) all leasehold interests in property of the United States, of the State, or any political subdivision, municipality, agency, authority, or other public body corporate of the State. Pursuant to the Constitution of the State of Florida and State law, certain of such property may be exempt from ad valorem taxation. See "Exemptions from Ad Valorem Taxation" below.

Determination of Property Valuation. The Property Appraiser of each County (each, a "Property Appraiser") determines property valuation on real and tangible personal property subject to ad valorem taxation as of January 1 of each year. By July 1 of each year, the Property Appraiser notifies the County, the School Board, each municipality within the County, and each other legally constituted special taxing district within the County as to its just valuation, the legal adjustments and exemptions, and the taxable valuation. The taxable valuation is then used by each taxing body to calculate its ad valorem millage for the budget year. See "Limitation on Increase in Assessed Value of Property" and "Millage Set by Local Governing Body" below for limitations on increases in assessed value of property.

Limitation on Increase in Assessed Value of Property. The Constitution of the State of Florida limits the increases in assessed value of homestead property to the lower of (a) 3% of the assessment for the prior year or (b) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. The accumulated difference between the assessed value and the just (market) value is known as the "Save Our Homes Benefit." Further, upon any change of ownership of homestead property or termination of homestead status such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status; new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead;

and changes, additions, reductions or improvements to the homestead shall initially be assessed as provided for by general law.

Owners of homestead property may transfer up to \$500,000 of their Save Our Homes Benefit to a new homestead property purchased within three years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then owners of homestead property may transfer a proportional amount of their Save Our Homes Benefit, such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead.

For all levies other than school district levies, assessment increases for specified non-homestead real property may not exceed 10% of the assessment for the prior year. See also "Legislation Relating to Ad Valorem Taxation – Recent Amendments Relating to Ad Valorem Taxation" below.

Preparation of Tax Roll. The Property Appraiser of each County applies the final certified millage of each taxing body to the assessed valuation on each item of real and tangible personal property, and prepares the final tax roll which is certified to the Tax Collector of the County (the "Tax Collector") by October 1. This permits the printing of tax bills for delivery on November 1 of each year. The tax bills contain all of the overlapping and underlying millages set by the various taxing bodies. All ad valorem taxes are collected by the Tax Collector and distributed to the various taxing bodies. See "– Tax Collection and Distribution by County Tax Collector" below.

Appealing Property Valuation. Concurrently with notification to the various taxing bodies, the Property Appraiser notifies each property owner of the proposed valuation and the proposed millage on his or her property. If the individual property owner believes that his or her property has not been appraised at just value, the owner may (a) request an informal conference with the Property Appraiser to resolve the issue, (b) file a petition with the clerk of the County value adjustment board (the "Adjustment Board"), or (c) appeal to the Circuit Court within 60 days of the certification for collection of the tax roll or within 60 days of the issuance of a final decision by the Adjustment Board. A petition to the Adjustment Board must be signed by the taxpayer or be accompanied at the time of filing by the taxpayer's written authorization for representation by a qualified person. Property owners appealing the assessed value or assigned classification of their property must make a required partial payment of taxes (generally equal to 75% of the ad valorem taxes due, less the applicable statutory discount, if any) with respect to the properties that will have a petition pending on or after the delinquency date (normally April 1). A property owner's failure to make the required partial payment before the delinquency date will result in the denial of the property owner's petition. A taxpayer receives notice of the hearing and is required to provide the Property Appraiser with a list of evidence, copies of documentation, and summaries of testimony prior to the hearing before the Adjustment Board. The Adjustment Board holds public hearings on such petitions and may make adjustments to the valuations made by the Property Appraiser if such valuations are found not to be fair and at market value. The Adjustment Board must complete all required hearings and certify its decision with regard to all petitions and certify to the Property Appraiser the valuation to be used by June 1 following the tax year in which the assessments were made. The June 1 requirement shall be extended until December 1 in each year in which the

number of petitions filed with the Adjustment Board increased by more than 10% over the previous year. These changes are then made to the final tax roll.

The following table reflects the assessed value of the District's taxable property during the last ten Fiscal Years.

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**ASSESSED VALUE OF TAXABLE PROPERTY WITHIN THE DISTRICT
FOR THE LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Property Value⁽¹⁾ (Billions)	\$804.3	\$872.2	\$945.2	\$1,009.0	\$1,074.5	\$1,138.0	\$1,196.6	\$1,358.5	\$1,525.3	\$1,680.7
District Population⁽²⁾	8,253,146	8,394,209	8,528,227	8,668,768	8,790,055	9,014,346	9,017,794	9,132,880	9,357,304	9,256,950
Assessed Property Value Per Capita	\$97,451	\$103,904	\$110,832	\$116,394	\$122,237	\$126,284	\$132,692	\$148,754	\$163,007	\$181,556

⁽¹⁾ Assessed value is as of January 1st for real, personal and centrally assessed property located within the boundaries of the District.

⁽²⁾ Population data is from The Office of Economic & Demographic Research and has been adjusted for counties with boundaries only partially within the District.
Source: Annual Comprehensive Financial Report of the South Florida Water Management District for the Fiscal Year Ended September 30, 2024; Unaudited Preliminary Financial Report of the South Florida Water Management District for the Fiscal Year Ended September 30, 2025.

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Millage Rates

The Constitution of the State of Florida provides that ad valorem taxes shall not be levied in excess of the following millages upon the assessed value of real estate and tangible personal property: for all county purposes, ten mills; for all municipal purposes, ten mills; for all school purposes, ten mills; for water management purposes for the northwest portion of the state lying west of the line between ranges two and three east, 0.05 mill; for water management purposes for the remaining portions of the state, 1.0 mill; and for all other special districts a millage authorized by law approved by voters. The millage limitation does not apply to taxes approved at referendum by qualified electors in the County for general obligation bonds and certain other voter approved levies.

As described above, the Property Appraiser is required to certify to each taxing authority the aggregate taxable value of all non-exempt property within the jurisdiction of the taxing authority, as well as the prior year's tax revenues, for use in connection with the determination of the forthcoming budget and millage levy. The form on which such certification is made by the Property Appraiser is required to include instructions to each taxing authority describing the proper method of computing a millage rate, which, exclusive of new construction, additions to structures, deletions and property added due to geographic boundary changes, will provide the same ad valorem tax revenues for each taxing authority as was levied during the prior fiscal year. See "Millage Rollback Legislation" below.

Pursuant to the Florida Constitution, the District may levy ad valorem taxes up to 1 mill per \$1,000 of assessed valuation. Under current law, the District may levy up to 0.80 mills. Pursuant to Section 373.503, Florida Statutes, a maximum of 40% of that millage shall be apportioned for District purposes, and a maximum of 60% for basin purposes (with the District being divided into two Basins, the Okeechobee Basin and the Big Cypress Basin). The millage limitation is not applicable to taxes levied for the payment of bonds approved by the voters or bond issues to refund such bonds at a lower net average interest rate.

Each respective millage rate, except as limited by law, is set on the basis of estimates of revenue needs and the total taxable property valuation within the taxing authority's respective jurisdiction. Ad valorem taxes are not levied in excess of actual budget requirements. State law requires the Governing Board to adopt and maintain a balanced tentative budget and a balanced final budget, in which anticipated revenues less certain required deductions combined with beginning fund balances equal appropriations. The Governing Board is required to advertise its intent to adopt a tentative budget, including a capital outlay budget, within 29 days following receipt from the Property Appraiser of each County of the preliminary certification of taxable value. The Governing Board holds a public hearing on the tentative budget and the proposed tax rates within five days of its advertisement, and officially adopts the tentative budget and tax rates at the hearing. Thereafter, the Property Appraiser of each County prepares tax millage notices for property owners within the District.

Millage Rollback Legislation. In 2007, the Florida Legislature adopted a property tax plan that significantly impacted ad valorem tax collections for State local governments (the "Millage Rollback Legislation"). One component of the Millage Rollback Legislation required counties, cities, and special districts to rollback their millage rates for the Fiscal Year 2007-08 to a level

that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in Fiscal Year 2006-07; provided, however, depending upon the relative growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-07 ad valorem tax revenues by 0% to 9%. In addition, the Millage Rollback Legislation also limited how much the aggregate amount of ad valorem tax revenues may increase in future fiscal years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body. The District fell into the 3% ad valorem revenue reduction category for purposes of the Millage Rollback Legislation, but has complied with statutory requirements of the Millage Rollover Legislation in years where it has exceeded the millage and revenue limitations of the Millage Rollback Legislation. Set forth below are the tax millage rates of the District, and its Basins, for the last ten Fiscal Years.

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**SCHEDULE OF AD VALOREM PROPERTY TAX RATES FOR THE DISTRICT
AND WATERSHED BASINS
(PER \$1,000 ASSESSED VALUATION)
FOR THE LAST TEN FISCAL YEARS**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
District	0.1359	0.1275	0.1209	0.1152	0.1103	0.1061	0.0948	0.0948	0.0948	0.0948
EFA Levy	0.0471	0.0441	0.0417	0.0397	0.0380	0.0365	0.0327	0.0327	0.0327	0.0327
Okeechobee Basin Levy	0.1477	0.1384	0.1310	0.1246	0.1192	0.1146	0.1026	0.1026	0.1026	0.1026
Big Cypress Basin Levy⁽¹⁾	0.1336	0.1270	0.1231	0.1192	0.1152	0.1116	0.0978	0.0978	0.0978	0.0978

Maximum legal millage rates for ad valorem taxes:

District	0.320
EFA Levy	0.100
Okeechobee Basin	0.380
Big Cypress Basin	0.480

⁽¹⁾ These ad valorem taxes are restricted for Big Cypress Basin purposes, and cannot be used as a source of funds to pay the Series 2026 Certificates.
Source: Annual Comprehensive Financial Report of the South Florida Water Management District for the Fiscal Year Ended September 30, 2024.

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Tax Collection and Distribution by Tax Collector

General. All real and tangible personal property taxes are based on assessed values as certified and delivered to the Tax Collector of each county (each, a "Tax Collector") by the Property Appraiser as described above. The Tax Collector mails to each property owner on the tax roll a tax bill for the taxes levied by the various taxing authorities in the county. Taxes may be paid upon receipt of such bill with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January, and 1% if paid in the month of February. Taxes paid during the month of March are without discount. Because of the discount in ad valorem taxes for payments made prior to March 1, taxes collected will likely never be 100% of the tax levy.

The Tax Collector is required to distribute the taxes collected to each governmental unit levying the tax. Such distribution is to be made four times during the first two months after the tax roll comes into its possession, and once per month thereafter.

Delinquent Taxes. All unpaid taxes on real and tangible property become delinquent on April 1 of the year following the year in which the taxes were levied. Delinquent real property taxes bear interest at the rate of 18% per year from April 1 until paid, or until payment is no longer required or until a tax certificate is sold at auction (from which time the interest rate shall be as bid by the buyer of the tax certificate). Delinquent tangible personal property taxes also bear interest at the rate of 18% per year from April 1 until paid. Delinquent personal property taxes must be advertised within 45 days after delinquency, and after May 1, the property is subject to warrant, levy, seizure and sale.

Tax Certificates and Tax Deeds. On or before June 1 or the 60th day after the date of delinquency, whichever is later, the Tax Collector must advertise once each week for three weeks and must sell tax certificates on all real property that is the subject of delinquent taxes. The tax certificates are sold to those bidding the lowest interest rate. Such certificates include the amount of delinquent taxes, the penalty interest accrued thereon and the cost of advertising. Delinquent tax certificates not sold at auction become the property of the county. State law provides that real property tax liens are superior to all other liens, except prior Internal Revenue Service liens.

To redeem a tax certificate, the owner of the property must pay all delinquent taxes, the penalty interest that accrued prior to the date of the sale of the tax certificate, charges incurred in connection with the sale of the tax certificate, omitted taxes, if any, and interest at the rate shown on the tax certificate (or interest at the rate of 5%, whichever is higher) from the date of the sale of the tax certificate to the date of redemption. If such tax certificates or liens are not redeemed by the property owner within two years, the holder of the tax certificates can cause the property to be sold to pay off the outstanding certificates and the interest thereon.

At any time after two years have elapsed since April 1 of the year of the issuance of a tax certificate and before the expiration of seven years, the holder of the tax certificate may apply for a tax deed with respect to any tax certificate it holds. Two years after such April 1, the county may make application for a tax deed with respect to any tax certificate it holds. Upon receipt of such applications, a public sale is advertised and held (unless the property is redeemed), and the highest

bidder at such sale receives a tax deed for the property. Provisions are also made for the collection of delinquent tangible personal property taxes, but in a different manner, which includes the possible seizure of the tangible personal property.

The table below sets forth property tax revenues (i.e., combined ad valorem revenues and agricultural privilege taxes) received by the District, by county within the District, for the periods shown. As noted above under "REVENUE SOURCES OF THE DISTRICT," historical collections may not be indicative of future property tax collections.

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PROPERTY TAX REVENUES BY COUNTY WITHIN THE DISTRICT*
FOR THE LAST TEN YEARS
(In Thousands)

County Name	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Broward	51,961	52,059	52,937	52,287	53,929	54,410	54,922	54,561	60,716	65,874
Charlotte*	33	31	72	85	86	98	162	162	241	351
Collier	19,564	20,070	20,537	20,977	21,093	21,575	21,929	22,621	25,634	28,269
Miami-Dade	77,786	79,976	81,864	82,143	82,833	82,877	83,510	83,861	95,103	104,734
Glades	199	187	180	179	183	184	237	199	217	238
Hendry	1,772	1,749	1,730	1,773	1,756	1,782	1,803	1,872	1,995	2,079
Highlands*	228	226	212	206	184	196	276	198	215	233
Lee	21,524	21,715	22,162	22,302	22,596	23,085	23,827	24,924	26,734	30,630
Martin	6,403	6,262	6,218	6,274	6,136	6,125	6,286	6,218	7,052	7,754
Monroe	7,256	7,395	7,519	7,550	7,719	7,763	7,278	8,178	9,541	10,051
Okeechobee*	528	511	511	509	543	569	594	575	664	734
Orange*	17,456	17,772	18,396	19,351	20,091	20,632	20,286	20,655	23,299	25,083
Osceola*	6,686	6,712	6,872	7,262	7,659	8,103	8,485	8,814	10,281	11,666
Palm Beach	62,912	62,809	62,861	63,218	63,644	63,789	64,874	66,425	74,018	80,228
Polk*	539	549	561	593	615	662	917	771	852	1,008
St. Lucie	5,650	5,670	5,707	5,824	6,056	6,121	6,478	6,672	7,896	8,944
Total	280,497	283,693	288,339	290,533	295,123	297,971	301,864	306,706	344,458	377,876

* Amounts shown represent property taxes only for the portion of the county within District boundaries.

Source: Annual Comprehensive Financial Report of the South Florida Water Management District for the Fiscal Year Ended September 30, 2024; Unaudited Preliminary Financial Report of the South Florida Water Management District for the Fiscal Year Ended September 30, 2025.

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Exemptions from Ad Valorem Taxation

General. State law provides for numerous exemptions and limitations on ad valorem taxation of real property and tangible personal property. Real property used for the following purposes is generally exempt from ad valorem taxation: religious, educational, literary, charitable, scientific, and governmental uses. Certain additional exemptions and limitations are described below. This description does not purport to describe all exemptions available to property owners in the State, and reference is made to the Constitution of the State of Florida and Chapter 196, Florida Statutes, for a full description of such exemptions. In addition, State law allows for, but does not mandate, the imposition of some exemptions by local governments by ordinance. Certain recent amendments to existing provisions relating to ad valorem tax exemptions are described under "Legislation Relating to Ad Valorem Taxes – Recent Legislative Initiatives and Constitutional Amendments Affecting Ad Valorem Taxes."

Constitutional Exemptions. The Constitution of the State of Florida provides for the following exemptions from ad valorem taxation:

Exempt Entities/Exempt Purposes. The Constitution of the State of Florida provides that all property owned by a municipality and used exclusively by it for municipal or public purposes shall be exempt from taxation. A municipality, owning property outside the municipality, may be required by general law to make payment to the taxing unit in which the property is located. Such portions of property as are used predominantly for educational, literary, scientific, religious or charitable purposes (exempt purposes) may be exempted by general law from taxation. State law provides that all property owned by an exempt entity, including educational institutions, and used exclusively for exempt purposes shall be totally exempt from ad valorem taxation and all property owned by an exempt entity, including educational institutions, and used predominantly for exempt purposes (at least 50%) shall be exempted from ad valorem taxation to the extent of the ratio that such predominant use bears to the nonexempt use.

Household Goods and Personal Effects. The Constitution of the State of Florida provides that there shall be exempt from taxation, cumulatively, to every head of a family residing in the State, household goods and personal effects to the value fixed by general law, not less than \$1,000 and to every widow or widower or person who is blind or totally and permanently disabled, property to the value fixed by general law not less than \$500. State law exempts from taxation to every person residing and making his or her permanent home in the State, all household goods and personal effects and exempt property up to the value of \$500 of every widow, widower, blind person, or totally and permanently disabled person who is a resident of the State.

Tangible Personal Property and Renewable Energy Devices. The Constitution of the State of Florida provides that by general law and subject to conditions specified therein, \$25,000 of the assessed value of property subject to tangible personal property tax shall be exempt from ad valorem taxation. Effective January 1, 2018 through December 31, 2037, the assessed value of solar devices or renewable energy source devices subject to tangible personal property tax may be exempt from ad valorem taxation, subject to limitations provided by general law.

Property Dedicated In Perpetuity for Conservation. The Constitution of the State of Florida provides that there shall be granted an ad valorem tax exemption for certain real property dedicated

in perpetuity for conservation purposes, including real property encumbered by perpetual conservation easements or by other perpetual conservation protections, as defined by general law.

Homestead Exemption. The Constitution of the State of Florida provides for a homestead exemption. Every person who has the legal title or beneficial title in equity to real property in the State and who resides thereon and in good faith makes the same his or her permanent residence or the permanent residence of others legally or naturally dependent upon such person is eligible to receive a homestead exemption of up to \$50,000. The first \$25,000 applies to all property taxes, including school district taxes. The additional exemption, up to \$25,000, applicable to the assessed value of the property between \$50,000 and \$75,000, applies to all levies other than school district levies. A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency, or residency of another legally or naturally dependent upon the owner, is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption. In addition to the general homestead exemption described in this paragraph, the following additional homestead exemptions are authorized by State law.

Certain Active Duty Military and Veterans. A military veteran who was honorably discharged, is a resident of the State, and who is disabled to a degree of 10% or more because of injury or while serving during wartime may be entitled to a \$5,000 reduction in the assessed value of his or her property. This exemption is not limited to homestead property. Under certain circumstances, a veteran's surviving spouse may be entitled to carry over these exemptions.

Permanently and Totally Disabled Veterans. A military veteran who is a resident of the State and was honorably discharged with a service-related total and permanent disability may be eligible for a total exemption from taxes on property they own and use as their homesteads. A similar exemption is available to disabled veterans confined to wheelchairs. Under certain circumstances, the veteran's surviving spouse may be entitled to carry over these exemptions.

Discounts for Disabled Veterans. Each veteran who is age 65 or older and is partially or totally permanently disabled may receive a discount on the assessed value of the property that the veteran owns and uses as a homestead. The discount is a percentage equal to the percentage of the veteran's permanent, service-connected disability as determined by the United States Veteran's Affairs.

Deployed Military Personnel. Each person who receives a homestead exemption; who was a member of the United States military or military reserves, the United States Coast Guard or its reserves, or the Florida National Guard; and who was deployed during the preceding calendar year on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the Florida Legislature shall receive an additional exemption equal to a percentage of the taxable value of his or her homestead property. The applicable percentage shall be calculated as the number of days during the preceding calendar year the person was deployed on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature divided by the number of days in that year.

Exemption for Disabled First Responders. First responders who are totally and permanently disabled as a result of injuries sustained in the line of duty receive ad valorem tax

relief on their homestead property. The amount of tax relief, to be defined by general law, can equal the total amount or a portion of the ad valorem tax otherwise owed on the homestead property. Florida defines first responders as law enforcement officers, correctional officers, firefighters, emergency medical technicians and paramedics.

Survivors of First Responders. Any real estate that is owned and used as a homestead by the surviving spouse of a first responder (law enforcement officer, correctional officer, firefighter, emergency medical technician or paramedic), who died in the line of duty may be granted a total exemption on homestead property if the first responder and his or her surviving spouse were permanent residents of the State on January of the year in which the first responder died.

Certain Totally and Permanently Disabled Persons. Any real estate used and owned as a homestead by a quadriplegic, less any portion used for commercial purposes, is exempt from all ad valorem taxation. Real estate used and owned as a homestead by a paraplegic, hemiplegic, or other totally and permanently disabled person, who must use a wheelchair for mobility or who is legally blind, is exempt from taxation if the gross household income is below statutory limits.

Other Exemptions. Other exemptions include, but are not limited to, nonprofit homes for the aged (subject to income limits for residents), proprietary continuing care facilities, not for profit sewer water/waste water systems, certain hospital facilities and nursing homes for special services, charter schools, certain historic property used for commercial purposes, and certain tangible personal property.

Recent Legislative Initiatives and Constitutional Amendments Affecting Ad Valorem Taxes

Recent Amendments Relating to Ad Valorem Taxation. In recent legislative sessions, several legislative proposals and constitutional amendments were passed (and approved by voters in the case of constitutional amendments) affecting ad valorem taxation, including classification of agricultural lands during periods of eradication or quarantine, deleting requirements that conservation easements be renewed annually, providing that just value of real property shall be determined in the first tax year for income restricted persons age 65 or older who have maintained such property as the permanent residence for at least 25 years, authorizing a first responder who is totally and permanently disabled as a result of injuries sustained in the line of duty to receive relief from ad valorem taxes assessed on homestead property, revising procedures with respect to assessments, hearings and notifications by the value adjustment board, and revising the interest rate on unpaid ad valorem taxes.

Future Amendments Relating to Ad Valorem Taxation. Historically, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in each session of the Florida Legislature. Many of these proposals have provided for new or increased exemptions to ad valorem taxation and limited increases in assessed valuation of certain types of property or otherwise restricted the ability of local governments in the State to levy ad valorem taxes at current levels. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would have a material adverse effect upon the collection of ad valorem taxes by the District, the District's finances in general or the District's ad valorem taxing power.

Select Committee on Property Taxes. On April 29, 2025, the Speaker of the Florida House of Representatives announced the creation of the Select Committee on Property Taxes (the "Select Committee") to consider various property tax reforms in the State. On May 2, 2025, the Select Committee convened for its first meeting to discuss several proposals regarding providing property tax relief. The Select Committee has held subsequent meetings since May 2025. Certain recommendations from the Select Committee have been filed for consideration during the 2026 regular Florida legislative session and, if enacted, would be placed on the November 2026 general election ballot.

The Florida Legislature convened its 2026 regular session on January 13, 2026. The regular session is currently scheduled to end on March 13, 2026; provided, however, the regular session could be extended. The Governor of the State could also call a special session of the legislature to address ad valorem property tax reform. Several proposed bills relating to property tax reform have been filed in both the House and the Senate. These bills vary greatly in their approach in addressing property tax reform but all aim to reduce the property tax burden for Florida property owners, particularly residential homestead property owners. Some seek to exempt homestead property from all property tax levies other than school district levies. Some provide this relief to certain of the senior population. Others, increase homestead property tax exemptions or add additional homestead exemptions for certain properties and would apply to all property tax levies, including school district levies. Some increase or otherwise modify the homestead exemption portability benefit. Certain proposals revise the property assessment process, limiting the allowable increases in property assessments and/or how frequently property can be assessed. Bills have also been filed that would affect the ability of local governments to increase ad valorem tax millages. Additional bills are expected to be filed and some of the currently filed bills may be amended.

If any property tax reform bill is passed by the State Legislature and approved by the Governor, it would then be subject to a state-wide referendum requiring at least 60% of the voters approving such measure to become law. There can be no assurance that any of the bills currently filed in their current form or as amended, or bills that are subsequently filed, will be approved by the House and Senate, or will be approved by the Governor or will be approved by 60 percent of voters of the State.

Notwithstanding the foregoing, there can be no assurance that any such proposals, or similar or additional proposals, will not be introduced or enacted by the legislature or approved by the electors, if applicable, in the future that would or might apply to, or may have a material adverse effect upon, the District's finances in general or the District's ad valorem taxing power, the amount of ad valorem tax revenues collected by the District and the District's ability to make Basic Lease Payments on the Series 2026 Certificates.

SELECTED FINANCIAL AND OTHER INFORMATION

Following is selected financial information regarding the District. For more detailed financial information concerning the District, see "APPENDIX A – Excerpted Pages from the Annual Comprehensive Financial Report of the South Florida Water Management District for the Fiscal Year Ended September 30, 2024."

The financial and accounting procedures of the District are designed to conform with accounting principles generally accepted in the United States of America as applied to governmental units. The District's financial statements include government-wide financial statements and governmental fund financial statements. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the Fiscal Year. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues from property taxes and interest to be available if they are collected within sixty days of the end of the current fiscal period.

General

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded its Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the Fiscal Year ended September 30, 2023. This was the 34th consecutive year that the District has achieved this prestigious award. The GFOA is still reviewing the Annual Comprehensive Financial Report for the Fiscal Year ended September 30, 2024 for its Excellence in Financial Reporting Certification, but the District expects to receive such certification again. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principals and applicable legal requirements.

Debt Policy

The District maintains a conservative debt policy which includes the following directives:

1. Exhibit purposeful restraint in incurring debt;
2. Follow a policy of full disclosure in all financial reports and official statements issued for indebtedness;
3. Refrain from issuing short-term debt that requires repeated annual appropriation;
4. Limit long-term debt to no more than the estimated life of the capital assets financed and refrain from using debt to finance current operations or normal maintenance; and
5. Project debt requirements on a five-year basis to facilitate better short-term decisions in light of other priorities that may arise, and examine the longer range implications and effects of debt issuance.

The District's debt policy precludes the issuance of additional debt if:

1. Net debt per capita exceeds \$350;
2. Debt service exceeds 30% of revenue legally available to the District to pay debt service including, but not limited to, the available ad valorem revenues, related interest income thereon and permit fee revenue; or
3. Debt-to-assessed value exceeds 0.30% of the assessed value of property within the District.

Additionally, State law requires that the District's total annual debt service for debt issued by the District after January 1, 2009 not exceed 20% of the District's annual ad valorem tax revenues, unless approved by the State's Joint Legislative Budget Commission. The District has operated within statutory guidelines as well as its aforementioned debt policy.

Emergency Reserves

The District was heavily impacted during the hurricanes that hit the State in 2004 and 2005 and incurred over \$40 million in unanticipated costs. While a large portion of these costs were ultimately borne by the Federal and State governments, the District was required to pay such costs before seeking reimbursement from third parties. In order to insulate the District from unanticipated costs such as these, an Economic Stabilization Fund in the amount of \$60 million was established in 2012 and each year a similar amount is budgeted as reserves. Utilization of the Economic Stabilization Fund is limited to the following circumstances:

1. A state of emergency is declared by the Governor of the State or the President of the United States;
2. The Governing Board determines through adoption of a resolution that an emergency or other circumstance has arisen that creates an unanticipated need for additional resources that cannot be addressed within existing division budgets;
3. The emergency or unanticipated need directly impacts the citizens and/or environment within District boundaries;
4. Structural emergencies for which remedial action cannot wait until the next Fiscal Year; and
5. Unforeseen demand in service delivery costs or unexpected expenditure increases subsequent to budget adoption that may not be addressed within the District's existing divisions' budgets.

The Economic Stabilization Fund cannot be appropriated for recurring expenditures or other expenditures that can be addressed through the normal budgeting process. Additionally, if funds are appropriated from the Economic Stabilization Fund the District must restore the amount appropriated beginning in the third fiscal year after which the expenditure was made, subject to availability of ad valorem governmental fund balances and FEMA reimbursements.

Fiscal and Operational Oversight

The District is committed to ensuring that taxpayer assets that it is responsible for are being adequately safeguarded. The District is subject to audit from its own Inspector General (the

"Inspector General"), its independent auditors and auditors from the State Auditor General's office (the "Auditor General").

The Inspector General is independent of management and has statutory authority to perform audits, investigations, reviews, and evaluations of the economy, efficiency and effectiveness of District programs. The Inspector General has unfettered access to all District records, conducts its audits without interference and posts its final audit report on the District's website.

The District is subject to audit from the Auditor General every three years. The Auditor General issued their most recent report entitled "South Florida Water Management District – Operational Audit" in October 2024. The audit period was for October 2021 through March 2023. The report contained various non-material findings. All three recommendations contained in the Report have been implemented.

The District has an annual independent audit performed of their financial statements. In addition to performing the audit, the external auditors also are required to report any internal control deficiencies. For the Fiscal Year 2024 audit, the auditors found no material weaknesses, but did identify two significant deficiencies in internal controls for which the District has implemented corrective actions.

Retirement Plan and Other Post-Employment Benefits

Florida Retirement System. Essentially all regular employees of the District are eligible to enroll as members of the Florida Retirement System (the "FRS"). The FRS is a single retirement system administered by the Florida Department of Management Services ("DMS"), and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (the "FRS Pension Plan"), a Deferred Retirement Option Program (the "DROP"), a Retirement Health Insurance Subsidy Plan (the "HIS Plan"), and a defined-contribution plan, referred to as the Florida Retirement System Investment Plan (the "Investment Plan"). A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, information about the FRS's fiduciary net position, and other relevant information, is available from the DMS at: www.dms.myflorida.com.

FRS Pension Plan. The Florida Legislature establishes contribution rates for employers and employees participating in the FRS Pension Plan. The District's contributions (not including employee contributions) to the FRS Pension Plan for the Fiscal Year ended September 30, 2024 totaled \$11.9 million, which was equal to the required contributions for such fiscal year. At September 30, 2024, the District reported a liability of \$81.1 million for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's Fiscal Year 2024 contributions relative to the total fiscal year 2024 contributions of all participating members. At June 30, 2024, the District's proportionate share was 0.209%, which reflects no change from its proportionate share measured as of June 30, 2023. For the Fiscal Year ended September 30, 2024, the District recognized the

FRS Pension Plan pension expense of \$12.3 million related to the FRS Pension Plan. In addition, the District reported deferred outflows of resources of \$24.8 million and deferred inflows of resources of \$8.1 million related to the FRS Pension Plan.

HIS Plan. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. The District's contributions to the HIS Pension Plan totaled \$2.4 million for Fiscal Year 2024. At September 30, 2024, the District reported a net pension liability of \$41.7 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's Fiscal Year 2024 contributions relative to the total fiscal year 2023 contributions of all participating members. At June 30, 2024, the District's proportionate share was .278%, which was an increase of .005% from its proportionate share measured as of June 30, 2023. For the Fiscal Year ended September 30, 2024, the District recognized the HIS Plan expense of \$1.4 million. In addition, the District reported deferred outflows of resources of \$2.6 million and deferred inflows of resources of \$6.0 million related to the HIS Plan.

Investment Plan. The District contributes to the Investment Plan for its eligible employees electing to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The District's total contribution to the plan totaled \$4.7 million.

ALL POTENTIAL PURCHASERS OF THE SERIES 2026 CERTIFICATES SHOULD REVIEW NOTE 13 OF THE NOTES TO THE BASIC FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION SET FORTH IN "APPENDIX B – EXCERPTED PAGES FROM THE ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024" ATTACHED HERETO. SUCH NOTE 13 AND REQUIRED SUPPLEMENTARY INFORMATION CONTAIN DESCRIPTIONS OF THE PENSION PLANS AND MATERIAL FINANCIAL INFORMATION CONCERNING THE PLANS, INCLUDING BUT NOT LIMITED TO, INFORMATION REGARDING CONTRIBUTIONS, COSTS, FUNDED STATUS AND FUNDING PROGRESS.

Other Post-Employment Benefits. The District provides other postemployment benefits ("OPEB") for certain of its retired employees in the form of an implicit rate subsidy by providing access to health insurance plans requiring the use of a single "blended" or "common" rate for both active and retired employees. The offering of this health insurance coverage is required by Section 112.0801, Florida Statutes.

As with all governmental entities providing similar plans, the District implemented Governmental Accounting Standard's Board Statement No. 75 - Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pension ("GASB 75") during Fiscal Year 2017-18. The District had historically accounted for its OPEB contributions on a pay as you go basis and then implemented General Accounting Standard's Board Statement No. 45

which required governmental units to include future OPEB costs in their financial statements. While GASB 75 requires recognition and disclosure of the unfunded OPEB liability, there is no requirement that the liability of such plan be funded. To comply with GASB 75, the District retained an actuary (the "Actuary") to review the District's OPEB liabilities and provide the District with a written valuation. The Actuary determined the accrued liability related to OPEB, which approximates the present value of all future expected postretirement life and medical premiums and administrative costs which are attributable to the past service of those retired and active employees, at \$38,987,895 as of September 30, 2024, and was determined by an actuarial valuation date as September 30, 2023 and update procedures used to determine the total OPEB liability as of September 30, 2024, which reflects the District's approximately \$761,092 contribution towards its OPEB liability during Fiscal Year 2024.

Below are the details regarding the total OPEB liability from September 30, 2023 to September 30, 2024:

	Total OPEB Liability
Total OPEB liability at the beginning of the year	\$35,264,911
Changes for the year:	
Service cost	761,092
Interest on total liability	1,552,591
Effect of economic/demographic gains or losses	(2,119,429)
Effect of assumptions, changes, or inputs	5,008,438
Benefit payments	(1,479,708)
Net Changes	3,722,984
Total OPEB liability at the end of the year	<u>\$38,987,895</u>

Source: Annual Comprehensive Financial Report of the South Florida Water Management District for Fiscal Year Ended September 30, 2024.

While the District does not know at this time what its ultimate OPEB liabilities will be in connection with GASB 75 compliance in the future or how much of the annual required contribution accrued liabilities it will need to budget in future years, it expects its OPEB liability to be significant, but manageable within its normal budgeting process. See Note 14 to the Annual Comprehensive Financial Report of the South Florida Water Management District for the Fiscal Year Ended September 30, 2024 attached hereto as APPENDIX A for more information regarding the other post-employment benefits.

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Revenues and Expenditures

The following table summarizes the results of All Governmental Fund Types of the District for the Fiscal Years ended September 30, 2021 through September 30, 2024, unaudited figures for the Fiscal Year ended September 30, 2025 and the adopted budget for the Fiscal Year ending September 30, 2026.

South Florida Water Management District Combined-Condensed Schedule of Revenues, Expenditures and Changes in Fund Balances All Governmental Fund Types (In Thousands)

	Audited				Unaudited	Budget
	2021	2022	2023	2024	2025	2026
REVENUES						
Ad Valorem Property Taxes	\$288,277	\$290,843	\$295,886	\$333,687	\$367,320	\$396,720
Agricultural Privilege Taxes	10,939	11,021	10,821	10,772	10,556	10,550
Intergovernmental	367,436	390,332	601,080	678,974	860,438	784,203
Investment Earnings	(189)	(43,910)	(669)	29,094	17,411	6,449
Licenses, Permits and Fees	7,237	7,892	7,532	9,070	7,250	3,714
Sale of District Property	770	751	2,017	1,797	2,724	320
Leases	6,622	4,134	6,540	7,773	6,091	4,242
Lease-Real Property	-	1,988	2,065	1,733	797	1,803
Lease-Real Property State	-	217	150	8	7	-
Lease-Interest	-	46	59	62	91	-
Other	450	1,436	1,735	2,069	2,887	1,835
Total Revenues	681,542	664,751	927,219	1,075,039	1,275,572	1,209,836
EXPENDITURES						
Water Resources Planning and Monitoring	36,610	38,947	39,462	39,748	44,792	49,745
Acquisition, Restoration and Public Works	66,251	70,706	85,952	93,932	130,983	215,951
Operations and Maintenance of Land and Works	176,479	172,672	198,809	202,329	246,851	288,069
Regulation	15,615	16,291	16,773	18,016	19,808	21,623
Outreach	1,191	1,263	1,297	1,407	1,032	1,144
District Management and Administration	27,132	30,124	32,514	34,152	33,100	31,895
Capital Outlay	423,354	549,186	559,466	635,934	734,333	659,302
Debt Service						
COPS Bond Principal Retirement	13,580	14,270	14,965	15,715	16,495	17,315
COPS Bond Interest	16,774	16,078	15,347	14,580	13,775	12,930
Lease & SBITA Principal	-	-	-	-	2,114	1,947
Lease & SBITA Interest	-	-	-	-	103	219
Total Expenditures	776,986	909,537	964,585	1,055,814	1,243,386	1,300,140
Revenues in Excess of (Less Than) Expenditures	(95,444)	(244,786)	(37,366)	19,225	32,186	(90,304)
OTHER FINANCING SOURCES (USES)						
Transfers In	104,216	104,223	70,321	64,601	111,118	126,266
Transfers Out	(104,216)	(104,223)	(70,321)	(64,601)	(111,118)	(126,266)
Capital Leases/Finance Leases	-	-	1,084	1,685	(21)	-
Subscription IT Arrangements	-	-	-	1,786	7,380	-
Total Other Financing Sources (Uses)	-	-	1,084	3,471	7,359	-
Net Change in Fund Balance	(95,444)	(244,786)	(36,282)	22,695	39,545	(90,304)
Fund Balances at Beginning of Year	571,310	475,866	231,080	194,798	217,495	257,040
Fund Balances at End of Year	\$475,866	\$231,080	\$194,798	\$217,493	\$257,040	\$166,736⁽¹⁾

⁽¹⁾ For Fiscal Year 2026, budgeted expenses and reduction in Fund Balance at End of Year include the required annual budgeting of the \$60 million Economic Stabilization Fund, Although included in the budget, the District does not anticipate expending such funds, which would result in a higher realized Fund Balance at End of Year. See "- Emergency Reserves" above.

Source: Annual Comprehensive Financial Report of the South Florida Water Management District for Fiscal Year Ended September 30, 2021-2024; South Florida Water Management District.

Management's Discussion and Analysis of Financial Results

Intergovernmental Revenues. Intergovernmental revenues, consisting primarily of capital grants and contributions, have surpassed property taxes as one of the District's primary sources of revenue. Intergovernmental revenues are comprised primarily of State appropriations which typically fund large-scale restoration projects. State appropriations are provided for in the State budget and are allocated to the District on a reimbursement basis once expenditures are incurred. From Fiscal Year 2021 to Fiscal Year 2025, capital grants and contributions, which are comprised of State funding for Everglades restoration projects, increased from \$367 million to \$860 million (unaudited).

Ad Valorem Property Taxes. Ad valorem revenue has steadily increased since Fiscal Year 2021 due to the increase in the District's tax base, with assessed values growing from \$1.138 billion in Fiscal Year 2021 to \$1.680 billion in Fiscal Year 2025 (unaudited). However, see "AD VALOREM TAX PROCEDURES - Recent Legislative Initiatives and Constitutional Amendments Affecting Ad Valorem Taxes" herein.

Expenditures. Expenditures have steadily increased since Fiscal Year 2021 primarily due to increased investments in large-scale restoration projects and rising operations and maintenance costs associated with completed projects transitioning to the operations phase. Annual expenditures fluctuate based on capital project timelines and construction schedules.

Reduction in Fund Balance/Use of Reserves. The reduction in fund balance since Fiscal Year 2021 is attributable to the planned use of reserves for completed capital projects. The District continues to maintain its Economic Stabilization Reserves. See "- Emergency Reserves" above.

Outstanding Debt

The following table sets forth selected information regarding other outstanding debt of the District. For more detailed financial information concerning the District and its outstanding debt obligations, see Note 10 of the District's audited financial statements attached hereto as "APPENDIX A – Excerpted Pages from the Annual Comprehensive Financial Report of the South Florida Water Management District for the Fiscal Year Ended September 30, 2024."

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**South Florida Water Management District
Other Obligations Outstanding
September 30, 2025 and 2024**

	2025	2024
Subscription based information technology arrangements	\$ 7,208,733	\$ 1,390,590
Leases Payable	1,730,993	2,282,403
Certificates of Participation	273,469,650 ⁽¹⁾	289,895,000 ⁽¹⁾
Total	\$282,409,376	\$293,567,993

⁽²⁾ As of the date of this Offering Statement, \$256,085,000 of the District's Series 2015 Certificates are outstanding; provided, however, that all of such Series 2015 Certificates are expected to be refunded with proceeds of the Series 2026 Certificates. See "PLAN OF REFUNDING" herein.

Source: Annual Comprehensive Financial Report of the South Florida Water Management District for the Fiscal Year Ended September 30, 2024; Unaudited Preliminary Financial Report of the South Florida Water Management District for the Fiscal Year Ended September 30, 2025.

RISK FACTORS

Each purchaser of Series 2026 Certificates is subject to certain risks and each prospective purchaser of Series 2026 Certificates is encouraged to read this Offering Statement in its entirety. Particular attention should be given to the factors described below which, among others, could affect the market price of the Series 2026 Certificates to an extent that cannot be determined.

Annual Right to Terminate Series 2006 Lease

Although the Governing Board has determined that the Series 2006 Facilities are necessary to its operations and currently intends to continue the Series 2006 Lease in force and effect for the Lease Term established in the Series 2006 Lease and has covenanted in the Series 2006 Lease that it will include a sufficient amount in the tentative budget to enable the Governing Board to make all Lease Payments due in each Fiscal Year, the Governing Board is not required to appropriate funds for such Lease Payments. If for any Fiscal Year the Governing Board does not approve a final budget which appropriates sufficient funds from legally available revenues for payment of its obligations under the Series 2006 Lease or any other Lease, or if no official budget is adopted as of the last day upon which a final official budget is required to have been adopted under Chapter 373, Florida Statutes, the Master Lease shall terminate as of the date of adoption of the final official budget, or as of such last day, whichever is earlier, and the Governing Board will not be obligated to make Lease Payments accruing or arising thereafter.

The likelihood that the Series 2006 Lease will be terminated as the result of an event of non-appropriation is dependent upon certain factors that are beyond the control of the Series 2026 Certificate Owners, including the continuing future utility of the Series 2006 Facilities and changes in population or demographics within the District.

Limitation Upon Disposition; Ability to Sell or Relet

Following an event of default under the Series 2006 Lease, or an event of non-appropriation, the Trustee or assignee of the Corporation may take possession of the Series 2006 Facilities and sell or re-let its interest therein. The Trustee's ability to actually achieve such a disposition of the Series 2006 Facilities is limited by its inability to convey fee simple title to the Series 2006 Facilities due to the governmental nature of the Series 2006 Facilities and is further limited by the terms of the Grant Agreements. Moreover, it is possible that a court of competent jurisdiction could enjoin the sale or re-letting of the Trustee's interest in the Series 2006 Facilities because of the essential governmental nature thereof. There can be no assurance that the remedies available to the Trustee upon any such termination of the Lease Term of all Leases and the disposition of the Series 2006 Facilities will produce sufficient amounts to pay the principal and interest components of the Basic Lease Payments represented by the then Outstanding Series 2026 Certificates.

Tax Treatment

Upon termination of the Series 2006 Lease, there is no assurance that payments made by the Trustee or the Credit Facility Issuer, if any, with respect to the Series 2026 Certificates and designated as interest will be excludable from gross income for Federal income tax purposes or that the ownership or disposition of the Series 2026 Certificates will not be subject to Florida's intangible personal property tax. See "TAX MATTERS" herein.

Applicability of Securities Laws

After termination of the Series 2006 Lease, the transfer of a Series 2026 Certificate may be subject to or conditioned upon compliance with the registration provisions of applicable Federal and State securities laws. Accordingly, there is no assurance that liquidity of the Series 2026 Certificates will not be impaired following termination of the Series 2006 Lease.

State Revenues

A portion of the District's funding is derived from State sources. See "REVENUE SOURCES OF THE DISTRICT – Operating Revenues" herein. The amounts budgeted for distribution from the State to the District are subject to change in the event that projected revenues are not realized.

Additional Leases

Pursuant to the Master Lease, the Governing Board may enter into other Leases in addition to the Series 2006 Lease. Currently, no Additional Leases are contemplated to be entered into in the near future.

Failure to appropriate funds to make Lease Payments under any Lease will, and an event of default under any Lease may, result in the termination of all Leases, including the Series 2006 Lease. Upon any such termination of all Leases, the Governing Board must surrender certain Facilities, including the Series 2006 Facilities (but excluding any Facilities excluded from such surrender under the terms of any Lease) to the Trustee for sale or lease. The proceeds of any such

disposition of the Facilities will be applied to the payment of the applicable Series of Certificates. In no event will owners of the Series 2026 Certificates have any interest in or right to any proceeds of the disposition of Facilities financed with the proceeds of another Series of Certificates, except as described herein. There can be no assurance that the remedies available to the Trustee upon any such termination of all Leases and the disposition of the Series 2006 Facilities will produce sufficient amounts to pay the Outstanding Series 2026 Certificates, or reimburse the Insurer for paying such sums. See "THE SERIES 2006 LEASE – Effect of Termination for Non-Appropriation or Default" herein.

Additional Indebtedness

The Governing Board may issue additional indebtedness, other than in connection with the Master Lease, secured by or payable from available revenues without the consent of the owners of the Series 2026 Certificates. Additional or increased costs or projects associated with Restoration may be funded through additional financing sources, which may include the issuance of certificates of participation under a separate master lease. Incurring such additional indebtedness may adversely affect the ability of the Governing Board to make Lease Payments under the Master Lease. Currently, no additional debt is contemplated.

Natural Disasters and Climate Related Risks

Numerous scientific studies on climate related risks show that, among other effects on the global ecosystem, sea levels are rising, extreme temperatures are more common, and extreme weather events more frequent (in part, as a result of increasing global temperatures). Sea levels may continue to rise in the future due to many factors including the increasing temperature of the oceans causing thermal expansion, slowing of currents, tectonic shifts, and growing ocean volumes. South Florida areas are at risk of increasing flood damage over time, due to extreme precipitation, storm surge and king tide events, without additional flood control infrastructure investments. Such risks might affect private and public infrastructure, including roads, utilities, emergency services, schools, and parks. The risk of a temporary reduction in ad valorem revenues from coastal areas based on public perception and post hurricane conditions could impact revenues in specific areas however those reductions have not been observed District-wide to date, have been localized after hurricanes, and would likely be offset by new development over the long term. The District is employing the best tools and science to assess risks associated with sea level rise, extreme weather events, and flooding, as well as adverse effect on its mission implementation and to the business operations or financial condition of the District. As a response, the District is planning for flood control infrastructure adaptation and advancing funding strategies to implement critical flood risk reduction projects. Such concerns have led, and may continue to lead to new funding, laws and regulations at the federal and State levels (including but not limited to, air, water, hazardous substances and waste regulations) that could have a material effect on the operations and/or financial condition of the District.

Cybersecurity

Computer networks and systems used for information transmission and collection are vital to the efficient operations of the District. District information systems are integral to departmental operations and services, managing a wide array of sensitive data that may include intellectual

property, security information, proprietary business processes, supplier and partner details, and Personally Identifiable Information (PII) of students and staff (collectively, "Computer Information"). The secure handling (including processing, maintenance, and transmission) of this Computer Information is critical to operational efficiency and the appropriate provision of services. In recent years, governmental entities have increasingly become prime targets for cybercriminals aiming to acquire this sensitive information or disrupt critical services. The ever-evolving threat landscape necessitates robust, adaptive cybersecurity measures to safeguard our digital assets and maintain operational integrity. The District has not experienced any breaches or exposures due to successful cyber incidents in the past several years. The District remains vigilant in reviewing and tweaking its robust cybersecurity measures as necessary to protect its systems and data. As always, the security of the District's information along with the integrity and availability of network resources continues to be a top priority.

A rapidly changing cyber risk landscape may introduce new vulnerabilities that attackers and hackers can attempt to exploit in their efforts to successfully bypass existing security measures and breach an entity and or effect service disruptions. User error and/or deliberate insider threats can potentially compromise Computer Information integrity or lead to system vulnerabilities. The District has a multilayered information security program that follows guidelines established by the National Institute of Standards and Technology. Among the technical security controls that the District has implemented, the District has next generation firewalls with unified threat management features enabled which include firewall, application control, web filter, and intrusion detection and prevention. Cyber security operations are handled internally. In addition to these technical controls, there are established policies and procedures which include Responsible Usage Policies and Information Security Guidelines.

The District continues to revisit and refine approaches within its formal cybersecurity strategy that align with guidelines provided within the NIST Cybersecurity Framework. The District continues evaluating existing security measures and procures additional solutions to assist in the mitigation of potential security vulnerabilities where appropriate. District solutions include the purchase of a robust SIEM (Security Information and Event Management) solution, increased capacity to perform in-house vulnerability assessments, a platform to facilitate the consolidation and correlation of internal and external vulnerability scan results (allowing District staff to prioritize risks, track mitigation status, facilitate IT audit compliance reporting, etc.), an on-prem appliance intended to augment the District's current DDoS mitigation solution, site-based appliances to increase its visibility.

The District prioritizes cybersecurity education and awareness for all staff. The District conducts monthly simulated phishing email campaigns to train employees on cyber threats; staff who fall for these campaigns receive targeted cybersecurity awareness training. These initiatives use real-world phishing techniques to make the training as relevant and effective as possible. The District also has a formal, mandatory cybersecurity awareness training program that requires participation by all active District employees and/or contractors. Progress tracking is monitored and a list of individuals still pending completion of assigned training modules are forwarded to site administrators on a monthly basis.

Despite efforts to raise awareness, account compromises may still occur. In an effort to avoid these compromises and to strengthen account security, the District has enabled user account

protection policies to help minimize the potential for account compromises by preventing certain login scenarios such as impossible travel and blocking user authentication from certain geographical areas known as high-risk or high-threat areas. In addition, the District requires MFA (Multi-Factor Authentication) for remote access.

Penetration testing serves as a crucial tool in validating the effectiveness of an organization's security posture. By simulating real-world cyberattacks, penetration tests provide invaluable insights into potential vulnerabilities that may otherwise go undetected. This proactive approach allows organizations to identify and address weaknesses in their systems, networks, and applications before malicious actors can exploit them. Penetration testing not only verifies the efficacy of existing security controls but also helps prioritize remediation efforts by demonstrating the potential impact of successful breaches. The District participates in annual penetration testing to help evaluate and tune existing measures in maintaining a resilient security approach.

While District cybersecurity and operational safeguards are periodically tested, no assurances can be given that such measures will ensure against all cybersecurity threats or attacks. Cybersecurity breaches could damage or compromise the District's computer network and the confidentiality, integrity, or availability of the District's computer system or the Computer Information. The potential disruption, access, modification, disclosure or destruction of Computer Information could result in the interruption of District services, the initiation of legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, and could cause a material disruption in the District's operations or the appropriate provision of District services. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, the litigation to which the District could be exposed following a cybersecurity breach could be significant, which could cause the District to incur material costs related to such legal claims or proceedings.

LITIGATION

There is no litigation now pending or threatened (i) to restrain or enjoin the issuance or sale of the Series 2026 Certificates; (ii) questioning or affecting the validity of the Series 2006 Lease or the obligation of the Governing Board to make Lease Payments; or (iii) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution or delivery of the Series 2026 Certificates.

The District filed a lawsuit against C43 Water Management Builders JV, The Lane Construction Corporation, and Webuild S.p.A. Inc. f/k/a Salini Impregilo S.p.A. Inc. ("WMD") for breach of contract (Case No. 2023-CA- 010482, Fifteenth Judicial Circuit, Palm Beach County, Florida). The District sought compensatory damages, consequential damages, damages for delay, liquidated damages, and other related damages in excess of \$150 million. In response, WMB asserted a breach of contract counterclaim against the District seeking damages in excess of \$100 million. To resolve the suit, the District requested non-binding arbitration. Although the facts of the case appear generally favorable to the District, the District cannot assess the likely outcome of this case at this time. In the event this case is decided adversely against the District, the District expects to request legislative appropriations for any liability and does not expect the outcome of this suit to adversely impact its ability to pay the Series 2026 Certificates.

Thalle Construction Co., Inc. ("Thalle") filed a lawsuit against the District alleging breach of contract (Case No. 50- 2023-CA-016737XXXXMB in the Circuit Court of the 15th Judicial Circuit). Thalle seeks damages in excess of \$77 million. The District has counterclaimed for breach of contract seeking damages in excess of \$7 million. Although the facts of the case appear generally favorable to the District, the District cannot assess the likely outcome of this case at this time. In the event this case is decided adversely against the District, the District expects to request legislative appropriations for any liability and does not expect the outcome of this suit to adversely impact its ability to pay the Series 2026 Certificates.

The Governing Board is involved in certain other litigation and disputes incidental to its operations. Upon the basis of information presently available, the General Counsel to the District believes that there are substantial defenses to such litigation and disputes and that, in any event, as advised by the District's Director of Budget and Finance, any ultimate liability, in excess of applicable insurance coverage, resulting therefrom will not materially adversely affect the financial position or results of operations of the District, or the Governing Board and its ability to make Lease Payments.

VALIDATION

The Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida, by entry of the Validation Judgment dated February 24, 2006, found the issuance of the Series 2006 Certificates and the master lease-purchase certificate of participation program for the financing of various projects, including the Series 2006 Facilities, to be for a proper and lawful public purpose and fully authorized by law. The Court validated and confirmed the Series 2006 Certificates. No appeal of the Validation Judgment was filed and the period for filing an appeal has expired.

RATINGS

Moody's Ratings ("Moody's") and S&P Global Ratings, a business unit of Standard and Poor's Financial Services LLC ("S&P"), have assigned ratings of "Aa1" (stable outlook) and "AA" (stable outlook), respectively, to the Series 2026 Certificates. An explanation of the rating and outlook given by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, NY 10007, (212) 553-1653. An explanation of the rating and outlook given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10007, (212) 438-2000. There is no assurance that such ratings and outlooks will continue for any given period of time, or that they will not be revised downward or withdrawn entirely by such rating agencies, if in their judgment circumstances so warrant. Any downward revision or withdrawal of such ratings and outlooks may have an adverse effect on the market price of the Series 2026 Certificates.

TAX MATTERS

General. The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2026 Certificates in order that the interest portion of the Basic Lease

Payments received by the Owners of the Series 2026 Certificates be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause the interest portion of the Basic Lease Payments on the Series 2026 Certificates to be included in federal gross income retroactive to the date of issuance of the Series 2026 Certificates, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2026 Certificates and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Governing Board and the Corporation have covenanted in the Master Lease to comply with such requirements in order to maintain the exclusion from federal gross income of the interest portion of the Basic Lease Payments on the Series 2026 Certificates.

In the opinion of Special Tax Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, the interest portion of the Basic Lease Payments on the Series 2026 Certificates is excludable from gross income for federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax; however, the interest portion of the Basic Lease Payments on the Series 2026 Certificates may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. However, no opinion is expressed with respect to the federal income tax consequences of any payments received or to be received with respect to the Series 2026 Certificates following termination of the Series 2006 Lease as a result of an event of non-appropriation or the occurrence of an Event of Default thereunder.

Except as described above, Special Tax Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2026 Certificates. Prospective purchasers of Series 2026 Certificates should be aware that the ownership of Series 2026 Certificates may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2026 Certificates; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including the interest portion of the Basic Lease Payments on the Series 2026 Certificates; (iii) the inclusion of the interest portion of the Basic Lease Payments on the Series 2026 Certificates in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of the interest portion of the Basic Lease Payments on the Series 2026 Certificates in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of the interest portion of the Basic Lease Payments on the Series 2026 Certificates in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Special Tax Counsel, Special Tax Counsel will rely upon representations and covenants made on behalf of the Governing Board, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2026 Certificates and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2026 CERTIFICATES AND THE RECEIPT OR ACCRUAL OF THE INTEREST PORTION OF THE BASIC LEASE PAYMENTS THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE CERTIFICATE HOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE CERTIFICATE HOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding. Interest paid on tax-exempt obligations such as the Series 2026 Certificates is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of the interest portion of the Basic Lease Payments on the Series 2026 Certificates from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2026 Certificates, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2026 Certificates and proceeds from the sale of Series 2026 Certificates. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2026 Certificates. This withholding generally applies if the owner of Series 2026 Certificates (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2026 Certificates may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters. During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2026 Certificates. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2026 Certificates. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2026 Certificates and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2026 Certificates.

Prospective purchasers of the Series 2026 Certificates should consult their own tax advisors as to the tax consequences of owning the Series 2026 Certificates in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Special Tax Counsel expresses no opinion.

Tax Treatment of Original Issue Discount. Under the Code, the difference between the maturity amount of the Series 2026 Certificates maturing on October 1 in the years 20__ through 20__, inclusive (collectively, the "Discount Certificates"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Certificates of

the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Certificates at a constant interest rate compounded periodically. A purchaser who acquires the Discount Certificates in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Certificates, and will increase his or her adjusted basis in the Discount Certificates by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Certificates. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Certificates which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Certificate Holders of the Discount Certificates should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Certificates and with respect to the state and local tax consequences of owning and disposing of the Discount Certificates.

Tax Treatment of Bond Premium. The difference between the principal amount of the Series 2026 Certificates maturing on October 1 in the years 20__ through 20__, inclusive (collectively, the "Premium Certificates"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Certificates of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Certificates, which ends on the earlier of the maturity or call date for each of the Premium Certificates which minimizes the yield on such Premium Certificates to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Certificate, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Certificate annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Certificates. Certificate Holders of the Premium Certificates are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Certificates.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of the arithmetic computations showing the adequacy of the maturing principal and interest on the Escrow Securities to be acquired with a portion of the proceeds of the Series 2026 Certificates, together with other funds available for that purpose, to pay the principal portion and interest portion of the Basic Lease Payments on the Refunded Certificates, as described under "THE PLAN OF REFUNDING," have been verified by Causey Public Finance, LLC, Denver, Colorado, independent certified public accountants.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, execution, delivery and sale of the Series 2026 Certificates are subject to the approving legal opinion of Special Tax Counsel, Bryant Miller Olive P.A., Miami, Florida. The proposed form of such opinion is included herein as APPENDIX C. Special Tax Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Special Tax Counsel as of the date thereof. Special Tax Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Special Tax Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Special Tax Counsel's opinion is not a guarantee of a particular result, and is not binding on the IRS or the courts; rather, such opinion represents Special Tax Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Certain legal matters will be passed upon for the Governing Board by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel. Certain legal matters will be passed upon for the Governing Board and the Corporation by their General Counsel, Maricruz R. Fincher, Esquire. Special Tax Counsel and Disclosure Counsel will receive fees for services provided in connection with the issuance of the Series 2026 Certificates, which fees are contingent upon the issuance of the Series 2026 Certificates.

UNDERWRITING

The Series 2026 Certificates are being purchased by _____ (the "Underwriter"). The Underwriter has agreed to purchase the Series 2026 Certificates at a price of \$_____ (which represents the \$_____ principal amount of the Series 2026 Certificates, less an Underwriter's discount of \$_____, plus/less a net bond premium/original issue discount of \$_____). See "SOURCES AND USES OF FUNDS" herein. The Underwriter will purchase all of the Series 2026 Certificates if any are purchased.

The Underwriter may offer and sell the Series 2026 Certificates to certain dealers and others at yields higher than the respective public offering prices and yields set forth on the inside cover page of this Offering Statement. After the initial public offering, the respective offering prices and yields may be changed from time to time by the Underwriter.

BASIC FINANCIAL STATEMENTS

The Excerpted Pages from the Annual Comprehensive Financial Report of the South Florida Water Management District for the Fiscal Year Ended September 30, 2024 and the report thereon of CBIZ CPAs P.C., independent certified public accountants, dated June 23, 2025, are included in APPENDIX A of this Offering Statement as part of the public records of the Governing Board. CBIZ CPAs has not participated in the preparation of this Offering Statement.

CONTINUING DISCLOSURE

The Governing Board has covenanted for the benefit of Series 2026 Certificate holders to provide certain financial information and operating data relating to the District in each year (the "Annual Report"), to provide notices of the occurrence of certain enumerated events, and to comply with and carry out all of the provisions of the Disclosure Dissemination Agent Agreement to be executed by the Governing Board and Digital Assurance Certification LLC, as dissemination agent thereunder, as of the date of issuance of the Series 2026 Certificates, as such Disclosure Dissemination Agent Agreement may be amended from time to time in accordance with the terms thereof (the "Disclosure Agreement"). Such covenant shall only apply so long as the Series 2026 Certificates are outstanding, and shall also cease upon the termination of the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule") by legislative, judicial or administrative action. Failure of the Governing Board to comply with the Disclosure Agreement is not considered an event of default under the Series 2006 Lease, the Trust Agreement or the Disclosure Agreement; however, any Series 2026 Certificate holder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Governing Board to comply with its obligations under the Disclosure Agreement.

The Annual Report will be filed by the Governing Board with the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access System ("EMMA") described in the Disclosure Dissemination Agent Agreement attached hereto as APPENDIX D. The notices of material events will be filed by the Governing Board, or its dissemination agent, if any, with the MSRB. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in the Disclosure Agreement. See "APPENDIX D – FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT." The covenants of the Governing Board in the Disclosure Agreement have been made in order to assist the Underwriters in complying with the Rule. No party other than the Governing Board is obligated to provide, nor is expected to provide, any continuing disclosure information in connection with the issuance of the Series 2026 Certificates in order to comply with the Rule.

In the last five years, the Governing Board has generally failed to timely file its annual continuing disclosure information as required by the Disclosure Dissemination Agent Agreement executed in connection with the issuance of the Series 2015 Certificates due to the unavailability of such information by the annual filing date set forth in such agreement. In each case, the Governing Board made the necessary filings to remediate such failures. In connection with the issuance of the Series 2026 Certificates, the annual filing date has been changed to June 30 of each year in order to ensure ongoing and future compliance by the District with its continuing disclosure undertakings with respect to the Series 2026 Certificates.

BLUE SKY DISCLOSURE

Rule 3E-400.003, Rules of Government Securities, promulgated by the Florida Department of Financial Services, Office of Financial Regulation, under Section 517.051(1), Florida Statutes ("Rule 69W-400.003"), requires the District to disclose each and every default as to the payment of principal and interest with respect to obligations issued or guaranteed by the District after

December 31, 1975. Rule 69W-400.003 further provides, however, that if the District in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted. The District is not, and since December 31, 1975 has not been, in default as to principal of and interest on bonds or other debt obligations for which either ad valorem revenues or non-ad valorem revenues of the District are or have been pledged.

MISCELLANEOUS

The information contained above is neither guaranteed as to accuracy or completeness nor to be construed as a representation by the Underwriters. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Offering Statement nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District, the Governing Board, or the Corporation from the date hereof.

This Offering Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Offering Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Offering Statement is not to be construed as a contract or agreement between the District, the Governing Board or the Corporation and the purchasers or the holders of any of the Series 2026 Certificates.

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CERTIFICATE CONCERNING OFFERING STATEMENT

This Offering Statement has been authorized by the Governing Board. Concurrently with the delivery of the Series 2026 Certificates, the undersigned officer of the District will furnish a certificate to the effect that, to the best of his knowledge, this Offering Statement did not as of its date, and does not as of the date of delivery of the Series 2026 Certificates, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which this Offering Statement is to be used, or which is necessary in order to make the statements contained herein, in the light of the circumstances under which they were made, not misleading.

This Offering Statement has been duly executed and delivered by the authority of the Governing Board.

**THE GOVERNING BOARD OF THE SOUTH
FLORIDA WATER MANAGEMENT DISTRICT**

By: _____
Chauncey Goss, Chair

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APPENDIX A

EXCERPTED PAGES FROM THE ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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South Florida Water Management District

ANNUAL COMPREHENSIVE FINANCIAL REPORT

The South Florida Water Management District Is A Component Unit of the State of Florida

Fiscal Year Ended September 30, 2024

A-1

FINANCIAL SECTION

Independent Auditors' Report

To the Governing Board and Executive Director
South Florida Water Management District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Florida Water Management District (the "District"), a component unit of the State of Florida, as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budget to Actual Comparison Schedules, the Florida Retirement System (FRS) and Health Insurance Subsidy Plan (HIS) Schedules, and the Total Other Post-Employment Benefits (OPEB) Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules, as listed in the table of contents, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Combining and Individual Fund Financial Statements and Schedules, and the schedule of expenditures of federal awards and state financial assistance, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section, Statistical Section, and Disclosure Section, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

West Palm Beach, FL
June 23, 2025

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

Management's discussion and analysis of the South Florida Water Management District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2024. The District is a component unit of the State of Florida since the Governor appoints the nine-member Governing Board and the District has a financial benefit/burden relationship with the State. Please read this in conjunction with the transmittal letter beginning on page I-1 and the District's basic financial statements, which begin on page III-1.

FINANCIAL HIGHLIGHTS

- Net position increased by approximately \$690 million, or approximately 9.6 percent during the year, remaining relatively stable at \$7.9 billion on September 30, 2024.
- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at fiscal year-end 2024 by approximately \$7.9 billion.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$3.4 million as most all funding is committed or assigned to operations and various projects.
- The District's total capital assets increased by \$573.6 million during the fiscal year. The net increase is primarily due to the current year's additions of \$578.9 million net of depreciation. The majority of this increase is attributed to \$450.8 million in additions of various construction projects.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information besides the basic financial statements.

Government-wide financial statements

The government-wide financial statements provide readers with a broad overview of the District's finances like a private-sector business. There are two basic government-wide financial statements: the statement of net position and the statement of activities. Both basic government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the District's assets and deferred outflows of resources and liabilities, and deferred inflows of resources, with the difference between the two, reported as net position. Over time, increases or decreases in net position may serve as a helpful indicator of whether the District's financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements can be found on pages III-1 to III-2 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)**

Fund financial statements

A fund is a grouping of related accounts used to control resources that have been segregated for specific activities or objectives. Like other state and local governments, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In addition, the District maintains governmental funds and proprietary funds.

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, and balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, comparing the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements is necessary. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 40 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Okeechobee Basin Special Revenue Fund, Everglades Restoration Trust Special Revenue Fund, Everglades Trust Capital Projects Fund, External Grants Capital Projects Fund and Land Acquisition Trust Capital Projects Fund, all of which are considered to be major funds. Data from the other 32 governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages III-3 to III-8 of this report.

Individual fund data for each of the 33 non-major governmental funds is provided in the form of combining statements on pages V-6 to V-23 of this report.

Proprietary funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, which are in a manner similar to a private-sector business. Similar to the government-wide financial statements, proprietary fund financial statements focus on both short-term and long-term financial information. Proprietary fund financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in fund net position and a statement of cash flows. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds can be categorized as enterprise funds or internal service funds. Enterprise funds account for goods and services provided to those outside the District, generally on a user-charge basis. Internal service funds report activities that provide supplies and services for the District's other programs and activities.

Currently, the District maintains no enterprise funds. However, the District maintains two individual internal service funds. Information is presented combined in the statement of net position, the statement of revenues, expenses, and changes in fund net position and the statement of cash flows for the Self-Insurance Fund and the Health Benefits Fund. Because these services predominantly benefit governmental rather than business-type functions, they have been included within

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

governmental activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages III-9 to III-11 of this report. Individual fund data for each of the two proprietary funds is provided in the form of combining statements on pages V-60 to V-62 of this report.

The District adopts an annual appropriated budget for all of its funds. Budgetary comparison schedules have been provided that include the original and final appropriated budgets as well as the final actual results of operations for the General Fund, Okeechobee Basin Special Revenue Fund and Everglades Restoration Trust Special Revenue Fund to demonstrate compliance with these budgets. The budgetary comparison schedules for these three funds are being reported as required supplementary information and are presented immediately after the notes on pages IV-1 to IV-6. Budgetary comparison schedules for the other governmental funds are presented on pages V-24 to V-59 of this report.

Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages III-13 to III-68 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position is \$7.9 billion at the close of the most recent fiscal year, an increase of \$690.1 million from the prior fiscal year. By far, the largest portion of the District's net position (97.1 percent) reflects its investment in capital assets (e.g., land, buildings, equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted net position consists of \$358.7 million that is subject to external restrictions on how the monies can be used. As such, the District is reporting a negative unrestricted net position of \$133.3 million at the end of fiscal year 2024, which was primarily caused by unreimbursed capital project expenditures, net pension liability and liability for post-employment benefits other than pensions. Two of which are long term obligations that will be funded over time.

The balance of current and other assets at the end of the fiscal year 2024 from the prior year reflected a net increase of \$123.5 million. This increase was mainly attributed to cash and investments of \$50.2 million and due from other governments of \$72.9 million. The increase in both due from other governments and cash and investments is primarily the result of more frequent billings and a significant increase in the number of capital projects funded by the Department of Environmental Protection. Total liability obligations saw an increase of \$8.7 million primarily due to the increase in accounts payable of \$25.9 million due to increase construction cost invoices not paid as of year end. In addition, the District experienced a decrease in the long-term portion of the Certificate of Participation and premium payable by \$16.5 million. The changes in total assets, deferred outflows of resources, total liabilities, and deferred inflows of resources between fiscal years represent a significant portion of the change in restricted and unrestricted net position. The increase of \$571.6 million in net investment in capital assets is primarily the result of the construction of capital assets and net depreciation. Additional

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

information on capital assets and long-term debt activity during the fiscal year 2024 can be found on pages II-13 to II-16 of this report.

Key elements of the total net position increase are presented below.

District's Net Position
As of September 30

	2024	2023
Current and Other Assets	\$ 558,335,544	\$ 435,015,332
Leases non current	3,783,035	4,925,912
Capital Assets, Net	<u>8,027,013,460</u>	<u>7,453,406,751</u>
Total Assets	<u>8,589,132,039</u>	<u>7,893,347,995</u>
Deferred Outflows of Resources	<u>35,447,084</u>	<u>29,790,323</u>
Current and Other Liabilities	269,483,772	243,201,799
Long-term Liabilities Outstanding	<u>465,633,120</u>	<u>483,192,889</u>
Total Liabilities	<u>735,116,892</u>	<u>726,394,688</u>
Deferred Inflows of Resources	<u>33,704,591</u>	<u>31,084,900</u>
Net Position:		
Net Investment in Capital Assets	7,630,374,681	7,058,807,874
Restricted	358,726,811	296,314,319
Unrestricted (deficit)	<u>(133,343,852)</u>	<u>(189,463,463)</u>
Total Net Position	<u><u>\$ 7,855,757,640</u></u>	<u><u>\$ 7,165,658,730</u></u>

District's Changes in Net Position
Fiscal Years Ended September 30

	2024	2023
Revenues		
Program Revenues		
Charges for Services	\$ 66,801,008	\$ 103,949,275
Operating Grants and Contributions	90,541,872	6,708,718
Capital Grants and Contributions	655,098,065	578,507,706
General Revenues		
Property Taxes	344,459,212	306,706,890
Investment Earnings (Losses)	29,818,981	(680,843)
Revenues and Interest Income - Leases	1,801,639	2,274,781
Other	<u>3,844,331</u>	<u>3,754,947</u>
Total Revenues	<u>1,192,365,108</u>	<u>1,001,221,474</u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

Expenses		
Water Resources Planning and Monitoring	52,794,746	58,054,295
Acquisition, Restoration and Public Works	119,504,037	115,500,549
Operations & Maintenance of Land/Works	248,492,774	259,471,002
Regulation	21,934,062	22,862,763
Outreach	1,363,822	1,288,374
District Management and Administration	43,518,353	45,679,295
Interest on Long-Term Debt	14,580,125	15,347,125
Interest on Leases	78,279	20,055
Principal Leases	-	1,371,723
Total Expenses	502,266,198	519,595,181
Increase in Net Position	690,098,910	481,626,293
Net Position at Beginning of Year	7,165,658,730	6,684,032,437
Net Position at End of Year	\$ 7,855,757,640	\$ 7,165,658,730

Capital Grants and Contributions has surpassed property taxes as one of the District's primary sources of revenue. For fiscal year 2024 revenue from Capital Grants and Contributions totaled \$655.1 million while property taxes totaled \$344.5 million of which \$10.8 million represents Agricultural Privilege Taxes and \$43.8 represents Everglades Project Restoration. Total property taxes experienced an increase of \$37.8 million, or 12.31 percent, from fiscal year 2023.

The Agricultural Privilege Tax is one of the dedicated funding sources identified in the Everglades Forever Act (EFA) and is used to fund Everglades Construction Project and Long-Term Plan expenditures. Agricultural Privilege Tax revenues are based on tax roll information received from Palm Beach and Hendry counties' property appraisers. The Agricultural Privilege Tax continues to be a steady source of revenue for the Everglades Trust Fund and it is calculated based on the assessed tax-per-acre on the number of agricultural acres reflected on the tax rolls. Acres can be taken off the tax rolls due to construction and change in land status to non-agricultural use tax classification. As such, the amount collected can vary from year to year based on the acres in production in the Everglades Agricultural Area and C-139 basin. The Governing Board certifies the tax rolls at the District's Annual Tentative Budget Adoption Public Hearing held each September.

During fiscal year 2024 tax revenues derived from the Agricultural Privilege Tax remained consistent with the prior fiscal year's level of \$10.8 million.

Charges for services totaled \$66.8 million for fiscal year 2024, a decrease of \$(37.1) million from the prior fiscal year. This variance is primarily due to a focus shift to grant funded projects.

Operating Grants and Contributions totaled \$90.5 million for fiscal year 2024, an increase of approximately \$83.8 million from the prior fiscal year. The majority of this variance relates to the U.S. Army Corps of Engineers pumping operations.

Capital Grants and Contributions totaled \$655.1 million for fiscal year 2024, an increase of \$76.6 million from fiscal year 2023. The increase is due to additional State of Florida funding for environmental restoration projects.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

Lease Revenues Lease revenues relating to District's land and building leases of \$1.7 million were recognized during fiscal year 2024. The lease accounting standard GASB 87 requires calculation of present value of future lease payments to be recognized in the current financial statements using an appropriate discount rate for all new leases executed during the fiscal year (District uses its incremental borrowing rate for this calculation) to record a lease receivable and a deferred inflow for each lease that meets the definition of a lease per the standard. Each fiscal year the deferred inflow balance is amortized using a systematic and rational method (District uses straight-line method) to recognize lease revenues earned during the fiscal year.

Investment Earnings during fiscal year 2024 increased by \$30.5 million compared to the previous fiscal year.

Lease Interest Income GASB 87 lease accounting standard requires the lessor government to discount future lease receivables balance using an appropriate discount rate (District uses its incremental borrowing rate for this calculation) to recognize a lease receivable at the present value of lease payments anticipated to be received during the lease term, reduced by any provision for estimated uncollectible amounts and amortize the lease receivables discounted in subsequent financial reporting periods using effective interest method to report interest revenue. The District during fiscal year 2024 recognized \$62 thousand of interest revenue on its lessor leases.

Other Revenue consists primarily of miscellaneous revenue not otherwise designated. The total of \$3.8 million for fiscal year 2024 represents an increase of \$0.1 million from the prior year. This increase is mainly attributable to sale of surplus District assets as compared to the previous year.

Program Expenses totaled \$502.3 million for fiscal year 2024, a decrease of approximately \$(17.3) million from fiscal year 2023. The District's three largest programs: Water Resources Planning and Monitoring; Acquisition, Restoration and Public Works; and Operations and Maintenance of Lands and Works accounted for approximately \$420.8 million or 84 percent of the \$502.3 million in total expenses for fiscal year 2024. This is a decrease of \$(12.2) million from the prior fiscal year. The other program expenses totaled \$81.4 million for fiscal year 2024 and reflected a decrease of approximately \$(5.1) million from the previous year. The three largest District programs are the most significant reasons for variances from prior fiscal year 2023 program expenses are discussed below.

Water Resources Planning and Monitoring expenses decreased by \$(5.3) million, or 9.1 percent, from \$58.1 million in fiscal year 2023 to \$52.8 million in fiscal year 2024. This decrease resulted from the completion of interagency stormwater projects.

This program includes all water management planning, including water supply planning, development of minimum flows and levels, and other water resources planning; research, data collection, analysis, and monitoring; and technical assistance (including local and regional plan and program review). This program has executed numerous Cooperative Funding Program agreements with local partners to provide funding for stormwater, alternative water supply and water conservation projects that are consistent with the agency's core mission. Other accomplishments include field monitoring, laboratory analyses, and reports to support various regulatory-driven mandates/agreements as well as publishing an annual South Florida Environmental Report.

Acquisition, Restoration and Public Works expenses for fiscal year 2024 were \$119.5 million when compared to the \$115.5 million expended in the prior year which resulted in an increase of \$4.0 million. The most significant variances contributing to the net increase from projects were for CERP and Restoration Strategies.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)**

This program includes the development and construction of restoration capital projects, including water resource development projects/water supply development assistance, water control projects, and support and administration facilities construction; cooperative projects; land acquisition; and the restoration of land and water bodies.

Operation and Maintenance of Lands and Works Program expenses incurred during fiscal year 2024 were \$248.5 million, a decrease of \$(11.0) million from the \$259.5 million expended in fiscal year 2023. This program is primarily responsible for the operation and maintenance and flood control within 16 counties of South Florida. The District's operations and maintenance consists of activities to effectively and efficiently manage the primary canals and associated structures in South Florida. Operation maintenance program activities included the C&SF Project, as well as the Big Cypress Basin, as authorized by Chapter 373 F.S and the U.S. Army Corps of Engineers (USACE). Currently, region-wide water management is accomplished by the District's multi-purpose system, which currently includes 918 water control structures and weirs; 621 smaller project culverts; management of 89 pump stations, which send water south and through waterways eastward and westward to both coasts; and oversight of approximately 4,310 miles of canals and levees. The strategic priority goal of the program is to refurbish, replace, improve, and manage the regional water management system by implementing flood control system refurbishment projects as part of the 50-year plan; incorporating new works into water management system operations; operating the water management system to meet flood control and water supply needs; optimizing infrastructure maintenance by adhering to, or exceeding, industry standards and best practices; and coordinating with the USACE on levee inspections and improvements. This program is also responsible for major gate overhauls, replacement of project culverts, side-bank stabilization, and the treatment and maintenance of over 5,000 acres of terrestrial vegetation, floating and emerged vegetation, and submerged vegetation.

Lease Amortization and Interest expenses for right to use lease and subscription assets totaled \$1.73 million during the fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with budget-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the chief operating fund of the District. It accounts for all financial resources, except those accounted for in another fund. This fund accounts for District-wide expenditures and is supported primarily by ad valorem property taxes, permit fees and investment earnings.

At fiscal year-end, the fund balance of the General Fund was \$34.3 million, of which \$26.3 million was either assigned or unassigned and \$8.0 million was committed to various District projects. As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned/unassigned fund balance represents 21.9 percent of the General Fund expenditures totaling \$120.0 million, while total fund balance represents 28.6 percent of that same amount. Revenues exceeded expenditures by \$35.7 million and the General Fund had net transfers to other funds amounting to \$26.7 million resulting in an

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

increase in fund balance of \$9.0 million.

Total revenues in the General Fund increased by approximately \$20.5 million from the prior year. This increase is attributable in investment earnings and an increase in property taxes.

Total expenditures decreased approximately \$(5.4) million, or (4.3) percent, in fiscal year 2024 to \$120.0 million. The variances contributing to the net decrease was in Operations and Maintenance of Lands and Works due to contracted services for maintenance and repairs and the the District Management and Administration.

Transfers from the fund totaled \$26.7 million for fiscal year 2024. This amount represents transfers out to the District Capital Projects Fund, representing the General Fund's annual contribution to the fund planned capital projects and debt service on the Certificates of Participation.

Okeechobee Basin Special Revenue Fund

The Okeechobee Basin Special Revenue Fund is restricted to accounting for revenues and expenditures within all or part of a 15-county area designated as the Okeechobee Basin. Revenue is provided by ad valorem property taxes, intergovernmental funding, permit fees, investment earnings, and other sources. The total fund balance of the Okeechobee Basin Special Revenue Fund at September 30, 2024 was \$82.9 million, an increase of \$26.1 million from fiscal year 2023. Of the \$82.9 million in total fund balance, \$72.2 is restricted due to the Governing Board obligating these funds for future fiscal years (FY2025-FY2026) and the remaining \$8.4 million in non-spendable inventory reserve and the unassigned is at \$2.2.

Revenues in excess of expenditures of \$37.4 million were offset by a \$11.4 million related to net transfers out of the Fund. Total revenues recorded in the Okeechobee Basin Special Revenue Fund of \$149.1 million represent an increase of \$14.9 million from the prior year total of \$134.1 million.

Total expenditures decreased by \$(10.0) million, or 8.2 percent in fiscal year 2024 to \$111.6 million. This decrease was primarily due to costs within the Operations and Maintenance of Lands and Works.

In fiscal year 2024, transfers-out were recorded within the fund totaling \$11.4 million. The fund that received the transfer was the Okeechobee Basin Capital Projects Fund for the purpose of supporting scheduled capital improvement projects.

Everglades Restoration Trust Special Revenue Fund

The Everglades Restoration Trust Special Revenue Fund accounts for fiscal activity related to the operations and maintenance of the Stormwater Treatment Areas (STAs) as required by the Everglades Forever Act. Funding is provided through a .0327 mill tax levy; non-ad valorem assessments to property owners in the Everglades Agricultural Area (EAA); State and Federal contributions; and interest earnings.

At September 30, 2024, total fund balance amounted to \$9.7 million, of which \$8.6 million is restricted and \$4 thousand is non-spendable due to inventory and the remainder of \$1.1 million is undesignated. The fund balance is restricted due to the Governing Board obligating these funds for future fiscal years including projects consisting of Everglades conservation and natural resource protection, restoration strategies, and future operations and maintenance of new works projects. Ad valorem and agricultural privilege tax revenues of \$43.8 million and \$10.8 million, respectively, were recognized in fiscal year 2024, which is comparable to prior year revenues of \$38.8 million and \$10.8 million.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

Total revenues of the Everglades Restoration Trust Special Revenue Fund increased from 2023 by approximately 15.1 percent from \$49.5 million to \$57.0 million in fiscal year 2024. This increase is primarily due to investment gains and increase in property taxes for the fiscal year. Net of transfers other funds totaled \$15.6 million, all of which went to the Everglades Restoration Trust Capital Projects Fund to reflect support for related capital expenditures.

Everglades Restoration Trust Capital Projects Fund

The Everglades Trust Capital Projects Fund was established to account for and report financial resources that are restricted, committed or assigned to construct Stormwater Treatment Areas (STAs) which cleanse stormwater runoff from the Everglades Agricultural Area (EAA) through naturally occurring biological and physical processes. Additional objectives include hydro-period restoration and water supply. Revenue for this fund is provided mainly through transfers from the Everglades Restoration Trust Special Revenue Fund.

During fiscal year 2024, the fund balance of the Everglades Trust Capital Projects Fund decreased by \$(43.7) million to \$48.0 million at fiscal year-end.

Total revenues in the fund decreased by \$(124.1) million to \$4 million. This relates to a decrease in intergovernmental revenues due to a focus on external grants.

Total expenditures decreased by approximately \$(48.2) million in fiscal year 2024 to \$63.2 million. This decrease is primarily attributable to decreased operations and maintenance expenditures for 2024.

For fiscal year 2024, net transfers from other funds totaled \$15.6 million, all of which originated from the Everglades Restoration Trust Special Revenue Fund to reflect support for related capital outlay incurred towards projects pursuant to the Everglades Forever Act for Restoration of the Everglades.

External Grants Capital Project Fund

The External Grants Capital Project accounts for revenues and expenditures related to grants that are received and used primarily for monitoring, restoration, and maintenance efforts. Revenues are provided through operating transfers from the External Grants Special Revenue fund. This fund in prior years was not a major fund and was therefore previously reported as a non-major fund.

During fiscal year 2024, the fund balance of the External Grants Capital Projects Fund increased by \$87.8 million to \$88.3 million at fiscal year-end.

Total revenues in the fund increased by \$76.7 million to \$106.7 million. This relates to an increase in intergovernmental revenues from the FDEP for the fiscal year.

Total expenditures decreased by approximately \$(10.6) million in fiscal year 2024 to \$18.9 million. This decrease is primarily attributable to decreased capital outlay expenditures for 2024.

For fiscal year 2024, there were no transfers.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)**

Land Acquisition Trust Capital Projects Fund

The Land Acquisition Trust Capital Projects Fund accounts for revenues and capital expenditures for Kissimmee River Restoration and Restoration Strategies projects including CERP/Northern Everglades projects. Funding is received from the Trust Fund of the same name.

The total fund deficit of the Land Acquisition Trust Capital Projects Fund at September 30, 2024 is \$162.3 million. This deficit is due to capital outlay expenditure for eligible projects that will be funded with future intergovernmental revenue received from the Florida Department of Environmental Protection.

Revenues and expenditures in the fund increased \$123.7 million and \$154.7 million, respectively, from the prior fiscal year. These increases are primarily due to the timing of project components and realignment of appropriations from the Florida Department of Environmental Protection.

GENERAL FUND BUDGETARY HIGHLIGHTS

Final budgeted revenues and expenditures in the General Fund budget were \$148.6 million and \$155.3 million, respectively. Budgeted revenues remained the same from the original adopted budget for fiscal year 2024, while budgeted expenditures decreased approximately \$(10.9) million from the original budget. Actual revenues were \$7.2 million (4.8 percent) higher than the budget.

At the end of fiscal year 2024, the General Fund budget for Administrative Services and Executive Offices reflected a remaining available balance of \$7.8 million. This was primarily due to outstanding encumbrances in the District Management and Administration program and Operation and Maintenance of Lands and Works.

At the end of fiscal year 2024, the General Fund budget for Ecosystem Restoration and Capital Projects reflected a remaining available balance of \$3.5 million, of which \$1.8 million is within the Land Acquisition, Restoration and Public Works and \$1.5 million is in the Operation and Maintenance of Lands and Works. These amounts are related to outstanding encumbrances for several construction projects.

At the end of fiscal year 2024, the General Fund budget for Water Resources reflected a remaining available balance of \$2.7 million, of which \$1.9 million is within the Land Acquisition, Restoration and Public Works. This amount is related to outstanding encumbrances for several construction projects.

The final amended General Fund budget included \$15.8 million in reserves comprised of \$15.7 million in contingency reserves. The District does not expend funds directly out of managerial or contingency reserve accounts. The use of this funding requires Governing Board budget transfer approval, authorizing the movement of budget authority out of managerial and/or contingency reserves to a District program within a resource area's operating or capital budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS AND LEASES

As of September 30, 2024, the District's investment in capital assets was \$8.03 billion, up \$573.6 million from the end of fiscal year 2023. This investment in capital assets includes land, easements, canals and levees, buildings, intangibles, equipment, improvements, water control structures, and construction in progress. Refer to Note 9.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

Capital Assets (net of depreciation and amortization)

	2024	2023
Land	\$ 2,734,093,376	\$ 2,731,804,201
Easements	91,361,004	87,492,095
Canals and Levees	950,276,560	922,423,507
Buildings	90,375,456	92,788,986
Intangibles	4,072,891	4,465,524
Equipment	63,894,144	54,338,598
Improvements	10,951,349	11,635,362
Water Control Structures	1,751,426,311	1,671,074,997
Construction in Progress	2,326,435,287	1,875,632,966
Leases	2,208,112	1,100,299
Subscription based IT arrangements	1,918,970	650,216
Total	<u>\$ 8,027,013,460</u>	<u>\$ 7,453,406,751</u>

Major capital asset activity during the current fiscal year included the following:

Construction in Progress Highlights

The District's investment in construction in progress increased \$450.8 million during fiscal year 2024. This change is primarily due to the net effect of the following:

\$604.2 million expended on continuing projects as follows

- \$258.9 million expended on C43 West Storage Reservoir
- \$67.4 million expended on CEPP EAA STA A-2
- \$28.1 million expended on CEPP CNT9A-EAA MIA&NNR CnlCnv Imp
- \$24.7 million expended on CERP BBCW Ph1 Const Deer/L31/Cutler 0287
- \$22.6 million expended for RS STA1W Expansion #2
- \$22.5 million expended on CERP IRL S C-23 to C-44 Interconnect
- \$21.5 million expended on C43-WQTTP Phase II-Test Cells
- \$16.9 million expended on CERP Lk Okeechobee WRP ASR Wells
- \$12.6 million expended on IRL C23/24 Storage Components
- \$ 10.4 million expended on CP PSs S9/9A Trash Rakes & Refurbishment
- \$ 10.0 million expended on CERP WERP L-28 South
- \$108.6 million expended on other projects

\$150 million related to completed projects which are transferred out of construction in progress, the most significant of which are:

- \$83 million for S-5A Refurbishment
- \$35.2 million for STA-2 Refurbishments
- \$16.4 million for 8.5 SMA Limited Curtain Wall-N/C
- \$10.6 million for RS G-341 Related Conveyance Imprvt
- \$4.8 million for other projects
- \$3.47 million related to retirements

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)**

Land Highlights

The District's investment in land increased \$2.3 million during fiscal year 2024. This change is primarily due to the net effect of the following:

\$3.1 million expended on new land acquisitions:

- \$1.7 million recorded for land donation from Enrique A. Tomeu-PBA Holdings Inc.
- \$0.5 million expended for land purchase from Collier Land Holdings, Ltd.
- \$0.9 million expended for other land purchases
- \$0.8 million related to retirements of disposed land tracts and other adjustments

Water Control Structures Highlights

The District's investment in water control structures increased 80.4 million during fiscal year 2024. This significant change is primarily due to recording of Water Control Structures due to partial or full completion of projects, the most significant change was due to:

- \$83.1 million related to S-5A Refurbishment
- \$35.2 million related to STA-2 Refurbishments
- \$1.9 million related to USACE Donation 1
- \$1.2 million related to FY20-23 SCADA Stilling Well/Platform

Additional information on the District's capital assets can be found in Note 9 of this report.

LONG-TERM DEBT ADMINISTRATION

At the end of fiscal year 2024, the District had \$310.4 million in total outstanding long-term debt representing a decrease of \$19.7 million from the prior year. The balance is comprised of Certificates of Participation (COPS).

During fiscal year 2024, SBITAs and other leases combined increased long-term payables by \$3.67 million.

Long-term Debt Outstanding

	2024	2023
Subscription based information technology arrangements	\$ 1,390,590	\$ 430,611
Leases Payable	2,282,403	1,129,884
Certificates of Participation	310,367,475	330,086,600
Total	\$ 314,040,468	\$ 331,647,095

In November 2006, the District issued \$546.1 million in COPS to provide for the lease-purchase financing of the acquisition, construction, and equipping of certain expedited Everglades Restoration projects. During fiscal year 2016, the District advanced refunded \$442.0 million of the par value of the outstanding balance of its COPS Series 2006. The outstanding balance of the new COPS, Series 2015, totaled \$310.4 million at September 30, 2024.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)**

At September 30, 2024, the District's COPS were rated Aa3, AA and AA by Moody's, S&P and Fitch Ratings, respectively. A bond rating indicates the investment quality of the bonds, which is based on an assessment of the economic and financial condition of the agency, and is reflective of the overall managerial expertise of the agency. The District strives to maintain superior bond rating for its obligations in order to realize more favorable borrowing costs.

Debt Management Policy

Since the 1990's, the District made a commitment to the citizens of South Florida to operate in accordance with sixteen guiding principles designed to achieve and maintain the highest standards of fiscal accountability. The Governing Board of the District adopted a Debt Management Policy in May 1993, which was updated in April 2005 and revised again in October 2008. The policy and related guidelines enable the District to identify and address potential concerns and alternatives early in the capital planning and debt issuance process.

The policy directs the District to:

- Exhibit purposeful restraint in incurring debt.
- Follow a policy of full disclosure in all financial reports and official statements issued for indebtedness.
- Refrain from issuing short-term debt that requires repeated annual appropriation.
- Long-term debt to no more than the estimated life of the capital assets financed and refrain from issuing debt to finance current operations or normal maintenance.
- Project debt requirements on a five-year basis to facilitate better short-term decisions in light of other priorities that may arise, and examine the longer-range implications and effects of debt issuance.

Included in the District's adopted Debt Management Policy are benchmarks which are self-imposed boundaries and not statutorily established levels of acceptance dedicated to prudent debt management. The District's debt burden shall not exceed the benchmark levels, as described below, and no additional debt shall be authorized if the projected debt burden would exceed these levels:

- The net debt per capita shall not exceed \$350.
- Debt service shall not exceed 30 percent of revenues legally available to the District to pay debt service including, but not limited to, the available ad-valorem revenues, related interest income thereon and permit fee revenue.
- The debt-to-assessed value shall not exceed 0.30 percent of the assessed value of property within the District.

Florida Statute requires that total annual debt service for debt issued after January 1, 2009 cannot exceed 20 percent of the annual ad valorem tax revenues, unless approved by the Joint Legislative Budget Commission. Additional information about the District's long-term debt can be found in Note 10 on pages III-44 through III-45 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic Outlook

Ad valorem property taxes is the second largest source of the District's primary revenue. Approximately 22 percent of the District's fiscal year 2025 budget is supported by ad valorem property tax revenues. Taxable property values within the District increased by 10.2 percent from \$1.5 trillion 2024 to \$1.7 trillion in 2025. Projected ad valorem property taxes for fiscal year 2025 are \$365.8 million, an estimated \$35.2 million increase from prior year. The estimated increase is the combined result of new construction growth and moderate impacts from changes in the counties' tax rolls from preliminary estimates to final certification.

The District's fiscal year 2025 budget is based on a rolled-back millage rate calculated pursuant to Section 200.065, F.S. Method of Fixing Millage to maintain baseline ad valorem revenue. Rolled-back millage rates do not provide a continuation level of baseline Ad Valorem revenue for the District due to reduced prior year final taxable values. The adopted rates will generate an estimated \$340.6 million in baseline revenues, plus \$25.2 million of new construction, for total ad valorem revenue of \$365.8 million.

The remaining revenue budget includes anticipated funding from state and federal sources, as well as from fees and investment earnings. State revenues, which are the District's major source of funding, are projected at \$1.2 trillion, primarily from the Save Our Everglades Trust Fund and Land Acquisition Trust Fund in support of initiatives related to Everglades' restoration.

The District recognizes the importance of how available revenues can change in response to economic factors. There are many economic factors to consider and monitor relating to the District and changes in these economic factors directly impact the District's financial health and future revenue outlook. The following discussion will focus on economic factors affecting the District's ad valorem revenue budget and were considered in preparing the budget for the 2025 fiscal year.

Property Values

Property values have a significant and direct impact on ad valorem taxes. An increase in property values will often indicate a healthy economy. Counties experiencing population and economic growth are likely to experience long-term increases in property values due to increased demand for homes. Since property values generate ad valorem tax revenue, one of the primary revenue sources of the District, the District monitors the market values and continues to perform rolled-back rate calculations in accordance with the Truth In Millage (TRIM) process in an effort to maintain a stabilized revenue source.

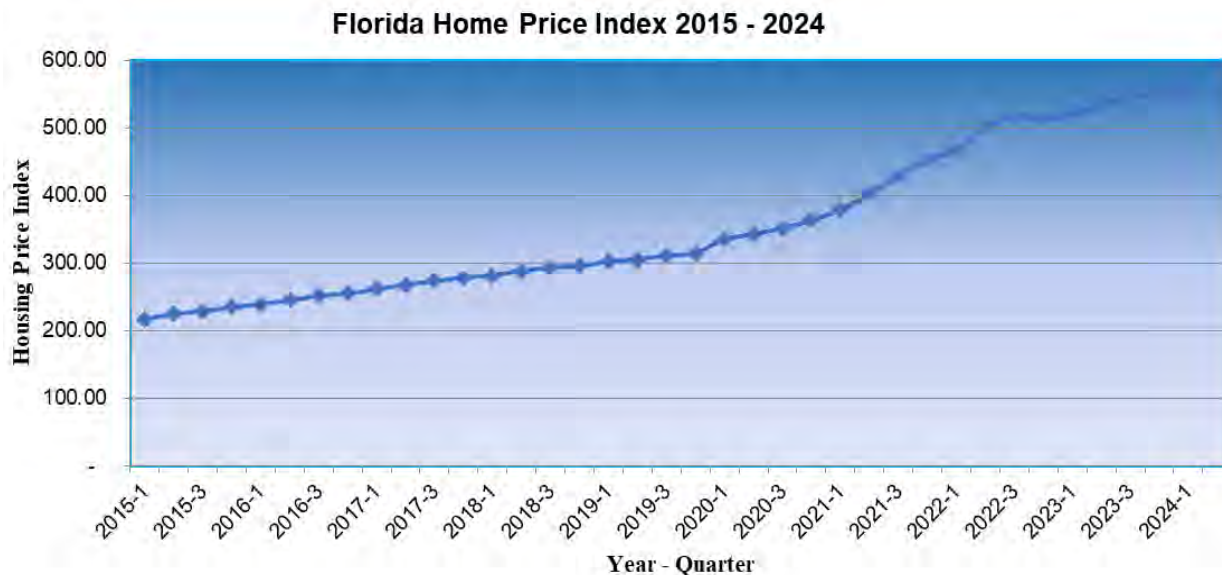
Florida's property values have shown a steady growth trend. However, the median sales price of single-family homes and townhouses/condos is decreasing in 2025 by 4 percent and 6 percent year-over-year, respectively this will be reflected on the 2026 budget. Number of closed sales of the same properties illustrated an increase over the same time span. Gross taxable value of the property located within the District's 16 counties has increased 10.2 percent since last fiscal year. Florida continues to be more attractive to home buyers. The District's total taxable value was certified last July at \$1.7 trillion for FY2025 through appreciation of home values and new construction.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)**

Home Prices

The Federal Housing Finance Agency's House Price Index indicates that home prices have increased significantly since bottoming out in 2011 when real estate values saw declines in the fifty percent range. Home prices and property values in central and south Florida have seen a resurgence over the past few years, for an annual appreciation of 3 percent between Q3 2023 and Q2 2024. The direction and pace at which home prices are changing are indicators of the strength of the housing market and whether homes are becoming less affordable. This continued upward movement in home prices is due to steady state's population increase, favorable climate, strong jobs outlook and solid economic growth.

The Federal Housing Finance Agency Home Price Index, graphically depicted below, measures the average change in value of residential real estate in central and southern Florida given a constant level of quality.

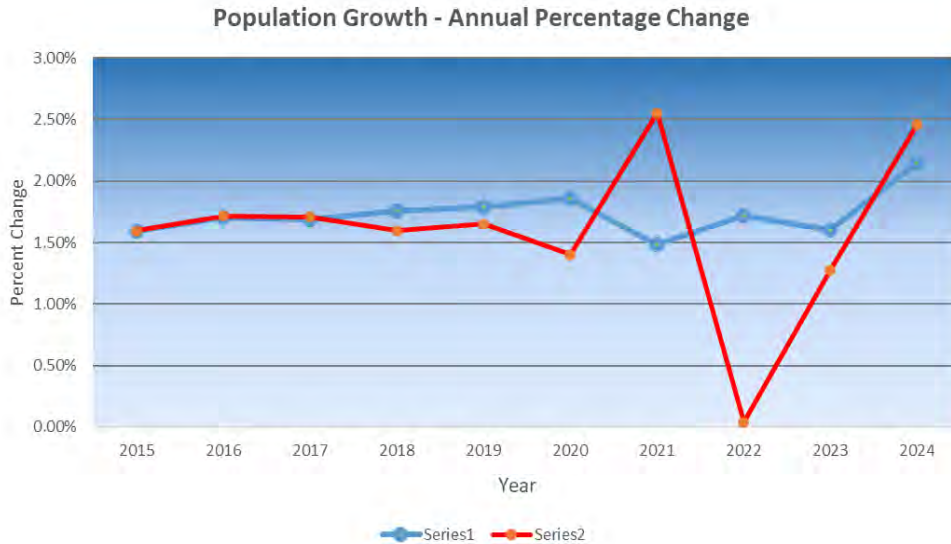


Population Growth

Another economic factor driving ad valorem taxes is population growth and the impact it has on property values. Population growth impacts property values because as the population increases, demand for homes increases, which results in higher property values. This relationship between the real estate market and change in population will affect District revenues because ad valorem taxes are collected from property owners based on property values set by the respective county property appraiser. It is important to monitor population trends to effectively develop future budgets capable of being supported by the tax base. In addition, as the population increases, the use of water resources increases, which amplifies the need to protect and restore natural resources and manage and regulate the usage and storage of the region's water supply.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)**

During fiscal year 2024, the District's population increased by 2.46 percent, compared to the prior year's increase of 1.28 percent. Over the past ten years (2015 to 2024) the population growth across the District averaged 1.34 percent. The rate of population growth within the District's boundary is mostly consistent with the state-wide trend as shown below with exception of 2022.



Source: State of Florida, Office of Economic & Demographic Research

General Fund – Assigned and Unassigned Fund Balance

At the end of fiscal year 2024, the total assigned and unassigned fund balance in the General Fund was \$26.3 million. This represents an increase of \$1.0 million or approximately (3.9) percent from the comparable fund balance reported in fiscal year 2023. The District has appropriated the \$22.9 million of the \$26.3 million for spending in the fiscal year 2024 budget.

NEXT YEAR'S BUDGETS AND RATES

The District's fiscal year 2025 adopted millage rates are the same as fiscal year 2024 rates. In fiscal year 2025, all property owners within the District's boundaries will be assessed a District-at-Large millage rate of .0948 mills, the same as the prior year's rate. In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .1026 mills and the Everglades Construction Project tax rate of .0327 mills, both of which are the same as fiscal year 2024 rates respectively, for a combined tax assessment of .2301 mills. Property owners within the Big Cypress Basin will be assessed the Big Cypress Basin millage rate of .0978 mills, which represents the same as the fiscal year 2024 rate, for a combined tax assessment of .1926 mills. State law limits the combined District-at-Large and basin tax millage for each of the two basins at 0.8 mills (80 cents per \$1,000 of taxable value). The state constitutional limit is slightly higher at 1 mill (\$1.00 per \$1,000 of taxable value). Consequently, the District's approved budget for fiscal year 2025 totals \$1,630 million, a decrease of approximately \$602 million from the fiscal year 2024 amended budget of \$2,232 million.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)**

Requests for Information

The District's basic financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's Finance Bureau Chief, Administrative Services Division at P.O. Box 24680, West Palm Beach, Florida 33416-4680

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

South Florida Water Management District
Statement of Net Position
September 30, 2024

	Total Governmental Activities
ASSETS	
Cash and Investments	\$ 173,920,729
Accounts Receivable	1,877,218
Due from Other Governments	175,443,443
Inventory	8,933,781
Prepaid Items	192,180
Lease Receivable-Current	1,321,643
Other Assets	4,136,725
Restricted Assets:	
Temporarily Restricted	
Cash and Investments	176,371,642
Permanently Restricted	
Cash and Investments	16,138,183
Lease Receivable-Non Current	3,783,035
Capital Assets:	
Land and Easements	2,825,454,380
Construction In Progress	2,326,435,287
Canals and Levees	950,276,560
Right-To-Use Leases, Net of Amortization	2,208,113
Right-to-Use Subscription IT Assets, Net of Amortization	1,918,969
Other Capital Assets, Net of Depreciation	1,920,720,151
Total Assets	<u>8,589,132,039</u>
DEFERRED OUTFLOWS OF RESOURCES	
Other Post Employment Benefits (OPEB)	7,505,004
Pensions	27,404,839
Deferred Loss on Debt Refunding	537,241
Total Deferred Outflows of Resources	<u>35,447,084</u>
LIABILITIES	
Accounts Payable	227,651,222
Accrued Interest	7,093,625
Unearned Revenue	973,275
Due Within One Year:	
Certificates of Participation Payable	16,495,000
Certificates of Participation-premium Payable	3,556,928
Compensated Absences	7,410,000
Total OPEB Liability	1,584,600
Self Insurance Claims Payable	3,450,614
Lease Payable	557,957
Subscription IT Payable	710,551
Due in More Than One Year:	
Certificates of Participation Payable	273,400,000
Certificates of Participation-premium Payable	16,915,547
Compensated Absences	11,218,300
Total OPEB Liability	37,403,295
Self Insurance Claims Payable	1,468,386
Subscription IT Payable	680,040
Net Pension Liability	122,823,106
Lease Payable	1,724,446
Total Liabilities	<u>735,116,892</u>
DEFERRED INFLOWS OF RESOURCES	
OPEB	14,793,371
Pensions	14,037,640
Finance Leases	4,873,580
Total Deferred Inflows of Resources	<u>33,704,591</u>
NET POSITION	
Net Investment in Capital Assets	7,630,374,681
Restricted for:	
Debt Service	22,872,377
Wetlands Mitigation	
Expendable	19,113,200
Nonexpendable	16,150,857
Environmental Programs	275,930,678
Capital Construction	24,659,699
Unrestricted (deficit)	(133,343,852)
Total net position	<u>\$ 7,855,757,640</u>

**South Florida Water Management District
Statement of Activities
For the Fiscal Year Ended September 30, 2024**

Functions/Programs	Program Revenues				Net Revenue (Expense) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Water Resources Planning and Monitoring	\$ 52,794,746	\$ 575,113	\$ 189,006	\$ 29,467,618	\$ (22,563,009)
Acquisition, Restoration and Public Works	119,504,037	1,912,122	32,469,023	582,393,701	497,270,809
Operations and Maintenance of Lands and Works	248,492,774	30,887,104	57,876,314	43,236,746	(116,492,610)
Regulation	21,934,062	4,781,997	7,208	-	(17,144,857)
Outreach	1,363,822	-	-	-	(1,363,822)
District Management and Administration	43,518,353	28,644,672	321	-	(14,873,360)
Interest Expense on Long-term Debt	14,580,125	-	-	-	(14,580,125)
Interest Expense on Leases	78,279	-	-	-	(78,279)
Total governmental activities	<u>\$ 502,266,198</u>	<u>\$ 66,801,008</u>	<u>\$ 90,541,872</u>	<u>\$ 655,098,065</u>	<u>\$ 310,174,747</u>
General Revenues:					
Property Taxes, Levied for General Purpose					289,899,745
Property Taxes, Levied for Everglades Restoration					54,559,467
Investment Earnings/(Loss)					29,818,981
Revenues and Interest Income - Leases					1,801,639
Miscellaneous					<u>3,844,331</u>
Total General Revenues					<u>379,924,163</u>
Change in Net Position					690,098,910
Net Position at Beginning of Year					<u>7,165,658,730</u>
Net Position at End of Year					<u>\$ 7,855,757,640</u>

**South Florida Water Management District
Balance Sheet
Governmental Funds
September 30, 2024**

	General	Okeechobee Basin Special Revenue	Everglades Restoration Trust Special Revenue	Everglades Restoration Trust Capital Projects
ASSETS				
Cash and Investments	\$ 41,485,781	\$ 35,118,366	\$ 10,199,611	\$ 72,658,161
Cash Held by Trustee	9	-	1	13,240,246
Accounts Receivable	-	77,780	34,925	56,323
Lease Receivable	-	-	-	-
Due from Other Governments	1,502,156	3,958,386	77,265	-
Due from Other Funds	2,655,596	45,534,905	-	-
Inventory	-	8,400,025	4,343	-
Prepaid Items	-	-	-	-
Other Assets	240,919	-	-	-
Total Assets	<u>\$ 45,884,461</u>	<u>\$ 93,089,462</u>	<u>\$ 10,316,145</u>	<u>\$ 85,954,730</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ 10,106,655	\$ 6,151,884	\$ 563,042	\$ 37,986,383
Due to Other Funds	338,727	261,900	78,295	-
Unearned Revenue	9,568	66,931	-	-
Total Liabilities	<u>10,454,950</u>	<u>6,480,715</u>	<u>641,337</u>	<u>37,986,383</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	1,164,041	3,727,659	-	-
Deferred Inflows from Leases	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>11,618,991</u>	<u>10,208,374</u>	<u>641,337</u>	<u>37,986,383</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	8,400,025	4,343	-
Restricted	-	72,243,614	8,554,935	45,945,844
Committed	8,000,162	-	-	-
Assigned	22,898,966	-	-	-
Unassigned (Deficits)	3,366,342	2,237,449	1,115,530	2,022,503
Total Fund Balances (Deficits)	<u>34,265,470</u>	<u>82,881,088</u>	<u>9,674,808</u>	<u>47,968,347</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances (Deficits)	<u>\$ 45,884,461</u>	<u>\$ 93,089,462</u>	<u>\$ 10,316,145</u>	<u>\$ 85,954,730</u>

South Florida Water Management District
Balance Sheet
Governmental Funds
September 30, 2024

	External Grants Capital Projects	Land Acquisition Trust Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 15,452,691	\$ -	\$ 151,938,492	\$ 326,853,102
Cash Held by Trustee	-	-	10,945,803	24,186,059
Accounts Receivable	68,882	1,053	1,439,083	1,678,046
Lease Receivable	-	-	5,104,678	5,104,678
Due from Other Governments	6,567,354	121,939,850	41,398,432	175,443,443
Due from Other Funds	80,967,623	-	65,922	129,224,046
Inventory	-	-	529,413	8,933,781
Prepaid Items	-	-	192,180	192,180
Other Assets	-	-	2,980,806	3,221,725
Total Assets	<u>\$ 103,056,550</u>	<u>\$ 121,940,903</u>	<u>\$ 214,594,809</u>	<u>\$ 674,837,060</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ 8,210,085	\$ 133,317,668	\$ 30,978,631	\$ 227,314,348
Due to Other Funds	-	101,992,838	27,241,160	129,912,920
Unearned Revenue	-	-	896,776	973,275
Total Liabilities	<u>8,210,085</u>	<u>235,310,506</u>	<u>59,116,567</u>	<u>358,200,543</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	6,567,354	48,970,400	33,839,999	94,269,453
Deferred Inflows from Leases	-	-	4,873,580	4,873,580
Total Liabilities & Deferred Inflows of Resources	<u>14,777,439</u>	<u>284,280,906</u>	<u>97,830,146</u>	<u>457,343,576</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	16,680,270	25,084,638
Restricted	88,279,111	-	131,331,869	346,355,373
Committed	-	-	-	8,000,162
Assigned	-	-	200,885	23,099,851
Unassigned (Deficits)	-	(162,340,003)	(31,448,361)	(185,046,540)
Total Fund Balances (Deficits)	<u>88,279,111</u>	<u>(162,340,003)</u>	<u>116,764,663</u>	<u>217,493,484</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances (Deficits)	<u>\$ 103,056,550</u>	<u>\$ 121,940,903</u>	<u>\$ 214,594,809</u>	<u>\$ 674,837,060</u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2024

Fund balances - total governmental funds \$ 217,493,484

Amounts reported for governmental activities in the statement of net position are different because:

Capital, IT subscriptions and Lease assets used in government activities are not financial resources and therefore are not reported in the governmental funds

Governmental capital assets, Leases and Subscription IT Assets	8,811,995,052	
Less accumulated depreciation and amortization	<u>(785,090,531)</u>	8,026,904,521

Long term liabilities not due and payable with current available resources are not reported in the governmental funds.

Certificates of Participation Series 2015	(289,895,000)	
Certificates of Participation Series 2015 - premium	(20,472,475)	
Lease liability	(18,628,300)	
IT Subscriptions Payable	(38,987,895)	
Compensated absences	(2,282,403)	
Other post employment benefits (OPEB)	(1,390,590)	
Net pension liability	<u>(122,823,106)</u>	(494,479,769)

Accrued interest payable - Certificates of Participation Series 2015	(7,093,625)

Assets not available to provide current resources are offset with deferred inflows of resources in the fund statements. The reduction of the liability and recognition of revenue increases net assets in the Statement of Net Position.	94,269,453

Deferred outflows (inflows) of resources are not reported in the governmental funds.

Net deferred outflows (inflows) of OPEB	(7,288,367)	
Net deferred outflows (inflows) of pensions	13,367,199	
Certificates of Participation Series 2015 - deferred loss on refunding	<u>537,241</u>	6,616,073

Internal Service Funds are used by management to charge the costs of certain activities, such as worker's compensation, general and automobile liability, and health benefits to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net position.

12,047,503

Net position of governmental activities	<u>\$ 7,855,757,640</u>

South Florida Water Management District
Statements of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Governmental Funds
For the Fiscal Year Ended September 30, 2024

	General	Okeechobee Basin Special Revenue	Everglades Restoration Trust Special Revenue	Everglades Restoration Trust Capital Projects
REVENUES				
Ad Valorem Property Taxes	\$ 139,559,054	\$ 137,324,109	\$ 43,787,254	\$ -
Agricultural Privilege Taxes	-	-	10,772,213	-
Intergovernmental	2,056,977	4,865,552	73,278	-
Investment Earnings (Loss)	6,800,712	4,614,404	2,284,742	4,006,697
Licenses, Permits and Fees	4,782,997	1,220,336	-	-
Gain on Sale of District Property	1,256,639	446,799	21,805	653
Leases	414,382	146,609	-	-
Lease-Real Property	-	-	-	-
Lease-Real Property State	-	-	-	-
Lease-Interest	-	-	-	-
Other	856,728	435,109	27,359	653
Total Revenues	<u>155,727,489</u>	<u>149,052,918</u>	<u>56,966,651</u>	<u>4,008,003</u>
EXPENDITURES				
Water Resources Planning and Monitoring	26,327,643	3,538,069	6,193,821	-
Land Acquisition, Restoration and Public Works	17,093,104	10,245,796	5,891,094	-
Operations and Maintenance of Lands and Works	27,989,926	93,151,095	25,438,806	-
Regulation	17,509,482	142,202	13,140	-
Outreach	1,343,087	17,885	-	-
District Management and Administration	29,725,011	4,206,087	-	-
Capital Outlay	25,651	321,693	23,991	46,673,172
Debt Service	-	-	-	-
COPS Bond Principal Retirement	-	-	-	8,690,866
COPS Bond Interest	-	-	-	7,877,005
Total Expenditures	<u>120,013,904</u>	<u>111,622,827</u>	<u>37,560,852</u>	<u>63,241,043</u>
Revenues in Excess of (Less than) Expenditures	<u>35,713,585</u>	<u>37,430,091</u>	<u>19,405,799</u>	<u>(59,233,040)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	700,613	16,277,161
Transfers Out	(26,700,117)	(11,357,465)	(16,277,161)	(700,613)
Finance Leases	-	-	-	-
Subscription IT arrangements	-	-	-	-
Total Other Financing Sources (Uses)	<u>(26,700,117)</u>	<u>(11,357,465)</u>	<u>(15,576,548)</u>	<u>15,576,548</u>
Net Change in Fund Balances (Deficits)	9,013,468	26,072,626	3,829,251	(43,656,492)
Fund Balances (Deficits) at Beginning of Year, as previously reported	25,252,002	56,808,462	5,845,557	91,624,839
Changes within financial reporting entity:				
Change from nonmajor fund to major fund	-	-	-	-
Fund Balances (Deficits) at Beginning of Year, as adjusted	<u>25,252,002</u>	<u>56,808,462</u>	<u>5,845,557</u>	<u>91,624,839</u>
Fund Balances (Deficits) at End of Year	<u>\$ 34,265,470</u>	<u>\$ 82,881,088</u>	<u>\$ 9,674,808</u>	<u>\$ 47,968,347</u>

South Florida Water Management District
Statements of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Governmental Funds
For the Fiscal Year Ended September 30, 2024

	External Grants Capital Projects	Land Acquisition Trust Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ 13,016,582	\$ 333,686,999
Agricultural Privilege Taxes	-	-	-	10,772,213
Intergovernmental	105,179,492	466,169,323	100,629,644	678,974,266
Investment Earnings (Loss)	1,501,897	65,209	9,820,616	29,094,277
Licenses, Permits and Fees	-	-	3,066,514	9,069,847
Gain on Sale of District Property	-	-	71,579	1,797,475
Leases	-	-	7,212,164	7,773,155
Lease-Real Property	-	-	1,732,514	1,732,514
Lease-Real Property State	-	-	7,510	7,510
Lease-Interest	-	-	61,615	61,615
Other	-	-	749,135	2,068,984
Total Revenues	<u>106,681,389</u>	<u>466,234,532</u>	<u>136,367,873</u>	<u>1,075,038,855</u>
EXPENDITURES				
Water Resources Planning and Monitoring	30,490	-	3,657,980	39,748,003
Land Acquisition, Restoration and Public Works	-	-	60,701,919	93,931,913
Operations and Maintenance of Lands and Works	-	30,001	55,718,812	202,328,640
Regulation	-	-	351,675	18,016,499
Outreach	-	-	46,520	1,407,492
District Management and Administration	-	-	221,256	34,152,354
Capital Outlay	18,870,107	512,695,777	57,323,912	635,934,303
Debt Service	-	-	-	-
COPS Bond Principal Retirement	-	-	7,024,134	15,715,000
COPS Bond Interest	-	-	6,703,120	14,580,125
Total Expenditures	<u>18,900,597</u>	<u>512,725,778</u>	<u>191,749,328</u>	<u>1,055,814,329</u>
Revenues in Excess of (Less than) Expenditures	<u>87,780,792</u>	<u>(46,491,246)</u>	<u>(55,381,455)</u>	<u>19,224,526</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	47,623,366	64,601,140
Transfers Out	-	-	(9,565,784)	(64,601,140)
Finance Leases	-	-	1,684,867	1,684,867
Subscription IT arrangements	-	-	1,786,042	1,786,042
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>41,528,491</u>	<u>3,470,909</u>
Net Change in Fund Balances (Deficits)	87,780,792	(46,491,246)	(13,852,964)	22,695,435
Fund Balances (Deficits) at Beginning of Year, as previously reported	-	(115,848,757)	131,115,946	194,798,049
Changes within financial reporting entity:				
Change from nonmajor fund to major fund	498,319	-	(498,319)	-
Fund Balances (Deficits) at Beginning of Year, as adjusted	<u>498,319</u>	<u>(115,848,757)</u>	<u>130,617,627</u>	<u>194,798,049</u>
Fund Balances (Deficits) at End of Year	<u>\$ 88,279,111</u>	<u>\$ (162,340,003)</u>	<u>\$ 116,764,663</u>	<u>\$ 217,493,484</u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities

For the Fiscal Year Ended September 30, 2024

Net change in fund balances - total governmental funds	\$	22,695,435

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives.

Capital outlay	631,968,621	
Current year depreciation and amortization expense	<u>(60,225,549)</u>	571,743,072

The net effect of various transactions involving capital assets (i.e. adjustments, disposals, transfers, donations) is an increase to net position.	(5,881,671)

COPs loan principal payment	15,715,000

Proceeds from issuance of new leases	3,470,910

Some expenses reported in the statement of activities do not require current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in long term compensated absences	(1,492,600)	
Change in OPEB payable and related deferred balances	1,021,996	
Change in COPs interest payable - Series 2015	392,875	
Amortization of deferred loss - Certificates Series 2015	(95,020)	
Amortization of discount on debt - Certificates Series 2015	(18,133)	
Amortization of premium on debt - Certificates Series 2015	4,022,258	
Change in lease & SBITA liability	2,112,499	
Change in pension liability and related deferred balances	<u>664,016</u>	6,607,891

Revenues that are earned but not received within the District's availability period are recognized in the Statement of Activities when earned and subsequently in the governmental funds when they become available.	75,407,283

Internal service funds are used by management to charge the costs of certain activities to the individual funds. The change in net assets of the internal service funds is reported with governmental activities.	<u>340,990</u>

Change in net position of governmental activities	\$	<u><u>690,098,910</u></u>

**South Florida Water Management District
Statement of Net Position
Proprietary Funds
September 30, 2024**

	Governmental Activities
	Internal Service Funds
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 15,391,393
Accounts Receivable	199,172
Due from Other Funds	690,911
Other Assets	915,000
Total Current Assets	<u>17,196,476</u>
Noncurrent Assets	
Furniture, Fixtures and Equipment	38,161
Vehicles	118,811
Accumulated Depreciation	(48,034)
Total Noncurrent Assets	<u>108,938</u>
Total Assets	<u>17,305,414</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	336,874
Due to Other Funds	2,037
Claims Payable	3,450,614
Total Current Liabilities	<u>3,789,525</u>
Noncurrent Liabilities	
Non-Current Claims Payable	1,468,386
Total Noncurrent Liabilities	<u>1,468,386</u>
Total Liabilities	<u>5,257,911</u>
NET POSITION	
Net Investment in Capital Assets	108,938
Unrestricted	11,938,565
Total Net Position	<u>\$ 12,047,503</u>

South Florida Water Management District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2024

	Governmental Activities Internal Service Funds
OPERATING REVENUES	
Charges for Services	\$ 31,513,153
Other Operating Revenue	425
Total Operating Revenues	<u>31,513,578</u>
OPERATING EXPENSES	
Salaries	447,335
Benefits	211,059
Claims	27,414,912
Purchased Services	179,590
Administrative Fees	2,277,296
Other	1,357,316
Depreciation	9,393
Total Operating Expenses	<u>31,896,901</u>
OPERATING INCOME (LOSS)	(383,323)
NONOPERATING REVENUES	
Investment Earnings/(Loss)	724,313
Total Nonoperating Revenues	<u>724,313</u>
Change in Net Position	340,990
Net Position at Beginning of Year	<u>11,706,513</u>
Net Position at End of Year	<u><u>\$ 12,047,503</u></u>

**South Florida Water Management District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2024**

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Receipts from Participants and Other Funds	\$ 31,517,041
Cash Payments to Suppliers	(4,020,734)
Cash Payments for Salaries, Benefits	(658,394)
Claims Paid	(27,869,912)
Other Receipts (Payments)	425
Net Cash Provide (Used) by Operating Activities	<u>(1,031,574)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of Capital Assets	<u>(58,803)</u>
Net Cash Provided (Used) by Capital Activities	(58,803)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment Earnings	<u>724,313</u>
Net Cash Provided (used) by Investing Activities	724,313
Net change in Cash and Cash Equivalents	(366,064)
Cash and Cash Equivalents, Beginning of Year	<u>15,757,457</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 15,391,393</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (383,323)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities	
Depreciation	9,393
CHANGES IN ASSETS AND LIABILITIES:	
Decrease (Increase) in Accounts Receivable	3,888
Decrease (Increase) in Due from Other Funds	-
Increase (Decrease) in Other Assets	-
Increase (Decrease) in Accounts Payable	(206,532)
Increase (Decrease) in Due to Other Funds	-
Increase (Decrease) in Estimated Unpaid Claims	(455,000)
Net Cash Provided (Used In) By Operating Activities	<u><u>\$ (1,031,574)</u></u>



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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

TABLE OF CONTENTS

(1) DESCRIPTION OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT	III-13
(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	III-14
(a) Reporting Entity	III-14
(b) Government-wide and Fund Financial Statements	III-14
(c) Measurement Focus and Basis of Accounting	III-15
(d) Major Governmental Funds and Other Fund Types	III-16
(e) Budgetary Information	III-17
(f) Cash and Investments	III-17
(g) Accounts Receivable	III-18
(h) Prepaid Items & Inventory	III-18
(i) Capital Assets	III-18
(j) Long-Term Obligations	III-19
(k) Compensated Absences	III-20
(l) Leases	III-20
(m) Deferred Inflows/Outflows of Resources	III-22
(n) Wetland Mitigation	III-23
(o) Fund Balances / Net Position	III-23
(p) Use of Estimates	III-25
(q) Impact of Recently Issued Accounting Pronouncements	III-25
(r) Retirement Plans and OPEB	III-27
(3) CASH AND INVESTMENTS	III-28
(4) ACCOUNTS RECEIVABLE	III-32
(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS	III-32
(6) SBITAs and LEASES	III-34
(7) PROPERTY TAXES	III-40
(8) INTERGOVERNMENTAL TRANSACTIONS	III-41
(9) CAPITAL ASSETS	III-42
(10) LONG-TERM LIABILITIES	III-44
(11) FUND BALANCE REPORTING	III-46
(12) DEFICIT FUND BALANCES	III-48
(13) RETIREMENT PLANS	III-48
(14) OTHER POST-EMPLOYMENT BENEFITS (OPEB)	III-58
(15) INSURANCE ACTIVITIES	III-65
(16) CONDEMNATION PROCEEDINGS	III-66
(17) MAJOR CONSTRUCTION COMMITMENTS	III-67
(18) OTHER COMMITMENTS AND CONTINGENCIES	III-68



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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(1) DESCRIPTION OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Headquartered in West Palm Beach, the South Florida Water Management District (SFWMD or the "District") is a regional governmental agency that oversees the water resources in all or parts of sixteen counties – from Orlando to the Florida Keys. With a population of over 9 million, this region covers 17,930 square miles (31 percent of the entire state) and includes vast areas of urban development, agricultural lands and conservation areas.

Operating for over 70 years, the SFWMD is the oldest and largest of the state's five water management districts. State legislation further divides the District into two taxing basins: The Big Cypress Basin includes all of Collier County and a portion of mainland Monroe County; the larger Okeechobee Basin comprises the remaining area within SFWMD boundaries. A nine-member Governing Board sets the mission and provides overall direction for the entire District. Board members are appointed by the Governor, confirmed by the Florida Senate and generally serve four-year terms. The annual budget is funded by a combination of property taxes and other sources such as federal, state and local revenue, licenses, permit fees, grants, agricultural taxes, investment income and reserve balances.

The District is charged with managing and safeguarding the region's water resources for today and for the future. This includes protecting water supplies and supporting water quality improvement in close collaboration with the Florida Department of Environmental Protection and Florida Department of Agriculture and Consumer Services. The agency also operates and maintains the Central and Southern Florida Project -- one of the world's largest water management systems, made up of an extensive network of canals, levees, water storage areas, pump stations and other water control structures. The highly engineered system was built through one of the most diverse ecosystems in the world: the interconnected Greater Everglades Ecosystem, which the SFWMD is helping protect and restore.

South Florida itself encompasses a mosaic of diversity – from landscapes and habitats to people and cultures. The District strives to ensure that the public is informed and engaged, and that both local and regional perspectives are considered and incorporated into decisions and actions.

In addition to the main office in West Palm Beach, three Regulatory Service Centers and eight Field Stations provide assistance and operational support on water management-related issues. The Big Cypress Basin office in Naples provides intergovernmental and project support in the region.

With a dedicated staff of over 1,400 employees, the District has developed strong partnerships with the US Army Corps of Engineers, the Florida Department of Environmental Protection, and the Florida Fish and Wildlife Conservation Commission. In addition, the SFWMD works closely with the elected representatives from the region.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The more significant accounting policies are summarized in the following paragraphs.

a. Reporting Entity

The District follows the standards promulgated by GASB Codification No. 2100, "Defining the Financial Reporting Entity," to determine the inclusion of an organization as part of its reporting entity. The statement defines the criteria for inclusion as 1) the economic resources received or held by the separate organization are primarily for the direct benefit of the primary government, 2) the primary government is entitled to or has the ability to access a majority of the economic resources received or held by the separate organization and 3) the economic resources received or held by the separate organization on behalf of the specific primary government are significant to that primary government. Based on these criteria, the District has determined that the South Florida Water Management District Leasing Corporation (the "Corporation") is a blended component unit. The Corporation is legally separate from the District; its sole purpose is to provide financing for specific District projects; the Board of the Corporation consists of the nine Board members of the District, and there is a financial benefit or burden relationship between the District and the Corporation. In addition, the Corporation's outstanding debt is expected to be repaid by the District. Therefore, the financial activities of the Corporation are blended (reported as if it were part of the District) with the activities of the District. The Corporation does not publish individual component unit financial statements. The District is not a participant in any joint venture.

The District is a component unit of the State of Florida since the Governor appoints the nine-member Governing Board and the District has a financial benefit/burden relationship with the State. The State provides funding for District programs through the sale of State debt, the sharing of documentary stamp revenues, and the approval of various annual grants and entitlements. The government-wide financial statements, i.e., the statement of net position and the statement of activities, report information on all of the activities of the District. Most of the effect of interfund activity has been removed from these statements.

b. Government-wide and Fund Financial Statements

The statement of activities demonstrates the degree to which revenues offset the direct expenses of a given function. Direct expenses are identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included adequately in program revenues are reported as general revenues.

Separate financial statements are provided for governmental and proprietary funds. Significant individual governmental funds are reported as separate columns in the fund financial statements. The effects of interfund activity have been eliminated from the government-wide financial statements except for interfund services provided and used.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues from property taxes, intergovernmental sources, and interest to be available if they are collected within sixty (60) days of the end of the current fiscal period.

Under the modified accrual basis of accounting revenues susceptible to accrual are property taxes, interest on investments, intergovernmental revenues, and leases. Property taxes are recorded as revenues in the fiscal year they are levied, provided they are collected in the current period or within sixty (60) days thereafter. Interest in invested funds is recognized when earned and available. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met, and available. All other revenues are recognized when cash is received.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and Subscription Based Information Technology Arrangements (SBITA) liabilities, as well as expenditures related to compensated absences, claims and judgments, pension obligations, and other post-employment benefits (OPEB) are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and SBITAs are reported as other financing sources.

The District often acquires land for environmental restoration and related purposes, sometimes involving condemnation action in a court of law. Upon action of the Court's Stipulated Order of Taking, the District recognizes an expenditure for the amount deposited with the Court under the modified accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The following are definitions of the governmental fund types, excluding the General Fund:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The restricted or committed proceeds are expected to comprise a substantial portion of the inflows reported in the fund.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities, land, infrastructure, and other capital assets.

Proprietary funds In addition to governmental funds, the District uses a proprietary fund type to report its internal service fund activity. Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. With the accrual method of accounting, revenues are recorded when earned, and expenses are recorded when the liabilities are incurred. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating expenses include salaries, benefits, claims payments, purchased services, and depreciation. All items not meeting this definition are reported as non-operating revenues and expenses.

d. Major Governmental Funds and Other Fund Types

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund and accounts for all financial resources of the District, except those accounted for in another fund.

The Okeechobee Basin Special Revenue Fund is used to record revenues from within all or part of a 15-county area designated as the Okeechobee Basin. Funding is provided by a 0.1026 mill property tax levy, intergovernmental revenues, and permitting fees, which must be used for expenditures within the Okeechobee Basin.

The Everglades Restoration Trust Special Revenue Fund accounts for expenditures related to the operations and maintenance of the Stormwater Treatment Areas (STA) as required by the Everglades Forever Act. Funding is provided through a 0.0327 mill property tax levy, non-Ad Valorem assessments to property owners in the Everglades Agricultural Area (EAA), Storage Reservoir Project. State and Federal contributions, and interest earnings. Management has deemed this fund major for public interest and consistency.

The Everglades Restoration Trust Capital Projects Fund is used to record capital expenditures to construct storm water treatment areas to cleanse storm water runoff from the EAA through naturally occurring biological and physical processes. Additional objectives include hydro-period restoration and water supply. Funding is provided from operating transfers from the Everglades Restoration Trust Special Revenue Fund, and interest earnings.

The External Grants Capital Projects Fund accounts for expenditures related to grants that are received and used primarily for monitoring, restoration, and maintenance efforts.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Land Acquisition Trust (LATF) Capital Projects Fund accounts for revenues and capital expenditures for Kissimmee River Restoration Strategies projects, including CERP/Northern Everglades projects. Funding is received from the Trust Fund of the same name.

The District reports the following type of proprietary funds:

Internal service funds are used to account for the financing of goods and services provided by one department to another department on a cost-reimbursement basis. The District reports two internal service funds, one used to account for workers' compensation, general liability, automobile, and other insurance activities, and one to account for self-funded health and medical benefits provided to the employees of the District and retirees who choose to remain within the plan.

e. Budgetary Information

The District has elected to report budgetary comparisons as required supplementary information (RSI). Therefore, please refer to the accompanying notes to the RSI for the District's budgetary information on pages IV-1.

f. Cash and Investments

Cash includes currency on hand and demand deposits. Cash equivalents for the statement of cash flows consist of pooled cash and short-term investments with original maturities of three months or less from the date of acquisition. The District utilizes pooled cash accounting, aggregating excess monies for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund. Negative cash balances in individual funds are reported as interfund payables with offsetting receivables recorded in the loaning fund(s).

In accordance with GASB Codification Section 150, the District reports investments at their fair value, with unrealized gains and losses credited to or charged against investment earnings. The District categorizes its investments according to the fair value hierarchy established by GASB 72, "Fair Value Measurement and Application."

The hierarchy is based on observable and unobservable inputs used in establishing the fair value of a financial asset or liability. The District pools all cash and investments unless required to be maintained separately. Each fund's portion of the pooled cash and investments is included in the line item cash and investments. The District's investment portfolio is valued based on a blend of third-party market pricing services such as BONDEDGE, FISERV, YIELDBOOK and BLOOMBERG.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Accounts Receivable

Accounts receivable balances are shown at their net realizable value. For 2024, no allowance for uncollectible amounts was deemed necessary.

h. Prepaid Items & Inventory

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year, but represent items which are applicable to future accounting periods. These amounts do not constitute available spendable resources even though they are a component of current assets. The cost is recorded as an expenditure at the time individual items are consumed. These amounts are found within other assets in the statements.

Inventory is stated at moving average cost and consists of fuel, chemicals and supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed.

i. Capital Assets

Capital assets, which include land, land improvements, canals and levees, buildings, equipment, furniture, vehicles, Right to use Leased assets and Leasehold Improvements, infrastructure assets (bridges, Roads, water control structures) intangible assets, and Right to use Subscription based Information Technology assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of one year or more. Right to use leased assets are recorded based on capitalization thresholds for each respective District asset class and amortized over lesser of lease term or useful life of the leased asset if known by the District. Intangible assets are defined as assets that lack physical substance, are non-financial in nature, and have initial useful lives which extend beyond a single reporting period. The District reports two main types of intangible assets besides Right to use SBITA's; Easements, which are considered depreciable or nondepreciable, and internally generated software, which are depreciated over their estimated useful life. Items purchased or acquired are reported at historical cost or estimated historical cost. Donated assets are recorded at their acquisition value on the date donated. Maintenance, repairs and minor renovations are not capitalized.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenditures that materially increase value, change capacities or extend useful lives of assets are capitalized. Upon sale or retirement, the costs and their related accumulated depreciation are eliminated from the respective accounts and gains and losses are recognized.

Capital assets and right of use leased assets of the District are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Land	Indefinite
Non-depreciable land improvements	Indefinite
Leasehold Improvements	Length of contract
Intangibles depreciable	5-20
Intangibles non-depreciable	Indefinite
Right-of-use leased Land	7-10
Right-of-use IT Subscription Software	2-5
Vehicles Equipment and Furniture	5-25
Right-of-use leased Vehicles	3-5
Right-of-use leased Equipment	5-10
Buildings and building improvements	10-40
Right-of-use leased Buildings	5-10
Improvements Other Than Buildings	12-25
Canals and Levees	Indefinite
Water Control Structures	25-50

Land and land improvements that are considered non-depreciable, permanent easements (intangibles), and canals and levees have indefinite useful lives and as such are not considered to be depreciable/amortizable capital assets by the District.

j. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations such as Right-of-use leases are reported as liabilities in the government-wide statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight line method, which does not result in a material difference from the effective interest method. Leases payable are amortized over the lease term or useful life whichever is shorter using the effective interest method. Deferred amounts (the difference between the re-acquisition price and the net carrying amount) on refunding are amortized over the shorter of the remaining life of the old debt or the life of the new debt using the straight line method, which does not result in a material difference from the effective interest method. Debt issuance costs, except for the portion which relates to prepaid insurance costs, are recognized as an expense in the period incurred. Prepaid insurance costs are reported as an asset and are recognized as expense on a straight line basis over the duration of the related debt.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt, SBITAs and leases issued are reported as other financing sources. Premiums received on debt issuance's are reported as other financing sources while discounts are reported as other financing uses. Debt principal payments and issuance costs, whether or not withheld from actual debt proceeds, are reported as debt service expenditures.

k. Compensated Absences

District employees are granted a specific number of vacation and sick leave hours with pay. Non-management employees are permitted to accrue a maximum of 240 hours of vacation as of the end of the payroll calendar year. Managers are permitted to accrue a maximum of 480 hours of vacation as of the end of the payroll calendar year. Annual leave in excess of the maximum carryover amounts at the end of the payroll calendar year will be converted to sick leave. Upon termination of employment, employees are paid for 25 percent of unused sick leave after vesting with at least two years of service. The maximum payout for accrued but unused sick leave is 480 hours.

The costs of vacation and sick leave benefits (compensated absences) are budgeted and expended in the respective operating funds. In the governmental funds, the cost of vacation and sick pay benefits is recognized when payments are made to employees or when the related liability matures. The government-wide statements and proprietary funds recognize a liability and expense in the period the vacation and sick pay benefits are earned. The District normally liquidates its liability for compensated absences resulting from payouts of vested accrued leave upon termination, separation, retirement, etc.

l. Leases

The District determines whether an arrangement is a right-of-use-asset at inception by reviewing all of the terms in the contract. The District has two types of right-of-use-assets. Subscription Based Information Technology Agreements (SBITAs) and Leases.

Subscription Based Information Technology Arrangements (SBITAs)

GASB No. 96 defines a SBITA as a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The District during the current fiscal year evaluated all existing contracts that could potentially be classified as SBITAs. The District has recognized a right-of-use subscription asset, an intangible asset in its financials as well as a corresponding subscription liability for contracts that qualify.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

District as Lessee

The District is a lessee for noncancellable leases of equipment, land, vehicles, buildings and Software. The District recognizes right-of-use lease asset and other financing source in the fund financial statements in the year acquired and a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The District during the current fiscal year recognized lease liabilities based on established District capitalization thresholds for each right-of-use asset class currently being leased.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its lease term or useful life whichever is shorter. Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The District uses the interest rate charged by the lessor as the discount rate if known, provided or can be imputed from the lease. When the interest rate charged by the lessor is not known, the District uses its estimated incremental borrowing rate as the discount rate for leases based on synthetic yield curve determined by District's bond counsel based on District's financial rating and risk. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the District is reasonably certain to exercise. Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

District as Lessor

The District leases its land and buildings to farmers and various tenants on a long-term basis. The District recognizes leases receivable and deferred inflows of resources in the government-wide and governmental fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Key Estimates and Judgments:

Lease accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the District uses its estimated incremental borrowing rate as the discount rate for leases based on Synthetic Yield Curve calculated by District's bond counsel based on District's financial rating and risk.
- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease receivable.

The District monitors changes in circumstances that would require a remeasurement or modification of its leases. The District will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

m. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources "represent a consumption of net assets that applies to future periods". Currently, the District reports deferred outflows related to pensions and Other Post Employment Benefit (OPEB) in this section and deferred loss on refunded debt.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources "represent an acquisition of net assets that applies to future periods". Currently, the District reports deferred inflows related to pensions, OPEB and lessor leases in the government-wide statements. The District also reports deferred inflows related to unavailable revenue in the governmental fund statements such as deferred amounts relating to leases, that is initially an offset to leases receivable recorded at lease commencement, and is subsequently recognized as revenue over the life of the lease term. During the current fiscal year the District reported a deferred inflow balance related to lessor leases of \$6,613,603, recognized revenues of \$1,740,024 during the year, and ended the fiscal year with an unrecognized deferred inflow balance of \$4,873,580 to be recognized in future fiscal years. The unavailable revenue will be recognized as inflows of resources in the period that the amounts become available.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Wetland Mitigation

The District manages a program for mitigating the impact of wetland destruction through a specialized regulatory permitting process. Permit applicants are required to remit a specified cash payment to the District as part of the permit conditions. The permit restricts the use of the funds received by the District to land acquisition, land restoration and long-term management of the lands in areas managed by the District that are near the lands being developed by permittees. The District accounts for the money received to assure it is used only for the approved purpose in the assigned area. Funds received for land acquisition and restoration (expendable) are placed in the Wetland Mitigation Special Revenue and Capital Projects Funds. Funds received for long-term management (non-expendable) are placed in the Wetland Mitigation Permanent Fund.

o. Fund Balances/ Net Position

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: non-spendable, restricted, committed, assigned and unassigned.

Nonspendable – Represents amounts which are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash, such as inventories and prepaid amounts, and items such as long-term amount of loans and notes receivable. The corpus, or principal of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted – Represents amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), granters, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Represents amounts that can be used only for the specific purposes determined by a formal action (resolution) of the District’s Governing Board, the District’s highest level of decision making authority. Commitments may be changed or lifted only by the Governing Board taking the same formal action (resolution) that imposed the constraint originally.

Assigned – Represents amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made by the District’s Executive Director or his or her designee based on Governing Board direction as delegated in Chapter 101 of the District’s policies and procedures.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unassigned - Represents the residual classification for the general fund. This classification represents spendable fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include residual deficit equity balances of other governmental funds, after allocating amounts to non-spendable, restricted, and committed categories.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. Additionally, the District would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position represents the difference between assets & deferred outflows of resources and liabilities & deferred inflows of resources, and is reported in the three components of net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets component of net position consists of capital assets (net of accumulated depreciation) and deferred outflow of resources for losses on refunding transactions; reduced by the outstanding balance of debt related to the acquisition or construction of those assets and deferred inflow of resources for gains on refunding transactions.

Net position is restricted when there are limitations imposed on use either through the enabling legislation or through external restrictions imposed by creditors, granters, or laws or regulations of other governments. The types of restrictions the District has on its net position are:

Restricted for Debt Service - Represents the portion of net position which is restricted for debt service payments or long-term borrowings.

Restricted for Wetlands Mitigation - Represents the expendable and non-expendable portions of net position which are restricted for land acquisition, land restoration and long-term management of the wetlands.

Restricted for Environmental Programs - Represents the portion of net position which is restricted for specific environmental programs through legally enforceable requirements stipulated in legislation or through external restrictions imposed by creditors, granters, or laws or regulations of other governments. As of September 30, 2024, the District has approximately \$275.9 million in restricted net position through enabling legislation.

Restricted for Capital Construction - Represents the portion of net position restricted for construction of capital facilities through legally enforceable legislative requirements.

Net position unrestricted represents amounts not included in other categories, which is generally available for use, but a deficit would require future funding.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred items, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

q. New Accounting Pronouncements

Recently Issued Accounting Pronouncements

During fiscal year 2024, the District adopted the following new accounting standards that were issued by GASB:

Statement No. 99, "Omnibus 2022", addresses practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) requirements related to financial guarantees; and (2) the classification and reporting of derivative instruments within the scope of Statement No. 53. The implementation of these provisions of GASB Statement No. 99 had no impact on the fiscal year 2024 financial statements of the District.

Statement No. 100, "Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62". This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles, and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting. The District has reviewed the standard and has implemented the impacts of this Statement as required on its financial statements in fiscal year 2024. During the fiscal year 2024, the External Grants Capital Projects Fund was reclassified from nonmajor to a major fund due to increases in it revenues, expenditures, and assets.

	Reporting Units Affected by	
	<u>Adjustments of Beginning Balances</u>	
	<u>External Grants</u>	<u>Nonmajor</u>
	<u>Capital Project Fund</u>	<u>Governmental</u>
12/31/23, as Previously Presented	\$ -	\$ 498,319
Change from Nonmajor Fund to Major Fund	498,319	(498,319)
As restated	<u>\$ 498,319</u>	<u>\$ -</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements To Be Implemented In The Future

The District will adopt the following new accounting standards issued by GASB by the required effective dates in the near future:

Statement No. 101, "Compensated Absences", establishes standards of accounting and financial reporting for (a) compensated absences and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB). This Statement defines a compensated absence as leave for which employees may receive one or more (a) cash payments when the leave is used for time off; (b) other cash payments, such as payment for unused leave upon termination of employment; or (c) noncash settlements, such as conversion to defined benefit post employment benefits. The Statement further defines salary-related payments as obligations that a government incurs related to providing leave in exchange for services rendered and requires note disclosures regarding long-term liabilities for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, which is fiscal year 2025 for the District.

Statement No. 102, "Certain Risk Disclosures", defines a concentration and a constraint and requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, which is fiscal year 2025 for the District.

Statement No. 103, "Financial Reporting Model Improvements", continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A). The Statement also requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions, and emphasizes that the analysis provided in MD&A should avoid unnecessary duplication and repetition. The Statement impacts other financial statement presentation requirements including: unusual or infrequent items, presentation of the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position, major component units, and budgetary comparison information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, which is fiscal year 2026 for the District.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Statement No. 104, "Disclosure of Certain Capital Assets", requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94,

Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, should also be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that this asset type be evaluated each reporting period. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, which is fiscal year 2026 for the District.

f. Retirement Plans and OPEB

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) deferred benefit plans additions to/deductions from both plans fiduciary net position have been determined on the same basis as they are reported by the Plans and are recorded in the government-wide financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Regarding OPEB pursuant to Section 112.0801, Florida Statutes, the District is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retirees that is no greater than the cost at which coverage is available for active employees. The rates provide for an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. The District is financing the post-employment benefits on a pay-as-you-go basis. As determined by an actuarial valuation, the District records total OPEB liability in its government-wide financial statements related to the implicit subsidy. See Note (14) for further information.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(3) CASH AND INVESTMENTS

Statement of Policy

The District's investment policy aims to set forth the investment objectives and parameters for the management of public funds in the District. The policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and investment returns competitive with comparable funds and financial market indices.

The District's policy is written in accordance with Section 218.415, Florida Statutes, which applies to funds under the control of local governments and special districts. The policy and any subsequent revisions are adopted by the District's Governing Board and apply to funds in excess of those required to meet current expenditures. An amendment approved May 11, 2017, amended Div. 1 in its entirety, repealing and reenacting said division to read as herein set out.

The District's investment policy authorizes investments in: 1) U.S. Treasury & Government Guaranteed obligations backed or guaranteed by the full faith and government guaranteed (100% max per sector for U.S Treasuries and GNMA; 100% max per issuer for U.S Treasuries and 40% max per issuer for GNMA) , 2) Federal agency/ government-sponsored enterprise (GSE) is a quasi-governmental entity established to enhance the flow of credit to specific sectors of the American economy. Created by Acts of Congress, these agencies, although privately held, provide public financial services. GSEs help facilitate borrowing for various individuals, including students, farmers, and homeowners. Debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency, instrumentality or GSE (80% max per sector and 40% max per issuer) 3) Corporate notes rated at a minimum A-1/P-1, A-/A3, or equivalent (35% max per sector and 5% max per issuer) 4) Municipal issued or guaranteed state and/or local government obligations including both taxable and tax-exempt rated at least SP-1/MIG 1, A-/A3, or equivalent (25% max per sector and 5% max per issuer) 5) Agency mortgage-backed securities (MBS) issued or fully guaranteed by a U.S. Federal agency or government sponsored-enterprise (50% max per sector and 40% max per issuer) (6) Asset-backed securities (ABS) rated at a minimum A-1+/P-1, AAA/Aaa, or equivalent, (25% max per sector and 5% max per issuer) 7) Non-negotiable certificate of deposit and savings accounts interest bearing time certificates of deposit, or savings accounts in banks organized under the laws of this state or in national banks organized under the laws of the United States and doing business in this state, provided that any such deposits are secured by the Florida security for public deposits act, Chapter 280, Florida Statutes, (25% max per sector and 5% max per issuer for non-negotiable collateralized bank deposits; 50% max per sector for savings accounts and no limit on per issuer max for savings accounts if fully collateralized) 8) Commercial paper rated at a minimum A-1/P-1, or equivalent,(35% max per sector and 5% max per issuer) 9) Bankers' Acceptances rated at a minimum A-1/P-1, or equivalent,(10% max per sector and 5% max per issuer) 10) Repurchase Agreements that are fully guaranteed by the United States or any agency of the United States, or U.S. Agency-backed mortgage related securities,(40% max per sector and 20% max per issuer) 11) Money Market Funds rated at a minimum AAAM/Aaa-mf, or equivalent, (50% max per sector and 25% max per issuer) 12) Local Government Investment Pools state, local government or privately- sponsored investment pools that are authorized pursuant to state law rated at a minimum AAAM/AAAF, S1,or

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(3) CASH AND INVESTMENTS (continued)

equivalent, (50% max per sector and 25% max per issuer) 13) The Florida Prime rated at a minimum AAAm/Aaa-mf, or equivalent. (25% max per sector)

As of September 30, 2024, the District had placed approximately 26.70 percent of its investments in U.S. government agencies and 40.68 percent in MBS, both implicitly backed by the full faith and credit of the U.S. government, 31.37 percent in the Federated Money Fund and 1.25 percent in the Operating Account.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments are made based upon prevailing market conditions at the time of the transaction. While the overall intent is to hold securities to maturity, the ongoing management of the portfolio allows for actions designed to meet the cash needs of the District and attempts to maximize investment yield while minimizing losses. Investments can be sold prior to maturity to improve yield, modify the target duration or improve the overall credit position of the portfolio.

The District uses a duration method to construct a portfolio of bonds to fund its future cash needs. For reporting purposes, it selects the effective duration to disclose the portfolio's exposure to changes in interest rates. Through its investment policy, the District manages its exposure to fair value losses arising from interest rate increases by limiting the effective duration of its investment portfolio, including cash balances, to three (3) years or less.

The District maintains an allocation of its investments in U.S. Agency Obligation securities which are callable by the issuer. As a result, these bonds are subject to the risk of being called prior to maturity. In addition, the District invests in MBS, including collateralized mortgage Obligations (CMO's), to maximize yield and protect against a rise in interest rates.

These securities are based on cash flows from payments on underlying mortgages; therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. Conversely, an increase in interest rates may increase the average maturity of these investments. Accordingly, the District currently limits its exposure to all mortgage investments to 50% of total available funds at the time of purchase.

Fair Value

In accordance with GASB Statement No. 72, "Fair Value Measurement and Application," management categorizes investments according to the fair value hierarchy established by this Statement. The hierarchy is based on valuation inputs used to measure the fair value of the asset as follows: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs to include quoted prices for similar assets in active and non-active markets; Level 3 inputs are significant unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(3) CASH AND INVESTMENTS (continued)

As of September 30, 2024, the District had the following investments in its pooled portfolio:

Investment Type	Amount	Significant Other Observable Inputs (Level 2)	Effective Duration (in yrs)
U.S. Agency Obligations	94,291,898	94,291,898	0.49
Investments in Mortgage Backed Securities	143,678,156	143,678,156	2.07
Total Investments by Fair Value Level	\$ 237,970,055	\$ 237,970,055	
Portfolio Effective Duration			2.55
Investments Measured at the Net Asset Value (NAV)			
Federated	110,793,565		
Total Investments	\$ 348,763,620		

Credit Risk

Credit risk is the risk that an issuer will not fulfill its obligations. For liquidity purposes, the District invests in Federated, which is managed in accordance with State statutes. Federated is rated AAAm by Standard & Poor's.

The District's investments in agency securities for the fiscal year 2024 were rated AA+ by Standard and Poor's, AAA by Fitch Ratings, and Aaa by Moody's Investor Services. In addition, all of the District's investments in Mortgage-Backed Securities were rated AAA by at least two of the three listed rating services; this applies to the direct agency obligations.

Credit Quality Distribution for Securities with Credit Exposure

Investment Type	Credit Rating	Fair Value
Fannie Mae – Agencies and Mortgages	AAA	29,019,365
Freddie Mac – Agencies and Mortgages	AAA	32,696,388
Federal Farm Credit Bank – U.S. Agency Obligations	AAA	43,111,500
Federal Home Loan Bank – U.S. Agency Obligations	AAA	51,178,903
Ginnie Mae – Mortgage Backed Securities	AAA	80,388,530
Small Business Administration – Certificates	Unrated	1,562,905
		\$ 237,957,591

Custodial Credit Risk - Deposits

All of the District's cash deposits are held in accounts at depository institutions recognized as State of Florida Qualified Public Depositories in accordance with state statutes and the District's investment policy. All bank balances are covered by federal deposit insurance and the bank's participation in the Florida Security for Public Deposits Act. The balance held with these institutions on September 30, 2024, is \$4,655,661.96. The District's "Cash and Investments Held by Trustee" on September 30, 2024, includes \$355,972 representing amounts related to joint projects with the Florida Department of Transportation, U.S. Army Corps of Engineers, Regulatory Recording Fees, and \$23,588,625.00 representing debt service on the COPs due October 1, 2024.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(3) CASH AND INVESTMENTS (continued)

Custodial Credit Risk – Investments

The District's investment policy requires that all securities be held with a third-party custodian in a separate account registered as an asset of the District. The custodian acts as the safe keeper of the District's investment securities. No withdrawal of securities, in whole or part, is made from safekeeping without the written authorization of designated District staff. The investments are in the name of the District.

Concentration of Credit Risk

The District's policy authorizes investment allocation limits on security types, issuers, and maturity limitations. However, the Executive Director can modify investment percentages from time to time based on market conditions, risk, and diversification investment strategies. These actions are delegated to the District Treasurer to implement as needed.

Percentage Allocation by Issuer as of September 30, 2024

Issuer	Percent of Total
Fannie Mae	8.22%
Freddie Mac	9.26%
Federal Farm Credit Bank	12.21%
FHLB	14.49%
Ginnie Mae	22.76%
Federated	31.37%
Small Business Administration	0.44%

Cash and investments as of September 30, 2024, are comprised of the following:

Cash Deposits:

Demand Deposit Accounts	\$ (6,524,276)
Money Market Accounts (Federated)	110,793,566
Petty Cash	5,150
Total Cash Deposits	<u>104,274,440</u>

Cash and Investments Held by Trustee:

24,186,059

Investments:

Investments in Mortgage Backed Securities	143,678,156
U.S. Agency Obligations	94,291,898
Total Investments	<u>237,970,055</u>
Total Cash and Investments	<u><u>\$ 366,430,554</u></u>

As Presented on Statement of Net Position:

Cash and Investments	\$ 173,920,729
Temporarily Restricted Cash and Investments	176,371,642
Permanently Restricted Cash and Investments	16,138,183
Total Cash and Investments	<u><u>\$ 366,430,554</u></u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(4) ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2024 consist of the following:

	General	Okeechobee Basin Special Revenue	Everglades Restoration Trust Special Revenue	Everglades Restoration Trust Capital Project	External Grants CP	Land Acquisition Trust Capital Project	Non Major Internal Service Funds	Total
Accounts	\$ 7,514	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,323,274	\$ 1,330,788
Interest	101,397	64,705	34,155	56,323	68,882	1,053	144,233	470,748
Leases	-	-	-	-	-	-	5,104,678	5,104,678
Other	(108,911)	13,075	770	-	-	-	170,748	75,682
	<u>\$ -</u>	<u>\$ 77,780</u>	<u>\$ 34,925</u>	<u>\$ 56,323</u>	<u>\$ 68,882</u>	<u>\$ 1,053</u>	<u>\$ 6,742,933</u>	<u>\$ 6,981,896</u>

(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables as of September 30, 2024 are as follows:

	Interfund Receivable	Interfund Payable
General	\$ 2,655,596	\$ 338,727
Okeechobee Basin Special Revenue	45,534,905	261,900
Everglades Restoration Trust Special Revenue	-	78,295
External Grants Capital Project	80,967,623	-
Land Acquisition Trust (LATF) Capital Project Fund	-	101,992,838
Other Governmental Funds	65,922	27,241,160
Internal Service Funds	690,911	2,037
	<u>\$ 129,914,957</u>	<u>\$ 129,914,957</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

Interfund balances at year end represent temporary loans to cover negative cash balances and amounts due to internal service funds for amounts owed at year end.

Interfund transfers during the year are as follows:

<i>From:</i>	Everglades Restoration Trust SR Fund	Everglades Restoration Trust CP Fund	Other Governmental Funds	Totals
General Fund	\$ -	\$ -	\$ 26,700,117	\$ 26,700,117
Okeechobee Basin Special Revenue	-	-	11,357,465	11,357,465
Everglades Restoration Trust Special Revenue	-	16,277,161	-	16,277,161
Everglades Restoration Trust Capital Projects	700,613	-	-	700,613
Other Governmental Funds	-	-	9,565,784	9,565,784
	<u>\$ 700,613</u>	<u>\$ 16,277,161</u>	<u>\$ 47,623,366</u>	<u>\$ 64,601,140</u>

Transfers into the Everglades Restoration Trust Capital Projects Fund from the Everglades Restoration Trust Special Revenue Fund of \$16 million reflect funding support related to capital outlay expenditures recorded in those funds. Similarly, transfers of \$26.7 million into the Other Governmental Funds from the General Fund and \$11.4 million from the Okeechobee Basin Special Revenue Fund reflect support for capital outlay expenditures incurred in the capital funds. The remaining transfers represent funding for District-wide capital projects and funding between special revenue funds and their related capital projects fund as required.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(6) SBITAs AND LEASES

The District annually reviews all Information Technology contracts to determine if they meet criteria for GASB Statement No. 96 "The Subscription Based Information Technology Arrangements" for the right-to-use of various IT software assets. The standard requires the reporting of certain subscription lease assets and subscription lease liabilities. During fiscal year 2024, the District recorded \$2,346,937 of new SBITA Assets and \$1,786,042 in new liabilities based on new IT arrangement contracts entered into during the fiscal year.

GASB Statement No. 96 defines a SBITA as a contract that conveys control of the right to use another party's IT software alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The District reviewed all current existing IT contracts entered into during the fiscal year and categorized contracts as follows:

1. Included
2. Excluded - Short-term (less than 12 months)
3. Excluded - Cancellable

The District recorded all contracts that qualified as SBITAs as a subscription asset and liability balance for the fiscal year at the present value of minimum lease payments, which are calculated using an incremental borrowing rate for the District. The rates used are determined by the District's bond counsel "PFM" based on debt ratings and market conditions to determine a synthetic yield curve with various intervals which the District uses as discount rate on all its leases.

A summary schedule of right-to-use subscription assets and liabilities and the nature of these agreements is presented below.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(6) SBITAs AND LEASES (continued)

SBITAs - Right-to-Use Subscription Assets Details

SBITA Description	Lease Term	Payment Frequency	Additional Details	2024 Variable Payments	Discount Rate	Net Asset Balance	Accumulated Amortization	Gross Asset Balance
eBuilder (Construction Management Software)	2 years	Annual	2 annual payments at beginning of each year	-	2.86%	\$ 159,239	\$ 386,716	\$ 545,955
Flagler Technologies (New Acropolis Software Subscription Service)	3 years	Full amount is prepaid upfront	1 Payment for the full three year amount with the initial purchase	-	3.42%	\$ 58,242	103,043	161,285
Flagler Technologies (Co-terminating existing Acropolis Software License Subscription Services)	27 Months	Full amount is prepaid upfront	1 Payment for the multi year period to be made in FY23	-	3.42%	\$ 35,332	129,552	164,884
ESRI (Enterprise License Agreement Software Subscription Services)	3 years	Annual	3 annual payments at beginning of each year	-	2.69%	\$ 1,046,293	523,152	1,569,445
World Wide Technologies (IT Security Software Subscription Service)	3 years	Full amount is prepaid upfront	1 Payment for the multi year period to be made in FY24	-	2.69%	\$ 340,609	113,537	454,146
Precisely (Automate Studio Developer & Runner Software Subscription Service)	5 years	Annual	5 annual payments at beginning of each year	-	3.26%	\$ 202,157	14,440	216,597
Flagler Technologies (Acropolis Pro, Prism Pro and NVIDIA Grid Quadro Work Station Software Subscription Service)	3 years	Full amount is prepaid upfront	1 Payment for the full three year amount with the initial purchase	-	3.87%	\$ 77,097	29,652	106,749
Totals						<u>\$ 1,918,969</u>	<u>\$ 1,300,092</u>	<u>\$ 3,219,061</u>

SBITAs - Leased Right-to- Use Subscription Liability Details

The District amortizes its subscriptions leases payable balance using the effective interest method. Subscription lease future debt principal and interest payments as of September 30, 2024, are as follows for the District:

Fiscal Year	Opening Balance	Principal	Interest	SBITA Liability at 9/30/24
2025	\$ 1,390,590	\$ 710,551	\$ 34,114	\$ 680,039
2026	680,039	564,075	19,188	115,964
2027	115,964	42,388	3,780	73,576
2028	73,576	43,769	2,399	29,807
2029	29,807	29,807	972	-
		<u>\$ 1,390,590</u>	<u>\$ 60,453</u>	

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(6) SBITAs AND LEASES (continued)

District as a Lessee:

The District is involved in several leasing agreements as a lessee for copier equipment, land, vehicles, and office spaces that qualify as long-term lease contracts per GASB No. 87 lease accounting standard. The terms and conditions for these leases vary. Certain provisions of the leases provide for variable rental payments that are not reported in the financial statements and disclosed in the note below. A summary schedule of the nature of these agreements is presented below. These agreements qualify as intangible right-to use assets and not financed purchases as the District will not own the assets at the end of the contract term and the noncancelable term of the agreement surpasses one year. The present value of minimum lease payments are calculated using an incremental borrowing rate for the District. The rates are determined by District's bond counsel "PFM" based on debt ratings and market conditions to determine a synthetic yield curve with various intervals which the District uses as discount rate on its leases.

Lessee - Leased Right-to- Use Assets Details

Lease Description	Lease Term	Payment Frequency	Additional Details	2024 Variable Payments	Discount Rate	Net Asset Balance	Accumulated Amortization	Gross Asset Balance
Buildings								
Williamson Cattle Okeechobee Office	5 years with 5 (1) Year renewal options	Monthly	Escalation Clause 5% Increase per Yr. after third year	-	0.86%	\$ 293,666	\$ 224,928	\$ 518,594
Signature Hangar	3 years	Monthly	Year 2 3.5% escalation or CPI winchever is higher	-	2.67%	187,070	261,899	448,969
Sand Lake West Business Park Inc.	5 years with (1) 5 Year option to extend	Monthly	Rent Increase of 3% annually starting Year 2 and through the end of lease renewal period	-	4.12%	1,530,421	154,446	1,684,867
Buildings Total						<u>2,011,157</u>	<u>641,273</u>	<u>2,652,430</u>
Vehicles								
Southeast Toyota	3 Years	Monthly	no options to extend 0.18 Cents over 18,000 miles per Yr.	-	2.67%	37,701	52,794	90,495
Vehicles Total						<u>37,701</u>	<u>52,794</u>	<u>90,495</u>
Equipment - Copiers								
Toshiba, Multiple Machines	60 months	Monthly	no options to extend Addtl. Per Copy payment terms	\$ 52,831	0.44%	142,154	426,420	568,574
Equipment - Copiers - Total						<u>142,154</u>	<u>426,420</u>	<u>568,574</u>
Land								
Abington Preserve LLC (Public Private Partnership)	120 months	Annual	no options to extend	-	0.44%	17,101	77,004	94,105
Land - Total						<u>17,101</u>	<u>77,004</u>	<u>94,105</u>
Totals						<u>\$ 2,208,113</u>	<u>\$ 1,197,491</u>	<u>\$ 3,405,604</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(6) SBITAs AND LEASES (continued)

Lessee - Leased Right-to- Use Liability Details

The District amortizes its long term leases payable balance using the effective interest method. Lessee lease future debt principal and interest payments as of September 30, 2024, are as follows for the District:

Year	Buildings			Copiers			Land					
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 374,589	\$ 68,027	\$ 442,616	\$ 143,083	\$ 341	\$ 143,424	\$ 9,948	\$ 52	\$ 10,000	\$ 30,338	\$ 578	\$ 30,916
2026	245,165	58,695	303,860	-	-	-	-	-	-	7,562	167	7,729
2027	230,460	52,117	282,577	-	-	-	-	-	-	-	-	-
2028	239,844	45,130	284,974	-	-	-	-	-	-	-	-	-
2029	171,503	38,044	209,547	-	-	-	-	-	-	-	-	-
2030 and Beyond	829,912	73,054	902,966	-	-	-	-	-	-	-	-	-
	<u>\$ 2,091,473</u>	<u>\$ 335,067</u>	<u>\$ 2,426,540</u>	<u>\$ 143,083</u>	<u>\$ 341</u>	<u>\$ 143,424</u>	<u>\$ 9,948</u>	<u>\$ 52</u>	<u>\$ 10,000</u>	<u>\$ 37,900</u>	<u>\$ 745</u>	<u>\$ 38,645</u>

District as a Lessor:

The District as a lessor leases building space, land related rights, and land for cattle grazing under various long-term lease contracts, a majority of which are non-cancellable and terminate or renew at various intervals based on contract terms between the District and the lessee. Land related lease receivable invoices are billed several months in advance of the due date and all lease payments are received in advance by the District. Building annual lease receivable invoices are billed at the beginning of each month and due at the end of each month.

Certain leases provide for increases in future minimum rental payments based on increases in Consumer Price Index, subject to certain minimum or maximum increases. Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease receivable calculations. Those variable payments are recognized as inflows of resources in the periods in which the payment is received. During the fiscal year ended September 30, 2024, the District received variable lease payments as required by lease agreements with White Rock Quarries totaling \$5.4 million for a Lime Rock Mining lease on District land.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term and records an offsetting deferred inflow amount. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term based on straight line amortization.

In fiscal year 2024, the District extended three existing leases that expired and recorded beginning present value of lease receivables and deferred inflows for these three leases as required by the lease accounting GASB Standard 87.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(6) SBITAs AND LEASES (continued)

The District also recognized total lease receivable payments on all its existing lessor leases of \$1,729,434 during the year, lease revenues of \$1,740,024, and interest income in the amount of \$61,615 respectively. Below are details of District's lessor lease receivables and deferred inflow balances for future years.

District as a lessor had the following lease receivable asset details as of fiscal year end 2024:

Lease Payee	Details of Lease	Fixed/ Variable/Index Variable; Annual Royalty payments plus Formula based on yield times price per ton	Start Date	End Date	Payment Frequency	Discount Rate	Receivable Balance
Vecellio & Grogan Inc dba White Rock Quarries	Lime Rock Mining Lease		5/1/2006	2/28/2031	Quarterly	N/A	N/A
Gray Media Group F/K/A RAYCOM NATIONAL INC	TV Broadcast Tower and Land	CPI Increase every 5 years	4/1/2001	3/31/2031	Yearly	1.13%	\$ 1,777,698
Audacy Operations F/K/A Entercom Florida F/K/A CBS RADIO STATION INC	Access Road Lease	Fixed	5/8/2024	5/7/2029	Yearly	3.22%	\$ 10,702
Villas of Pinecrest Condo Association, Inc.	Canal Right of Way Addtl .Parking	Annual CPI	1/28/2023	1/27/2033	Yearly	3.80%	\$ 330,130
Legacy at Pinecrest F/K/A TC WATERSIDE REALTY LLC	Canal Right of Way Addtl .Parking	Annual CPI	1/28/2023	1/27/2033	Yearly	3.80%	\$ 132,052
Cano Health LLC F/K/A DOCTORS MEDICAL CENTER INC	Canal Right of Way Addtl .Parking	Annual CPI	6/4/2023	6/3/2028	Yearly	3.62%	\$ 35,556
Marilyn Brady (FRANK J BRADY deceased)	Cattle Grazing Lease	Cattle Grazing formula - USDA report	12/20/2007	7/1/2029	Yearly	0.97%	250,668
WPBF-TV Company	Access Road Lease	Fixed	5/8/2024	5/7/2029	Yearly	3.22%	\$ 10,702
Sinclair Communications (4600001456 ASSIGNED FROM FOUR POINTS MEDIA)	Access Road Lease	Fixed	5/8/2024	5/7/2029	Yearly	3.22%	\$ 10,702
New Hope Sugar Company	Sugarcane Lease	Variable based on acres	4/1/2019	3/31/2027	Quarterly	0.73%	\$ 2,546,468
Total							<u><u>\$ 5,104,678</u></u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(6) SBITAs AND LEASES (continued)

The District's expected future lease receivable payments and interest income from leases as of September 30, 2024, are as follows:

Year Ending September 30	Principal	Interest	Total
2025	\$ 1,321,643	\$ 54,852	\$ 1,376,495
2026	1,334,466	42,775	1,377,241
2027	869,367	30,289	899,656
2028	395,632	22,848	418,480
2029	378,695	16,691	395,386
2030 and beyond	626,262	20,805	647,067
Total	\$ 4,926,065	\$ 188,260	\$ 5,114,325

District lessor lease deferred inflows are amortized and lease revenues are recognized annually on a straight line basis. Details of deferred inflow revenues expected to be recognized in future periods are as follows at the end of fiscal year 2024:

Deferred Inflow of Resources

Fiscal Year	Beginning Balance	Lease Revenue	Ending Balance
2025	\$ 4,873,580	\$ 1,333,311	\$ 3,540,269
2026	3,540,269	1,333,311	2,206,958
2027	2,206,958	864,013	1,342,945
2028	1,342,946	387,392	955,554
2029	955,554	369,001	586,553
2030 and beyond	586,553	586,553	-

Other Leases

The District purchases land for environmental restoration projects. Often there are agricultural activities occurring on parts of the land at the time of purchase. If the land is not needed for a project immediately, the District allows these activities to continue as it results in lower land maintenance costs for the District. In addition, rental revenue is charged and received by the District for the use of the land for farming until such time it is needed for project purposes for the District. The District's investment in land on which leases exist is \$478.8 million as of September 30, 2024. District staff evaluated to see if they met the requirements of the new lease accounting standard GASB 87 in fiscal year 2024 and a determination was made they did not qualify as GASB 87 lessor leases.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(6) SBITAs AND LEASES (continued)

Rental Revenues - Land Operating Leases

The following is a schedule by year of minimum future revenues on noncancelable operating leases, including contingent revenues which may be received under certain leases of land on the basis of use in excess of stipulated minimums. For fiscal year 2024, contingent revenues were \$-0-.

Year Ending September 30:	<u>Fiscal Year Totals</u>
2025	\$ 1,729,622
2026	1,527,627
2027	1,201,047
2028	780,954
2029	633,078
2030 and Beyond	550,350
Total minimum future revenues	<u>\$ 6,422,678</u>

(7) PROPERTY TAXES

The District is permitted by Florida Statutes to levy taxes up to 0.800 mills per \$1,000 of assessed valuation. The rate levied for a majority of the District for fiscal year 2024 was 0.2301 mills. Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for real and personal property located within the District. The assessed value at January 1, 2023, upon which the fiscal year 2024 levy was based, was approximately \$1.5 trillion.

A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percentage point each month thereafter. Taxes become delinquent April 1 of each year. Delinquent property tax certificates are sold to the public beginning June 1, at which time a lien attaches to the property. By fiscal year end, virtually all property taxes are collected either directly or through tax certificate sales. Property tax revenues are recorded by the District based on the amount of receipts reported by the county tax collectors. Property taxes receivable from the county tax collectors at September 30, 2024, is \$538,698 and is included in tax revenues.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(8) INTERGOVERNMENTAL TRANSACTIONS

Amounts due from other governments at September 30, 2024 and intergovernmental revenues for 2024 consist of the following:

	Due From Other Governments	Intergovernmental Revenues
U.S. Army Corps of Engineers	\$ 4,891,318	\$ 6,283,639
U.S. Customs & Border Protection	3,000	-
U.S. Department of Agriculture & Consumer Affairs	316,635	-
U.S. Fish & Wildlife Service	1,009,526	3,136,740
NOAA	-	32,000
Federal Emergency Management Agency	69,674	1,163,098
Florida Department of Agriculture	562,058	-
Florida Department of Environmental Protection	167,406,122	655,462,566
Florida Department of Motor Vehicles	-	308,670
Florida Department of Transportation	39,490	-
Florida Div. of Emergency Management	-	40,368
Florida Inland Navigation District	-	2,464,475
Lake Worth Drainage District	-	8,630
Florida Fish and Wildlife Conservation Commission	33,945	4,087,468
Miami-Dade County	-	71,076
Collier County	-	5,200,000
St. John's River Water Management District	540,401	642,065
Southwest Florida Water Management District	32,576	32,269
University of South Florida	-	41,202
Ad Valorem Taxes	538,698	- *
Total	<u>\$ 175,443,443</u>	<u>\$ 678,974,266</u>

* On the statement of revenues, expenditures and changes in fund balances, ad valorem property taxes are reported as ad valorem property taxes; as presented above the taxes received within the first sixty days of the subsequent fiscal year are accrued back to the reporting fiscal year.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(9) CAPITAL ASSETS

Capital asset activity for the District for the year ended September 30, 2024, are as follows:

	Balance at October 1, 2023	Additions	Retirements	Adjustments/ Reclassifications	Balance at September 30, 2024
<i>Capital Assets Not Being Depreciated and Amortized:</i>					
Land	\$ 2,731,804,201	\$ 3,128,784	\$ (839,609)	\$ -	\$ 2,734,093,376
Easements (Intangibles)	87,492,095	3,868,913	(4)	-	91,361,004
Construction in Progress	1,875,632,966	604,277,473	(3,469,167)	(150,005,985)	2,326,435,287
Canals and Levees	922,423,507	788,867	-	27,064,186	950,276,560
Total	5,617,352,769	612,064,037	(4,308,780)	(122,941,799)	6,102,166,227
<i>Capital Assets Being Depreciated and Amortized:</i>					
Buildings	173,812,349	529,785	(11,872)	2,779,980	177,110,242
Right-to-use-Buildings	967,562	1,684,868	-	-	2,652,430
Right-to-use-Land	94,105	-	-	-	94,105
Right-to-use-Vehicles	90,495	-	-	-	90,495
Intangibles	53,084,190	122,567	-	307,838	53,514,595
Subscription IT Assets	872,124	2,346,937	-	-	3,219,061
Equipment	170,961,985	18,974,503	(8,777,283)	(34,396)	181,124,809
Right-to-use-Equipment	568,574	-	-	-	568,574
Improvements	39,819,800	121,365	(26,770)	582,303	40,496,698
Water Control Structures	2,129,006,478	3,290,595	(488,359)	119,306,074	2,251,114,788
Total	2,569,277,662	27,070,620	(9,304,284)	122,941,799	2,709,985,797
<i>Less Accumulated Depreciation and Amortization:</i>					
Buildings	(81,023,363)	(5,690,273)	11,390	(32,540)	(86,734,786)
Right-to-use-Buildings	(262,194)	(379,079)	-	-	(641,273)
Right-to-use-Land	(51,337)	(25,668)	-	-	(77,005)
Right-to-use-Vehicles	(22,626)	(30,168)	-	-	(52,794)
Intangibles	(48,618,666)	(823,038)	-	-	(49,441,704)
Subscription IT Assets	(221,908)	(1,078,183)	-	-	(1,300,091)
Equipment	(116,623,387)	(8,766,311)	8,042,127	116,906	(117,230,665)
Right-to-use-Equipment	(284,280)	(142,140)	-	-	(426,420)
Improvements	(28,184,438)	(1,387,681)	26,770	-	(29,545,349)
Water Control Structures	(457,931,481)	(41,903,008)	230,378	(84,366)	(499,688,477)
Total	(733,223,680)	(60,225,549)	8,310,665	-	(785,138,564)
<i>Capital Assets Being Depreciated and Amortized, Net:</i>					
	1,836,053,982	(33,154,929)	(993,619)	122,941,799	1,924,847,233
Total Capital Assets, Net as reported in the statement of net position	\$ 7,453,406,751	\$ 578,909,108	\$ (5,302,399)	\$ -	\$ 8,027,013,460

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(9) CAPITAL ASSETS (continued)

Depreciation and Amortization expense was charged to the following functions/programs during the fiscal year:

Water Resources Planning and Monitoring	\$ 932,817
Land Acquisition, Restoration and Public Works	30,274,556
Operations and Maintenance of Lands and Works	25,139,118
Regulation	765,619
Outreach	2,255
District Management and Administration	<u>3,101,790</u>
	60,216,155
Depreciation of capital assets held in internal service funds are charged to the various programs based on the asset function	<u>9,394</u>
Depreciation and Amortization Expense	<u><u>\$ 60,225,549</u></u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(10) LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the fiscal year ended September 30, 2024:

	Balance at October 1 2023	Additions	Retirements And Adjustments	Balance at September 30 2024	Amounts Due Within One Year
COPS Series 2015	\$ 305,610,000	\$ -	\$ (15,715,000)	\$ 289,895,000	\$ 16,495,000
COPS Series 2015 Premium / Discount	24,476,600	-	(4,004,125)	20,472,475	3,556,928
Leases Payable	1,129,884	1,684,867	(532,348)	2,282,403	557,957
IT Subscriptions Payable	430,611	1,786,042	(826,063)	1,390,590	710,551
Compensated Absences	17,135,700	7,410,000	(5,917,400)	18,628,300	7,410,000
Other Post Employee Benefits	35,264,911	2,313,683	1,409,301	38,987,895	1,584,600
Self Insurance Claims	5,374,000	27,414,912	(27,869,912)	4,919,000	3,450,614
Pensions	126,804,803	-	(3,981,697)	122,823,106	-
	<u>\$ 516,226,509</u>	<u>\$ 40,609,504</u>	<u>\$ (57,437,244)</u>	<u>\$ 499,398,769</u>	<u>\$ 33,765,650</u>

COPs are statutorily-authorized tax-exempt certificates evidencing undivided proportionate interests of the owners thereof in basic lease payments to be made by the Governing Board of the District, pursuant to a master lease purchase agreement by and between the District and the Corporation, a not-for-profit entity. As stated in Note (2)(a) the Corporation is a blended component unit and as such this transaction is not recorded in the District's financial report. The COPs are secured by and payable from the Trust Estate established for the Series 2015 Certificates (the "Trust Estate") pursuant to the Trust Agreement. The Trust Estate consists of all estate, right, title and interest of the Trustee in and to the Basic Lease Payments under the Series 2015 Lease, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Master Lease and the Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Series 2015 Lease and the Trust Agreement which are not required to be remitted to the Governing Board or the Corporation pursuant to the Master Lease or the Trust Agreement. Lease payments are funded from ad valorem revenues. Total COPs issued for this series amounted to \$385,425,000, having interest rates ranging from 3% to 5%. The District accounts for debt service transactions relative to COPs in the Everglades Trust Capital Projects Fund and the District Capital Projects Fund.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(10) LONG-TERM LIABILITIES (continued)

Fiscal year requirements to amortize the COPs Series 2015 as of September 30, 2024 are as follows:

	Principal	Interest	Total
2025	\$ 16,495,000	\$ 13,774,875	\$ 30,269,875
2026	17,315,000	12,929,625	30,244,625
2027	18,180,000	12,042,250	30,222,250
2028	19,085,000	11,110,625	30,195,625
2029	20,040,000	10,132,500	30,172,500
2030-2034	115,365,000	35,019,875	150,384,875
2035-2037	83,415,000	6,391,125	89,806,125
	<u>\$ 289,895,000</u>	<u>\$ 101,400,875</u>	<u>\$ 391,295,875</u>

The liability for compensated absences is generally liquidated by the General Fund and the Okeechobee Basin Special Revenue Fund and the liability for other post-employment benefits and pensions is generally liquidated from the General Fund.

The District has several noncancelable leases with various vendors as a lessee for intangible right-to-use leased copier equipment, land, vehicles and buildings as discussed in Note 6. The lease terms include the noncancelable period per the contract and any extension options or termination options the District is reasonably certain to exercise. In addition, the District also has several right-to-use intangible subscription IT arrangement obligations.

Annual debt service requirement is as follows as of September 30, 2024, for its equipment, land, vehicles, buildings and intangible IT subscription liabilities:

Fiscal Year	<u>District Lease Liabilities</u>			<u>District Subscription Liabilities</u>		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 557,957	\$ 68,998	\$ 626,955	\$ 710,551	\$ 34,114	\$ 744,665
2026	252,727	58,862	311,589	564,075	19,188	583,263
2027	230,460	52,117	282,577	42,388	3,780	46,168
2028	239,844	45,130	284,974	43,769	2,398	46,167
2029	171,503	38,044	209,547	29,807	972	30,779
2030 and Beyond	829,912	73,054	902,966	-	-	-
	<u>\$ 2,282,403</u>	<u>\$ 336,205</u>	<u>\$ 2,618,608</u>	<u>\$ 1,390,590</u>	<u>\$ 60,452</u>	<u>\$ 1,451,042</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(11) FUND BALANCE REPORTING

The following is the governmental fund balances in detail as of September 30, 2024:

(Presented in \$ 000's)		Okeechobee Basin	Everglades Restoration Trust	Everglades Trust
	General	Special Revenue	Special Revenue	Capital Project
<u>Nonspendable:</u>				
Inventory	\$ -	\$ 8,400	\$ 4	\$ -
Permanent fund principal	-	-	-	-
<u>Restricted for:</u>				
Okeechobee Basin				
(O&M new works, recurring shortfall, flood control, mandates, and operations)	-	17,309	604	-
C-51 Operations	-	1,124	-	-
Water protection, ecosystem management, and restoration projects	-	-	-	-
Big Cypress Basin operations	-	-	-	-
Big Cypress Basin Capital -Collier County	-	-	-	-
MOU-Gordon/Palm River	-	-	-	-
Debt service	-	-	-	14,554
Indian River Lagoon / St. Lucie restoration	-	-	-	-
Florida Bay restoration	-	-	-	-
Lake Belt / Wetland creation, restoration and management	-	-	-	-
Restoration Strategies capital projects	-	130	2,670	-
Land management activities	-	-	-	-
Aquatic plant control	-	-	-	-
Land acquisitions (surplus land sales)	-	-	-	-
Everglades, EAA A2 STA, and O&M projects	-	15,443	2,281	31,392
State Appropriations- House Bill No.5001 Water Quality Improvements Everglades Restoration	-	-	-	-
Economic stabilization	-	38,238	3,000	-
<u>Committed for:</u>				
Restoration Strategies capital projects	115	-	-	-
Everglades restoration EAA A2 STA, and O&M Project	7,885	-	-	-
<u>Assigned to:</u>				
District (O&M new works, recurring shortfall, mandates, and operations)	5,644	-	-	-
Everglades restoration	-	-	-	-
Land management activities	1,512	-	-	-
Economic Statbilization	15,743	-	-	-
<u>Unassigned:</u>	3,366	2,237	1,116	2,022
Total All Funds	\$ 34,265	\$ 82,881	\$ 9,675	\$ 47,968

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(11) FUND BALANCE REPORTING (continued)

(Presented in \$ 000's)	External Grant Capital Project	Land Acquisition Trust Capital Project	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>				
Inventory	\$ -	\$ -	\$ 529	\$ 8,934
Permanent fund principal	-	-	16,151	16,151
<u>Restricted for:</u>				
Okeechobee Basin (O&M new works, recurring shortfall, flood control, mandates, and operations)	-	-	2	17,914
C-51 Operations	-	-	-	1,124
Water protection, ecosystem management, and restoration projects	-	-	738	738
Big Cypress Basin operations	-	-	16,778	16,778
Big Cypress Basin Capital-Collier County MOU-Gordon/Palm River	-	-	5,240	5,240
Debt service	-	-	8,613	23,167
Indian River Lagoon / St. Lucie restoration	-	-	303	303
Florida Bay restoration	-	-	70	70
Lake Belt / Wetland creation, restoration and management	-	-	51,547	51,547
Restoration Strategies capital projects	-	-	12	2,811
Land management activities	-	-	25,532	25,532
Aquatic plant control	-	-	39	39
Land acquisitions (surplus land sales)	-	-	10,924	10,924
Everglades, EAA A2 STA, and O&M projects	-	-	9,535	58,651
State Appropriations- House Bill No.5001 Water Quality Improvements Everglades Restoration	88,279	-	-	88,279
Economic Stabilization	-	-	2,000	43,238
<u>Committed for:</u>				
Restoration Strategies capital projects	-	-	-	115
Everglades restoration EAA A2 STA and O&M Projects	-	-	-	7,885
<u>Assigned to:</u>				
District (O&M new works, recurring shortfall, mandates, and operations)	-	-	-	5,644
Everglades restoration EAA A2 STA and O&M Projects	-	-	201	201
Land Management activities	-	-	-	1,512
Economic Stabilization	-	-	-	15,743
<u>Unassigned:</u>	-	(162,340)	(31,448)	(185,047)
Total All Funds	\$ 88,279	\$ (162,340)	\$ 116,766	\$ 217,493

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(12) DEFICIT FUND BALANCES

At September 30, 2024, the following funds have a deficit fund balance:

Upland Invasive Plant Control Special Revenue Fund	\$	14,398
External Grants Special Revenue Fund	\$	14,926,437
Land Acquisition Trust Special Revenue Fund	\$	12,401,495
State Appropriations Capital Projects Fund	\$	7,039,157
Land Acquisition Trust Capital Projects Fund	\$	162,340,003
Florida Bay Capital Projects Fund	\$	65,922

The deficits in the External Grants Special Revenue Fund, Land Acquisition Trust Special Revenue and Capital Projects Fund, and the State Appropriations Capital Projects Fund will be funded by pending reimbursements from Florida Department of Environmental Protection (FDEP). The deficit in the Upland Invasive will be funded by pending reimbursements from Florida Fish and Wildlife Conservation Commission (FFWCC). The deficit in the Florida Bay Capital Project Fund will be funded by the residual Fund Balance from the the associated Special Revenue Fund.

(13) RETIREMENT PLANS

The District provides retirement benefits to its employees through the Florida Retirement System, Deferred Retirement Option Program (DROP), as well as state approved Other Post Employment Benefits (OPEB) in the form of subsidized health insurance premiums.

Florida Retirement System

The District participates in the Florida Retirement System (FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the DROP under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is the FRS Investment Plan Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a nonqualified cost-sharing multiple-employer defined benefit pension plan, to assist retired members of state-administered retirement systems in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. The annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(13) RETIREMENT PLANS (Continued)

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

Regular Class – Members of the FRS who do not qualify for membership in the other classes.

Elected County Officers Class – Members who hold specified elective offices in local government.

Senior Management Service Class (SMSC) – Members in senior management level positions.

Special Risk Class – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the Plan may include up to 4 years of credit for military service toward creditable service.

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate. On June 5, 2023 Senate Bill 7024 was signed allowing the extension from 60 to 96 calendar months at anytime after a member reached his or her normal retirement. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(13) RETIREMENT PLANS (Continued)

Class, Initial Enrollment, and Retirement Age/Years of Service % Value	
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Elected Officers' Class	3.00
Senior Management Service Class	2.00
Special Risk Class	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment (COLA) is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated COLA. The annual COLA adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates in effect for the District's fiscal year (October - September) span across two state fiscal years July 1, 2023 through June 30, 2025 and are as follows:

Class	October 1, 2023 to September 30, 2025			
	July 1, 2023 to June 30, 2024		July 1, 2024 to June 30, 2025	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer (*)	Employee	Employer (*)
FRS, Regular	3.00	11.51	3.00	11.57
FRS, Elected Officers' Class	3.00	56.62	3.00	56.62
FRS, Senior Management Service	3.00	32.46	3.00	32.46
FRS, Special Risk	3.00	30.61	3.00	30.73
DROP - Applicable to members from All of the Above Classes	N/A	19.13	N/A	19.13

*Note * The employer contribution rates include the normal cost and unfunded actuarial liability contributions but do not include the 2.0 percent contribution for the Retiree Health Insurance Subsidy (HIS) for fiscal year 2023-2024, and the assessment of 0.06 percent for administration of the FRS Investment Plan and retirement and financial planning for members of both plans.*

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(13) RETIREMENT PLANS (Continued)

The District's contributions for FRS totaled \$11.9 million and employee contributions totaled \$3.2 million for the fiscal year ended September 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2024, the District reported a liability of \$122.8 million for its proportionate share of the FRS and HIS Plan's net pension liability which consists of \$81.1 million for FRS and \$41.7 million for HIS. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2024 fiscal year contributions relative to the 2024 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was .209 percent, which reflects no change from its proportionate share measured as of June 30, 2023.

For the fiscal year ended September 30, 2024, the District recognized a pension expense of \$12.3 million related to the FRS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources as of September 30, 2024 related to the FRS plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,191,834	\$ -
Change of assumptions	11,113,538	-
Net Difference between projected and actual earnings on FRS pension plan investments	-	(5,389,380)
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	2,044,333	(2,677,805)
District FRS contributions subsequent to the measurement date	3,460,009	-
	<u>\$ 24,809,714</u>	<u>\$ (8,067,185)</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(13) RETIREMENT PLANS (Continued)

The deferred outflows of resources related to pensions, totaling \$3.5 million, resulting from District contributions to the FRS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30:	Deferred Outflows/(Inflows) Net
2025	\$ (2,951,098)
2026	12,263,153
2027	(301,303)
2028	703,653
2029	2,971,705
Thereafter	596,410
	<u>\$ 13,282,520</u>

Actuarial Assumptions. The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %
Salary Increases	3.25 %, average, including inflation
Investment rate of return	6.70 %, net of pension plan investment expense, including inflation
Discount rate	6.70 %

Mortality rates were based on Pub-2010 base table, which varies by member category and sex, projected generationally with Scale MP-2018 details in valuation report. The actuarial assumptions that determined total pension liability as of June 30, 2024 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(13) RETIREMENT PLANS (Continued)

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate (property)	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
Total	100.0%			

Assumed inflation - Mean

2.4%

1.5%

(1) As outlined in the Plan's investment policy

Discount Rate. The discount rate used to measure the total pension liability was 6.70%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at the statutorily required rates. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10), Florida Statutes. The 6.70% rate of return assumption used in the June 30, 2024 calculations was determined by the Plan's consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice No. 27 (ASOP 27) for accounting purposes which differs from the rate used for funding purposes which is used to establish the contribution rates for the Plan.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.70 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70 percent) or 1-percentage-point higher (7.70 percent) than the current rate:

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(13) RETIREMENT PLANS (Continued)

	1.00% Decrease (5.70)%	Current Discount Rate (6.70)%	1.00% Increase (7.70)%
District's proportionate share of the net pension liability	\$ 142,626,924	\$ 81,085,710	\$ 29,531,889

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

The Retiree Health Insurance Subsidy Program (HIS)

Plan Description. HIS is a non-qualified cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist eligible retirees of the State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must apply for and provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2024, the contribution rate was 2.00 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. The HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The District's contributions for the HIS plan totaled \$2.4 million for fiscal year 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2024, the District reported a net pension liability of \$41.7 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2024 fiscal year contributions relative to the total 2023 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was .278 percent, which was a increase of .005 percent from its proportionate share measured as of June 30, 2023.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(13) RETIREMENT PLANS (Continued)

For the fiscal year ended September 30, 2024, the District recognized a pension expense of \$1.4 million related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual experience	\$ 403,003	\$ (80,142)
Change of assumptions	738,654	(4,941,172)
Net difference between projected and actual earnings on HIS pension plan investments	-	(15,095)
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	770,181	(934,048)
District HIS contributions subsequent to measurement date	683,287	-
	<u>\$ 2,595,125</u>	<u>\$ (5,970,457)</u>

The deferred outflows of resources related to pensions, totaling \$683,287, resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30:	Deferred Outflows/(Inflows) Net
2025	\$ (773,744)
2026	(905,115)
2027	(1,178,952)
2028	(781,526)
2029	(337,601)
Thereafter	(81,681)
Total	<u><u>\$ (4,058,619)</u></u>

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	N/A
Discount rate	3.65 percent

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(13) RETIREMENT PLANS (Continued)

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions that determined total pension liability as of June 30, 2024 were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018.

Discount Rate. The discount rate used to measure the total pension liability was 3.65 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.93 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current rate:

	1.00% Decrease (2.93)%	Current Discount Rate (3.93)%	1.00% Increase (4.93)%
District's proportionate share of the net pension liability	\$ 47,512,661	\$ 41,737,396	\$ 36,942,992

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

FRS – Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. District employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(13) RETIREMENT PLANS (Continued)

with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Effective July 1, 2011, both employees and employers of the FRS are required to contribute to establish service credit for work performed in a regularly established position. Effective July 1, 2002, the Florida Legislature established a uniform contribution rate system for the FRS, covering both the Pension Plan and the Investment Plan. The uniform rates for Fiscal Year 2023-24 are as follows:

Membership Class	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate
Regular	3.00%	11.51%	14.51%
Elected County, City & Special District Officials	3.00%	56.62%	59.62%
Senior Management Service	3.00%	32.46%	35.46%

For all membership classes, employees in the Investment Plan are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2024, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension contributions totaled \$4.7 million for the fiscal year ended September 30, 2024.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(13) RETIREMENT PLANS (Continued)

Aggregate Financial Pension Disclosure. Below are the aggregate pension liabilities, deferred outflows or resources related to pensions, deferred inflows of resources related to pensions and pension expense for the period associated with net pension liabilities:

	Proportionate Share of Pension Liabilities	Pension Expense	Pension Deferred Outflows of Resources	Pension Deferred Inflows of Resources
FRS Pension Plan	\$ 81,085,710	\$ 12,485,823	\$ 24,809,714	\$ 8,067,183
HIS Plan	41,737,396	1,442,362	2,595,125	5,970,457
Total	<u>\$ 122,823,106</u>	<u>\$ 13,928,185</u>	<u>\$ 27,404,839</u>	<u>\$ 14,037,640</u>

(14) OTHER POST EMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the total position of the plan (OPEB Plan) and additions to/deductions from the OPEB Plan's total position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date	September 30, 2023
Measurement Date	September 30, 2023
Employer's Fiscal Year Ending Date (Reporting Date)	September 30, 2024

Plan Description

Plan Administration. District retirees and their eligible dependents may continue participation in the District health insurance program as required by Florida Statutes, Section 112.0801. Per the Statute, the cost to the retirees cannot be greater than that to active employees.

In January 2007, the District Governing Board approved a direct subsidy program to aid retirees in retaining quality healthcare coverage. The subsidy was a discount of the total premium contribution equal to 2 percent for each year of creditable service under the FRS to a maximum of 30 years of creditable service or 60 percent. Effective July 2, 2012, the direct subsidy program was closed to new participants. Eligibility requirements include a minimum six years of consecutive District service immediately preceding retirement and be age 62 or older, or have a minimum of 25 years of FRS service, regardless of age. In order to maintain eligibility for the 2.0 percent retiree subsidy program, current employees were required to declare their intent to retire by July 2, 2012, and must have separated from District employment by December 12, 2012. During the fiscal year ended September 30, 2018, the District Governing Board adjusted the direct subsidy to 1 percent. As of January 1, 2018, benefit plan year (calendar year), the District Governing Board eliminated the direct subsidy entirely.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(14) OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

The plan, a single employer defined benefit plan, is administered by the District. No formal trust is currently in place and benefits are provided through the annual budget appropriation and accumulated within the Self Insurance Fund Reserve Account. All approved benefits are paid from such account when due.

Plan Membership. Membership in the OPEB Plan consisted of the following at September 30, 2024, the date of the latest actuarial valuation:

Retirees and Beneficiaries currently receiving benefits	599
Inactive, Nonretired Members	0
Active Members	<u>1,404</u>
Total plan members	<u>2,003</u>

Benefits Provided. Eligible retirees may choose among the same medical plan options available for active employees of the employer. Dependents of retirees may be covered at the retirees' option the same as dependents of active employees. Prescription drug coverage is automatically extended to retirees and their dependents who continue coverage under any one of the medical plan options. Covered retirees and their dependents are subject to all the same Medical and prescription benefits and rules for coverage as are active employees. Retirees and their dependents who are Medicare-eligible must enroll for Medicare Parts A and B to remain covered under the program. All medical coverage is secondary to Medicare for retirees and dependents. Retirees and their dependents are eligible to participate in employer-sponsored vision and dental plans. Retirees can select any option (medical without dental or vision and vice-versa).

The surviving dependent of a retiree is eligible to continue coverage under the group plan subject to premium payments for applicable coverage tier. No benefit (other than COBRA) is offered to the surviving dependents of the active employee.

Retirees may continue their participation in group dental and vision coverage subject to a premium payment, fully paid by retirees. The rates are based on entire blended experience with no significant variation in the underlying actuarial costs by age; therefore, Dental and Vision coverage are not considered as other post-employment benefits for the purposes of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

Retiring employees have an option of continuing participation in the employer sponsored group life policy. The cost of insurance to the retiree for \$25,000 of life insurance coverage is \$4.75 per month. Coverage reduces to \$12,500 once the retiree reaches age 80 and costs \$2.38 per month.

Former employees, retirees, and dependents may be eligible for an extended benefit under COBRA, regardless of the terms of the employer's other post-employment benefits. COBRA benefits are not considered as other post-employment benefits for the purposes of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(14) OTHER POST EMPLOYMENT BENEFITS (OPEB)

Premium Payments. In order to begin and maintain retiree medical/prescription coverage, premium payments are required from the retiree. For dependent coverage, the retiree is required to pay a premium as well. If any required amounts are not paid timely, the coverage for the retiree and/or the dependent(s) will cease. The amount of the premium payment or contributions required for retiree and dependent coverage may change from time to time.

The charts below summarize the current total monthly premium payment amounts required from retirees and their spouses to maintain medical/prescription coverage. These rates went into effect on January 1, 2019 and did not change to the date of this valuation. A retiree's FRS HIS payment provided by the State may be directed toward the payment of these amounts. Coverage for children of retirees is available (until their limiting age). However, for measuring the long-term costs, the relatively few children covered by retirees coupled with the short duration of their coverage remaining results in costs that are not material in the long term. Consequently, only spouses are included in the charts below:

Monthly Premiums as of January 1, 2023				
	Single		Retiree + Spouse	
	Non-Medicare	Medicare	Non-Medicare	Medicare
HMO	\$ 847	\$ 424	\$ 1,877	\$ 1,453
OAP	\$ 875	\$ 437	\$ 2,218	\$ 1,780

Monthly Premiums as of January 1, 2024				
	Single		Retiree + Spouse	
	Non-Medicare	Medicare	Non-Medicare	Medicare
HMO	\$ 847	\$ 424	\$ 1,877	\$ 1,453
OAP	\$ 875	\$ 437	\$ 2,218	\$ 1,780

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(14) OTHER POST EMPLOYMENT BENEFITS (OPEB)

Total OPEB Liability

Actuarial Assumptions and Methods. The District's September 30, 2024 total OPEB liability was measured as of September 30, 2023 and determined by an actuarial valuation dated September 30, 2023, based on the following methods and assumptions:

Actuarial cost method	Entry Age Normal
Inflation	2.50 percent
Discount rate	4.63 percent
Salary increases	Salary increase rates used for non K-12 Instructional Regular Class and Senior Management Class members in July 1, 2023 actuarial valuation of the Florida Retirement System (FRS); 3.4% - 7.8% for non K-12 Instructional Regular Class and 4.1% - 8.2% for Senior Management Class, including inflation.
Retirement age	Retirement rates used in the July 1, 2023 actuarial valuation of the FRS for non K-12 Instructional Regular Class and Senior Management Class members. They are based on results of a statewide experience study covering the period 2013 through 2018.
Mortality	Mortality rates are the same as used in the July 1, 2023 actuarial valuation of the FRS for non K-12 Instructional Regular Class members and Senior Management Class members. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries (SOA) with generational mortality improvements using scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2013 through 2018.
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 6.25 percent on 1/1/2024 (0 percent for premiums) and 6.00 percent on 1/1/2025, then gradually decreasing to an ultimate trend rate of 4.00 percent.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Administrative expenses are included in the per capita health costs.

The following assumption changes have been reflected in the Schedule of Changes in the Total OPEB Liability for the measurement period ending September 30, 2024:

- The discount rate was changed from 4.40 percent as of the beginning of the measurement period to 4.63 percent as of September 30, 2023 (based on the Long-Term Municipal Bond rate) which increased the Total OPEB Liability. This change is reflected in the *Schedule of Changes in Total Other Post-Employment Benefit Plans Liability and Related Ratios*.
- The medical claims cost and premiums were previously updated based on actual claims experience and premium information provided to actuary in the previous fiscal year's report. No changes in this data have been mentioned in the current year valuation report by the actuary.
- Long-term trend rates of healthcare cost increases were higher from 3.75% to 4.0% during the previous valuation date last fiscal year. There were no changes reported by the actuary during the current reporting period in these rates in the current actuary report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(14) OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

- Rates of retirement and DROP entry assumptions for all membership classes were updated to match changes adopted by the Florida Retirement System in their July 1, 2023 valuation in response to the enactment of Senate Bill 7024.
- There were no benefit changes during the year.

Mortality tables are used to measure the probabilities of participants dying before and after retirement. The PUB-2010 Generational tables used are projected by Scale MP-2018 from 2010 as outlined below.

Healthy Inactive Mortality for Regular Not K-12 Instructional Members and Senior Management Members (Post Employment):

- Female: Headcount Weighted General Below Median Healthy Retiree.
- Male: Headcount Weighted General Below Median Healthy Retiree, set back one year.

Healthy Active Mortality for Regular Not K-12 Instructional Members and Senior Management Members (During Employment):

- Female: Headcount Weighted General Below Median Employee.
- Male: Headcount Weighted General Below Median Employee, set back one year.

Disabled Mortality (no projection scale) for all Regular Class Members and Senior Management Members:

- Female: Headcount Weighted General Disabled Retiree, set forward three years.
- Male: Headcount Weighted General Disabled Retiree, set forward three years.

There have been no significant changes or premium rate change in any health benefits or life insurance benefits since September 30, 2022, and through September 30, 2024.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(14) OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Discount Rate. For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this actuarial roll-forward, the municipal bond rate is 4.63 percent (based on the daily rate closest to but not later than the measurement date of Fidelity's "20-Year Municipal GO AA Index"). The discount rate was 4.4 percent as of the beginning of the measurement year. The following table presents the plan's total OPEB liability, calculated using a discount rate of 4.63 percent, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1.00% Decrease 3.63%	Current Discount Rate 4.63%	1.00% Increase 5.63%
2024 Total OPEB Liability	\$ 44,636,101	\$ 38,987,895	\$ 34,327,771

The following presents the plan's total OPEB liability calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
2024 Total OPEB Liability	\$ 34,657,461	\$ 38,987,895	\$ 44,405,005

Changes in the OPEB Liability. The changes in the total OPEB liability for the Plan are as follows:

	OPEB Liability
Total OPEB liability (GASB 75) at the beginning of the year	\$ 35,264,911
Changes for the year:	
Service cost	761,092
Interest on total OPEB liability	1,552,591
Effect of economic/demographic gains or losses	(2,119,429)
Effect of assumptions, changes, or inputs	5,008,438
Benefit payments	(1,479,708)
Net changes	3,722,984
Total OPEB liability at the end of year	\$ 38,987,895

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(14) OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. For the fiscal year ended September 30, 2024, the District recognized OPEB expense as follows:

Service cost	\$ 761,092
Interest on the total OPEB liability	1,552,591
Recognition of assumption changes or inputs	(1,751,079)
Total	<u>\$ 562,604</u>

As of fiscal year ended September 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 1,584,600	\$ -
Differences between expected and actual experience	-	3,121,747
Changes in assumptions	5,920,404	11,671,624
Total	<u>\$ 7,505,004</u>	<u>\$ 14,793,371</u>

The \$1,584,600 reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended September 30, 2025.

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other post-employment benefits will be recognized in OPEB expense as follows:

Year Ending September 30, 2024	Deferred Outflows/(Inflows)
2025	\$ (1,594,700)
2026	(1,239,478)
2027	(1,371,620)
2028	(1,580,375)
2029	(1,532,173)
Thereafter	(1,554,621)
Total	<u>\$ (8,872,967)</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(15) INSURANCE ACTIVITIES

The District is exposed to the various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. In 1976 the District established a self-insurance program for its workers' compensation exposure and in 1986 the District established a self-insurance program for automobile and general liability claims. These self-insured claims are administered by a third party and are accounted for in the Self Insurance Fund (an internal service fund).

The District is totally self-insured for workers' compensation claims and the District's financial exposure for automobile and general liability is limited to \$200,000 per person and \$300,000 per occurrence pursuant to Section 768.28, Florida Statutes. Expenditures relating to insurance are charged to other funds based on a cost allocation study performed by Management. These expenditures include actuarial estimates utilizing the Casualty Actuarial Society Statement of Principles Regarding Property and Casualty Loss and Loss Adjustment Expense. The actuarial calculations are utilized to determine the amount needed for losses incurred but not reported (IBNR) at year end. The District transfers some of its risk for personal and some commercial property, as well as aviation, and public entity professional liability through the purchase of insurance policies. The commercial property coverage is written on a replacement cost/stated value basis, with varying retentions.

The District has a self-insurance program for health benefits, including medical, dental and vision coverage, for its employees and retirees who choose to remain within the plan. The claims are administered by a third party and accounted for in the Health Benefits Fund (an internal service fund). The participating funds make payments to the Health Benefits Fund by means of premiums charged and employee payroll deductions. The payments are based on management's estimates, using historical trends, of the amounts needed to pay prior and current year claims. The expenditures include an actuarial estimate to determine the amount needed for losses incurred but not reported at year end. The District maintains excess insurance coverage for health care costs which are as follows:

Individual Stop Loss Coverage Limit:	\$	400,000
Aggregate Stop Loss Coverage Limit:	\$	400,000

The claims liabilities are based on actuarial valuations performed by independent actuaries as of September 30, 2024, and are presented on a net undiscounted basis. The liability includes claims incurred but not reported. The estimated liabilities by risk category at September 30, 2024 are as follows:

	Balance September 30, 2024	Amounts Due Within One Year
Workers' compensation	\$ 2,668,000	\$ 1,199,614
General and automobile	241,000	241,000
Health insurance	2,010,000	2,010,000
	<u>\$ 4,919,000</u>	<u>\$ 3,450,614</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(15) INSURANCE ACTIVITIES (continued)

Changes in the claims liability amount for the current and prior fiscal year are summarized below:

Fiscal Year	Beginning Liability	Current Claims and Changes in Estimates	Claim Payments	Ending Liability
2023	\$ 4,712,000	\$ 22,803,395	\$ (22,141,395)	\$ 5,374,000
2024	\$ 5,374,000	\$ 27,414,912	\$ (27,869,912)	\$ 4,919,000

To minimize the financial impact of potential unforeseen catastrophes, District policy allows a fund balance reserve for the self-insurance of workers' compensation, general and automobile liability claims, of up to \$10 million in excess of the most recent actuarially-estimated liability determination. There were no significant changes in insurance coverage from the prior year and the amount of settlements did not exceed the insurance coverage for each of the past three years.

(16) CONDEMNATION PROCEEDINGS

The District can be party to numerous lengthy condemnation proceedings (as plaintiff) regarding the taking of private lands throughout the District for public use. The court may rule the District cannot take land, resulting in no commitment to the District. Where a taking is ordered, initial payment is made to the owner and title is immediately transferred to the District. The court then determines the final value of the land claimed by the owner and payment is made to the owner. When the court rules there is a taking, the District will budget and appropriate funds to pay for the purchase of the land.

The District is currently a defendant in an inverse condemnation proceeding.

(17) MAJOR CONSTRUCTION COMMITMENTS

The Five-Year Capital Improvements Plan (CIP) is updated annually and included in the South Florida Environmental Report (SFER) which is available at www.sfwmd.gov/sfer. The major construction commitments of the District for Fiscal Year 2024-2025 through Fiscal Year 2028-2029 (October 1, 2024 through September 30, 2029) currently totals \$6.1 billion. The commitments are grouped and estimated into the following categories:

\$4.7 billion	Restoration
<u>1.4 billion</u>	Operations and maintenance refurbishment Program
\$6.1 billion	Total Estimated Future Major Construction Commitments

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(17) MAJOR CONSTRUCTION COMMITMENTS (continued)

The key restoration major construction commitments are highlighted below.

District Everglades Program

The EFA directed the District to acquire land, design, permit, and construct a series of Stormwater Treatment Areas to reduce phosphorus levels from stormwater runoff and other sources before it enters the Everglades Protection Area. The Everglades Construction Project (ECP) was the first major step in the Everglades restoration and compliance with requirements of the EFA.

In 2003, the Florida Legislature amended the 1994 EFA to include the 2003 Long-Term Plan for Achieving Water Quality Goals for Everglades Protection Area Tributary Basins (Long-Term Plan) as the strategy for achieving the long-term water quality goals for the Everglades Protection Area. The Long-Term Plan (revised in 2004, 2005, 2006, and 2007) is a comprehensive set of water quality improvement measures including enhancements to the existing STAs, expanded best management practices, research and optimization, and operation and maintenance of the ECP, changes to the source controls component of the plan, changes to the plan's Process Development and Engineering component, as well as new projects and integration with the Comprehensive Everglades Restoration Plan projects.

At present, STAs south of Lake Okeechobee have an effective treatment area of 57,000 acres. North and east of Lake Okeechobee, STAs are also used to remove phosphorus from water flowing into the lake, St. Lucie Estuary and Indian River Lagoon.

In 2013, the Florida legislature modified the EFA and redefined the Long-Term Plan to also include the Restoration Strategies Regional Water Quality Plan, as defined in Section 373.4592(2)(j), F.S. Under these strategies, the District is implementing a technical plan to complete several projects that will create more than 6,500 acres of new STAs and 116,000 acre-feet of additional water storage through construction of flow equalization basins (FEBs). The strategies also include additional source controls – where pollution is reduced at the source – in areas of the eastern EAA where phosphorus levels in stormwater runoff have been historically higher. In addition, a robust science plan will ensure continued research and monitoring to improve and optimize the performance of water quality treatment technologies.

In fiscal year 2024, a total of \$106.3 million was expended for work associated with the EFA. Of this amount, \$37.5 million was expended for Restoration Strategies, \$45.7 million for Long-Term Plan: STA Operations and Maintenance and Optimization and Performance. Debt service payments related to COPs issued in 2016 (FY2016) (an advanced refunding of debt Series 2006 issued in FY2007) to fund construction totaled \$16.8 million. The remaining \$6.3 million was spent on other EFA-related components such as program support, monitoring, assessment, research, and evaluation in the EPA. The District's Five-Year Capital Improvements Plan estimated cost for implementation of the Long-Term Plan is \$195.3 million.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(17) MAJOR CONSTRUCTION COMMITMENTS (continued)

Comprehensive Everglades Restoration Plan (CERP)

The CERP is a conceptual plan that proposes major modifications to the Central and Southern Florida Project in order to reverse decades of ecosystem decline. Specifically, the plan describes nearly 50 major projects and 68 project components to be constructed. Major components of CERP focus on restoring the quantity, quality, timing, and distribution of water for the natural system, and include aquifer storage and recovery, in-ground reservoirs, rainfall-driven operations, removing barriers to sheet flow, seepage management, stormwater treatment areas, surface water storage reservoirs, and water reuse and conservation.

CERP is an equal partnership between the State of Florida and the federal government. The State of Florida and the District have invested approximately \$4.3 billion toward this effort. Through September 30, 2024, 273,703 acres of the estimated lands needed to implement CERP have been acquired.

In fiscal year 2024, a total of \$535.4 million dollars was expended for the implementation of CERP projects, of which payments of debt service related to COPs issued by the District and bonds issued by FDEP totaled \$13.5 million dollars. The District's Five-Year Capital Improvements Plan (FY2025 through FY2029) estimated cost for the implementation of the CERP is \$3.6 billion.

(18) OTHER COMMITMENTS AND CONTINGENCIES

The District is occasionally involved in lawsuits arising in the ordinary course of operations. Where it has been determined that a loss is probable related to these matters, a liability has been recorded in our self-insurance obligations. In addition, the District is involved with other matters the outcome of which is not presently determinable; it is the opinion of management of the District, based upon consultation with legal counsel, that the outcome of these matters would not have a material adverse effect on the financial position of the District.

The District also participates in several other federal and state assistance programs that are subject to financial and program compliance audits. Such audits could lead to reimbursements to the grantor agency for disallowed expenditures. However, management believes any additional of such disallowances, if any, will be immaterial.

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A
(UNAUDITED)

**South Florida Water Management District
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Unaudited)
For the Fiscal Year Ended September 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES				
Ad Valorem Property Taxes	\$ 138,236,464	\$ 138,236,464	\$ 139,559,054	\$ 1,322,590
Intergovernmental	4,554,602	4,554,602	2,056,977	(2,497,625)
Investment Earnings (Loss)	1,202,283	1,202,283	6,800,712	5,598,429
Licenses, Permits and Fees	3,491,000	3,491,000	4,782,997	1,291,997
Gain on Sale of District Property	60,000	60,000	1,256,639	1,196,639
Leases	689,672	689,672	414,382	(275,290)
Other	324,700	324,700	856,728	532,028
Total Revenues	148,558,721	148,558,721	155,727,489	7,168,768
EXPENDITURES				
Current				
Administrative Services & Executive Offices				
Water Resources Planning and Monitoring	3,850,462	59,348	29,684	29,664
Land Acquisition, Restoration and Public Works	4,009,268	3,707,247	3,415,236	292,011
Operation and Maintenance of Lands and Works	19,893,261	12,164,519	5,946,168	6,218,351
Regulation	546,654	376,121	340,221	35,900
Outreach	1,375,827	1,387,313	1,343,087	44,226
District Management and Administration	21,183,903	19,458,015	18,320,715	1,137,300
Total Administrative Services & Executive Offices	50,859,375	37,152,563	29,395,111	7,757,452
Big Cypress Basin				
Land Acquisition, Restoration and Public Works	43,867	23,867	-	23,867
Operation and Maintenance of Lands and Works	24,955	18,517	830	17,687
Total Big Cypress Basin	68,822	42,384	830	41,554
Ecosystem Restoration & Capital Projects				
Water Resources Planning and Monitoring	5,003,633	5,827,466	5,647,885	179,581
Land Acquisition, Restoration and Public Works	8,044,710	8,460,329	6,656,084	1,804,245
Operation and Maintenance of Lands and Works	1,865,816	4,032,745	2,526,509	1,506,236
Regulation	52,899	44,003	40,305	3,698
District Management and Administration	327,074	557,658	535,520	22,138
Total Ecosystem Restoration & Capital Projects	15,294,132	18,922,201	15,406,303	3,515,898
Field Operations				
Water Resources Planning and Monitoring	169,222	169,222	179,412	(10,190)
Land Acquisition, Restoration and Public Works	364	364	15,800	(15,436)
Operation and Maintenance of Lands and Works	3,697,116	4,603,933	3,389,619	1,214,314
Regulation	599,425	503,235	408,526	94,709
District Management and Administration	45,498	12,469	3,228	9,241
Total Field Operations	4,511,625	5,289,223	3,996,585	1,292,638

South Florida Water Management District
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Unaudited)
For the Fiscal Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Information Technology				
Water Resources Planning and Monitoring	4,093,266	5,594,332	5,299,855	294,477
Land Acquisition, Restoration and Public Works	1,755,838	1,631,723	1,668,361	(36,638)
Operation and Maintenance of Lands and Works	11,393,531	11,451,557	11,605,603	(154,046)
Regulation	3,431,216	2,453,595	2,404,147	49,448
District Management and Administration	10,355,435	12,417,641	10,758,491	1,659,150
Total Information Technology	<u>31,029,286</u>	<u>33,548,848</u>	<u>31,736,457</u>	<u>1,812,391</u>
Real Estate & Land Management				
Water Resources Planning and Monitoring	12,125	5,125	3,175	1,950
Land Acquisition, Restoration and Public Works	292,889	200,335	243,444	(43,109)
Operation and Maintenance of Lands and Works	9,349,087	6,422,876	4,392,329	2,030,547
District Management and Administration	11,022	11,022	1,295	9,727
Total Real Estate & Land Management	<u>9,665,123</u>	<u>6,639,358</u>	<u>4,640,243</u>	<u>1,999,115</u>
Regulation				
Water Resources Planning and Monitoring	12,073	16,200	11,154	5,046
Land Acquisition, Restoration and Public Works	-	-	24	(24)
Operation and Maintenance of Lands and Works	16,960	16,960	13,442	3,518
Regulation	15,935,212	14,603,549	14,316,293	287,256
District Management and Administration	-	23,400	(1)	23,401
Total Regulation	<u>15,964,245</u>	<u>14,660,109</u>	<u>14,340,912</u>	<u>319,197</u>
Water Resources				
Water Resources Planning and Monitoring	14,959,511	16,050,572	15,163,167	887,405
Land Acquisition, Restoration and Public Works	7,549,870	6,988,921	5,094,155	1,894,766
Operation and Maintenance of Lands and Works	369,290	74,054	130,782	(56,728)
District Management and Administration	99,438	99,438	109,359	(9,921)
Total Water Resources	<u>22,978,109</u>	<u>23,212,985</u>	<u>20,497,463</u>	<u>2,715,522</u>
Contingency				
Managerial Reserve	-	49,287	-	49,287
Managerial Reserve-Contingency	15,742,735	15,742,735	-	15,742,735
Total Contingency	<u>15,742,735</u>	<u>15,792,022</u>	<u>-</u>	<u>15,792,022</u>
Total Expenditures	<u>166,113,452</u>	<u>155,259,693</u>	<u>120,013,904</u>	<u>35,245,789</u>
Revenues in Excess of (Less than) Expenditures	<u>(17,554,731)</u>	<u>(6,700,972)</u>	<u>35,713,585</u>	<u>42,414,557</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	13,892,885	13,904,118	-	(13,904,118)
Transfers Out	(29,727,929)	(40,592,930)	(26,700,117)	13,892,813
Total Other Financing Sources (Uses)	<u>(15,835,044)</u>	<u>(26,688,812)</u>	<u>(26,700,117)</u>	<u>(11,305)</u>
Net Change in Fund Balance	<u>(33,389,775)</u>	<u>(33,389,784)</u>	<u>9,013,468</u>	<u>42,403,252</u>
Fund Balance at Beginning of Year	<u>25,252,002</u>	<u>25,252,002</u>	<u>25,252,002</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (8,137,773)</u>	<u>\$ (8,137,782)</u>	<u>\$ 34,265,470</u>	<u>\$ 42,403,252</u>

**South Florida Water Management District
Okeechobee Basin Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Unaudited)
For the Fiscal Year Ended September 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES				
Ad Valorem Property Taxes	\$ 135,998,480	\$ 135,998,480	\$ 137,324,109	\$ 1,325,629
Intergovernmental	4,981,194	4,981,194	4,865,552	(115,642)
Investment Earnings (Loss)	954,877	954,877	4,614,404	3,659,527
Licenses, Permits and Fees	90,000	90,000	1,220,336	1,130,336
Gain on Sale of District Property	250,000	250,000	446,799	196,799
Leases	128,594	128,594	146,609	18,015
Other	365,000	365,000	435,109	70,109
Total Revenues	142,768,145	142,768,145	149,052,918	6,284,773
EXPENDITURES				
Current				
Administrative Services & Executive Offices				
Water Resources Planning and Monitoring	234,913	50,757	-	50,757
Land Acquisition, Restoration and Public Works	779,938	259,423	65,226	194,197
Operation and Maintenance of Lands and Works	27,331,555	13,944,663	5,779,742	8,164,921
Regulation	101,600	42,600	-	42,600
Outreach	27,721	27,721	17,886	9,835
District Management and Administration	4,749,449	3,638,710	2,789,096	849,614
Total Administrative Services & Executive Offices	33,225,176	17,963,874	8,651,950	9,311,924
Big Cypress Basin				
Operation and Maintenance of Lands and Works	5,396	5,396	-	5,396
Outreach	-	-	(1)	1
Total Big Cypress Basin	5,396	5,396	(1)	5,397
Ecosystem Restoration & Capital Projects				
Water Resources Planning and Monitoring	1,819,834	1,990,200	1,662,043	328,157
Land Acquisition, Restoration and Public Works	7,271,508	10,168,037	5,797,136	4,370,901
Operation and Maintenance of Lands and Works	13,139,831	18,936,235	12,258,601	6,677,634
Total Ecosystem Restoration & Capital Projects	22,231,173	31,094,472	19,717,780	11,376,692
Field Operations				
Water Resources Planning and Monitoring	48,942	49,042	87	48,955
Land Acquisition, Restoration and Public Works	1,444,206	866,896	785,335	81,561
Operation and Maintenance of Lands and Works	65,063,433	65,182,387	58,609,120	6,573,267
District Management and Administration	400	400	-	400
Total Field Operations	66,556,981	66,098,725	59,394,542	6,704,183

**South Florida Water Management District
Okeechobee Basin Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Unaudited)
For the Fiscal Year Ended September 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Information Technology				
Water Resources Planning and Monitoring	57,940	35,592	91,357	(55,765)
Land Acquisition, Restoration and Public Works	649,504	591,271	442,001	149,270
Operation and Maintenance of Lands and Works	6,375,604	7,427,549	6,029,667	1,397,882
Regulation	-	-	85,725	(85,725)
District Management and Administration	378,999	1,421,996	1,416,991	5,005
Total Information Technology	<u>7,462,047</u>	<u>9,476,408</u>	<u>8,065,741</u>	<u>1,410,667</u>
Real Estate & Land Management				
Water Resources Planning and Monitoring	36,307	36,307	217	36,090
Land Acquisition, Restoration and Public Works	911,505	874,240	650,612	223,628
Operation and Maintenance of Lands and Works	13,740,318	13,674,348	10,766,376	2,907,972
District Management and Administration	9,824	9,824	-	9,824
Total Real Estate & Land Management	<u>14,697,954</u>	<u>14,594,719</u>	<u>11,417,205</u>	<u>3,177,514</u>
Regulation				
Operation and Maintenance of Lands and Works	4,500	4,500	20,042	(15,542)
Regulation	-	101,001	56,477	44,524
Total Regulation	<u>4,500</u>	<u>105,501</u>	<u>76,519</u>	<u>28,982</u>
Water Resources				
Water Resources Planning and Monitoring	1,759,389	1,996,549	1,784,716	211,833
Land Acquisition, Restoration and Public Works	3,964,454	3,120,454	2,510,946	609,508
Operation and Maintenance of Lands and Works	16,886	16,886	3,429	13,457
Total Water Resources	<u>5,740,729</u>	<u>5,133,889</u>	<u>4,299,091</u>	<u>834,798</u>
Contingency				
Managerial Reserve-Contingency	<u>38,237,787</u>	<u>38,237,787</u>	-	<u>38,237,787</u>
Total Contingency	<u>38,237,787</u>	<u>38,237,787</u>	-	<u>38,237,787</u>
Total Expenditures	<u>188,161,743</u>	<u>182,710,771</u>	<u>111,622,827</u>	<u>71,087,944</u>
Revenues in Excess of (Less than) Expenditures	<u>(45,393,598)</u>	<u>(39,942,626)</u>	<u>37,430,091</u>	<u>77,372,717</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	8,698,206	9,294,862	-	(9,294,862)
Transfers Out	(14,604,699)	(20,652,327)	(11,357,465)	9,294,862
Total Other Financing Sources (Uses)	<u>(5,906,493)</u>	<u>(11,357,465)</u>	<u>(11,357,465)</u>	<u>-</u>
Net Change in Fund Balance	<u>(51,300,091)</u>	<u>(51,300,091)</u>	<u>26,072,626</u>	<u>77,372,717</u>
Fund Balance at Beginning of Year	<u>56,808,462</u>	<u>56,808,462</u>	<u>56,808,462</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5,508,371</u>	<u>\$ 5,508,371</u>	<u>\$ 82,881,088</u>	<u>\$ 77,372,717</u>

**South Florida Water Management District
Everglades Restoration Trust Special Revenue
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Unaudited)
For the Fiscal Year Ended September 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES				
Ad Valorem Property Taxes	\$ 43,344,545	\$ 43,344,545	\$ 43,787,254	\$ 442,709
Agricultural Privilege Taxes	10,770,511	10,770,511	10,772,213	1,702
Intergovernmental	-	-	73,278	73,278
Investment Earnings (Loss)	422,071	422,071	2,284,742	1,862,671
Gain on Sale of District Property	10,000	10,000	21,805	11,805
Other	-	-	27,359	27,359
Total Revenues	<u>54,547,127</u>	<u>54,547,127</u>	<u>56,966,651</u>	<u>2,419,524</u>
EXPENDITURES				
Current				
Administrative Services & Executive Offices				
Water Resources Planning and Monitoring	2,370,508	2,203,804	1,583,868	619,936
Land Acquisition, Restoration and Public Works	1,743,523	2,177,358	11,938	2,165,420
Operation and Maintenance of Lands and Works	1,457,776	1,897,078	77,518	1,819,560
Regulation	-	-	13,140	(13,140)
Total Administrative Services & Executive Offices	<u>5,571,807</u>	<u>6,278,240</u>	<u>1,686,464</u>	<u>4,591,776</u>
Ecosystem Restoration & Capital Projects				
Water Resources Planning and Monitoring	1,172,561	1,105,711	947,721	157,990
Land Acquisition, Restoration and Public Works	1,545,269	2,321,876	1,761,061	560,815
Operation and Maintenance of Lands and Works	<u>2,264,791</u>	<u>1,608,837</u>	<u>1,349,646</u>	<u>259,191</u>
Total Ecosystem Restoration & Capital Projects	<u>4,982,621</u>	<u>5,036,424</u>	<u>4,058,428</u>	<u>977,996</u>
Field Operations				
Water Resources Planning and Monitoring	844,781	547,796	431,758	116,038
Land Acquisition, Restoration and Public Works	84,675	907,137	847,135	60,002
Operation and Maintenance of Lands and Works	<u>17,248,198</u>	<u>17,951,476</u>	<u>16,527,563</u>	<u>1,423,913</u>
Total Field Operations	<u>18,177,654</u>	<u>19,406,409</u>	<u>17,806,456</u>	<u>1,599,953</u>

**South Florida Water Management District
Everglades Restoration Trust Special Revenue
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Unaudited)
For the Fiscal Year Ended September 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Information Technology				
Water Resources Planning and Monitoring	78,964	35,654	35,654	-
Land Acquisition, Restoration and Public Works	87,248	53,838	73,896	(20,058)
Operation and Maintenance of Lands and Works	1,054,742	806,089	549,672	256,417
Total Information Technology	<u>1,220,954</u>	<u>895,581</u>	<u>659,222</u>	<u>236,359</u>
Real Estate & Land Management				
Water Resources Planning and Monitoring	-	-	1,750	(1,750)
Land Acquisition, Restoration and Public Works	57,465	366,851	318,702	48,149
Operation and Maintenance of Lands and Works	5,595,326	5,982,952	5,106,402	876,550
Total Real Estate & Land Management	<u>5,652,791</u>	<u>6,349,803</u>	<u>5,426,854</u>	<u>922,949</u>
Land Acquisition, Restoration and Public Works	185,043	95,043	-	95,043
Water Resources				
Water Resources Planning and Monitoring	2,800,260	3,236,917	3,193,070	43,847
Land Acquisition, Restoration and Public Works	3,594,300	3,092,923	2,878,362	214,561
Operation and Maintenance of Lands and Works	2,614,445	1,947,614	1,851,996	95,618
Total Water Resources	<u>9,009,005</u>	<u>8,277,454</u>	<u>7,923,428</u>	<u>354,026</u>
Contingency				
Managerial Reserve-Contingency	3,000,000	3,000,000	-	3,000,000
Total Contingency	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>
Total Expenditures	<u>47,799,875</u>	<u>49,338,954</u>	<u>37,560,852</u>	<u>11,778,102</u>
Revenues in Excess of (Less than) Expenditures	<u>6,747,252</u>	<u>5,208,173</u>	<u>19,405,799</u>	<u>14,197,626</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,433,697	2,972,774	700,613	(2,272,161)
Transfers Out	(18,549,322)	(18,549,322)	(16,277,161)	2,272,161
Total Other Financing Sources (Uses)	<u>(17,115,625)</u>	<u>(15,576,548)</u>	<u>(15,576,548)</u>	<u>-</u>
Net Change in Fund Balance	<u>(10,368,373)</u>	<u>(10,368,375)</u>	<u>3,829,251</u>	<u>14,197,626</u>
Fund Balance at Beginning of Year	5,845,557	5,845,557	5,845,557	-
Fund Balance at End of Year	<u>\$ (4,522,816)</u>	<u>\$ (4,522,818)</u>	<u>\$ 9,674,808</u>	<u>\$ 14,197,626</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN
SEPTEMBER 30, 2024**

LAST TEN FISCAL YEARS (UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the FRS net pension liability	0.2096%	0.2093%	0.2207%	0.2255%	0.2044%	0.2057%	0.2068%	0.2502%	0.2320%	0.2500%
District's proportionate share of the FRS net pension liability	\$ 81,085,710	\$ 83,402,700	\$ 82,118,645	\$ 17,035,110	\$ 88,595,158	\$ 70,829,068	\$ 62,276,637	\$ 62,295,154	\$ 58,584,976	\$ 32,288,072
District's covered payroll	\$ 118,904,580	\$ 108,992,585	\$ 101,671,305	\$ 104,594,097	\$ 98,080,192	\$ 97,591,783	\$ 95,750,903	\$ 95,563,473	\$ 99,371,218	\$ 100,948,387
District's proportionate share of the FRS net pension liability as a percentage of covered payroll	68.19%	76.52%	80.77%	16.29%	90.33%	72.58%	65.04%	65.19%	58.96%	31.98%
FRS Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

1 Reflects restatement of beginning net position due to implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.

Note: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".
The Actuarial Assumptions for total pension liability calculation for 2019 as compared to 2020 had a change in the discount rate of 6.90% to 6.80% for the period. The inflation Rate also changed from 2.6% to 2.4% for the same period.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN
SEPTEMBER 30, 2024**

LAST TEN FISCAL YEARS (UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 11,869,256	\$ 10,069,071	\$ 9,417,729	\$ 8,591,155	\$ 6,791,704	\$ 6,377,181	\$ 5,892,442	\$ 5,480,651	\$ 5,658,153	\$ 6,094,687
FRS contributions in relation to the contractually required contribution	(11,869,256)	(10,069,071)	(9,417,729)	(8,591,155)	(6,791,704)	(6,377,181)	(5,892,442)	(5,480,651)	(5,658,153)	(6,094,687)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 121,193,479	\$ 110,316,873	\$ 102,495,461	\$ 101,661,500	\$ 97,648,033	\$ 98,567,606	\$ 95,693,050	\$ 95,988,338	\$ 98,786,721	\$ 103,723,669
FRS contributions as a percentage of covered payroll	9.79%	9.13%	9.19%	8.45%	6.96%	6.47%	6.16%	5.71%	5.73%	5.88%

Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions".

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN
SEPTEMBER 30, 2024**

LAST TEN FISCAL YEARS (UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the HIS net pension liability	0.2782%	0.2733%	0.2782%	0.2835%	0.2816%	0.2882%	0.2888%	0.2921%	0.3231%	0.3278%
District's proportionate share of the HIS net pension liability	\$ 41,737,396	\$ 43,402,103	\$ 29,463,122	\$ 34,776,217	\$ 34,385,083	\$ 32,243,305	\$ 30,564,147	\$ 31,235,313	\$ 37,656,022	\$ 33,431,413
District's covered payroll	\$ 118,904,580	\$ 108,992,585	\$ 101,671,305	\$ 104,594,097	\$ 98,080,192	\$ 97,591,783	\$ 95,750,903	\$ 95,563,473	\$ 99,371,218	\$ 100,948,387
District's proportionate share of the HIS net pension liability as a percentage of its covered payroll	35.10%	39.82%	28.98%	33.25%	35.06%	33.04%	31.92%	32.69%	37.89%	33.12%
HIS Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.81%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

Note: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" for pensions.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN
SEPTEMBER 30, 2024**

LAST TEN FISCAL YEARS (UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required HIS contribution	\$ 2,355,587	\$ 1,797,750	\$ 1,683,190	\$ 1,666,448	\$ 1,622,832	\$ 1,600,178	\$ 1,566,028	\$ 1,546,008	\$ 1,656,096	\$ 1,253,092
HIS contributions in relation to the contractually required contribution	(2,355,587)	(1,797,750)	(1,683,190)	(1,666,448)	(1,622,832)	(1,600,178)	(1,566,028)	(1,546,008)	(1,656,096)	(1,253,092)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 121,193,479	\$ 110,316,873	\$ 102,495,461	\$ 101,661,500	\$ 97,648,033	\$ 98,567,606	\$ 95,693,050	\$ 95,988,338	\$ 98,786,721	\$ 103,723,669
HIS contributions as a percentage of covered payroll	1.94%	1.63%	1.64%	1.64%	1.66%	1.62%	1.64%	1.61%	1.68%	1.21%

Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68."Accounting and Financial Reporting for Pensions"

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL
OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2024**

LAST TEN FISCAL YEARS (UNAUDITED)

Reporting Period Ending September 30, Measurement Year Ending September 30,	2024 2023	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018	2018 2017
Service cost	\$ 761,092	\$ 1,337,968	\$ 1,355,976	\$ 1,325,195	\$ 996,491	\$ 986,032	\$ 1,058,734
Interest on the total OPEB liability	1,552,591	1,047,069	1,186,738	1,339,151	1,653,335	1,547,593	1,444,508
Differences between expected and actual experience	(2,119,429)	-	(1,556,179)	-	(745,629)	-	-
Changes of assumptions and other inputs	5,008,438	(12,903,787)	(1,009,179)	(819,461)	4,607,558	(2,292,458)	(2,971,197)
Benefit payments	(1,479,708)	(1,379,489)	(1,400,922)	(1,258,720)	(1,365,479)	(1,235,608)	(2,443,256)
Net change in total OPEB liability	3,722,984	(11,898,239)	(1,423,566)	586,165	\$ 5,891,905	\$ (994,441)	\$ (2,911,211)
Total OPEB liability - beginning	35,264,911	47,163,150	48,586,716	48,000,551	42,854,275	43,848,716	46,759,927
Total OPEB liability - ending	\$ 38,987,895	\$ 35,264,911	\$ 47,163,150	\$ 48,586,716	\$ 48,746,180	\$ 42,854,275	\$ 43,848,716
District's Covered-Employee Payroll	\$ 110,316,873	\$ 102,495,461	\$ 96,352,526	\$ 98,750,676	\$ 91,869,068	\$ 95,693,050	\$ 89,572,472
Total OPEB liability as a percentage of Covered-Employee Payroll	35.34%	34.41%	48.95%	49.20%	52.25%	44.78%	48.95%

Note: The amounts presented for each fiscal year were determined using a measurement year ending September 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 75 "Accounting and Financial Reporting for Post Employment Benefits Other Than pensions" which the District implemented for fiscal year ended September 30, 2018. As a result, this schedule will present 10 years information as available.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024
(Unaudited)

BUDGETARY INFORMATION

- Annual budgets are legally adopted for all funds and are adopted on a basis consistent with accounting principles generally accepted in the United States. The adopted budget represents a fiscal year financial plan that details Governing Board approved revenues and expenditures. The District's level of budgetary control, defined as the lowest level at which management may not reallocate resources without approval of the Governing Board, is at the program level within a fund and division. There are six programs: Water Resources Planning and Monitoring; Land Acquisition, Restoration and Public Works; Operation and Maintenance of Lands and Works; Regulation; Outreach; and District Management and Administration. The District is organized by nine main divisions: Administrative Services and Executive Offices; Big Cypress Basin, Ecosystem Restoration, Engineering, Construction and Modeling, Field Operations, Information Technology, Real Estate and Land Management, Regulation, and Water Resources.
- The accompanying budgetary data represent the original and the final amended budgets as approved by the Governing Board. During fiscal year 2024, there were no budget amendments processed. As part of the adoption of the original District budget, the Governing Board authorized resolution provides for the transfer of funds from and to the General Fund and/or Special Revenue Funds to and from the corresponding Capital Projects Fund to cover additional expenditures which are recorded to the corresponding fund types. These transfers are processed throughout the fiscal year, and while there is no impact to the overall District budget total, individual funds will realize increases or decreases in budget in comparison to the amount originally adopted.
- As a result of the aforementioned inter-fund transfers processed during fiscal year 2024, General Fund realized decreases in budgeted expenditures of \$6.4 million, the Okeechobee Basin Special Revenue Fund realized increases in budgeted expenditures of \$1.0 million, the Everglades Restoration Trust Special Revenue Fund realized increases in budgeted expenditures of \$1.2 million, Okeechobee Basin Capital Project Fund realized decreases in budgeted expenditures of \$1.0 million, State Appropriations Capital Projects Fund realized decreases in budgeted expenditures of \$0.1 million, Everglades Restoration Trust Capital Projects Fund realized decreases in budgeted expenditures of \$1.2 million, and Land Acquisition Trust Capital Projects Fund realized decreases in budgeted expenditures of \$20.0 million. None of the reported funds had expenditures for the fiscal year in excess of the final budgetary appropriation.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024
(Unaudited)

OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

- No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension" to pay related benefits. Assets are currently accumulated within the Self Insurance Fund Reserve Account for all participants. All approved benefits are paid from such account when due.
- Trends in the amounts reported could be significantly affected by assumptions and methods made relative to various occurrences, such as rates of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment, and retirement rates.
- Changes in assumptions and other inputs include the change in the discount rate from 4.40 percent as of the beginning of the measurement period to 4.63 percent as of the end of the measurement period of September 30, 2023. This change is reflected in the Schedule of Changes in Total OPEB Liability. Assumed ultimate rate of inflation remained at 2.50 percent. Long-term trend rates of healthcare cost increases were increased from 3.75% to 4.00% during the current measurement period. This change increased the Total OPEB Liability for the year.
- There were no benefit changes during the year.
- The medical claims cost and premiums were based on actual claims experience and premium information provided for this valuation. This change decreased the Total OPEB Liability.
- Retirees do not receive an employer subsidy. Effective July 2, 2012, the District eliminated the retiree premium subsidy. Retirees do not receive an employer contribution. Effective January 1, 2018, the District eliminated the employer premium contribution. Retirees are solely responsible for the full premium payment. Any rate increase or decrease is entirely absorbed by the retiree.
- District uses covered-employee payroll for its OPEB single employer defined benefit non-trusted OPEB Plan reporting. GASB Statement 75 defined Covered-employee payroll as the payroll of employees that are provided with OPEB through the OPEB Plan, including employees terminating during the measurement period.
- There have been no significant changes or premium rate change in any health benefits or life insurance benefits since September 30, 2021 through September 30, 2024.



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FINANCIAL SECTION

SUPPLEMENTARY INFORMATION

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are maintained to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Big Cypress Basin Fund

Accounts for the normal operating expenditures of the Big Cypress Basin, an area covering all or part of two counties in Southwest Florida. Funding is provided by an ad valorem tax levy and interest earnings.

Save Our Rivers Fund

Accounts for revenues provided by: 1) a portion of documentary stamp tax revenues appropriated and allocated in the District's name and deposited in the Florida Water Management Lands Trust Fund administered by the State of Florida, 2) regulatory fines, and 3) interest earnings used to fund expenditures incurred towards the management and restoration of environmentally sensitive water resource lands within the District. This fund also accounts for the principal and interest payments on special obligation land acquisition bonds.

State Appropriations Fund

Accounts for revenue collected and operating expenditures for various projects utilizing state sources. Among the funding sources are the Ecosystem Management and Restoration Trust Fund, the Water Protection and Sustainability Trust Fund, and various state agencies.

Invasive Aquatic Plant Control Fund

Accounts for revenues provided by the Florida Fish and Wildlife Conservation Commission towards expenditures incurred for aquatic plant control throughout the District, including the Kissimmee River and Upper Chain of Lakes.

Upland Invasive Plant Control Fund

Accounts for revenues provided by the Florida Fish and Wildlife Conservation Commission which fund expenditures incurred in order to control the spread of melaleuca trees in environmentally sensitive areas.

Wetland Mitigation Fund

Accounts for revenues provided by private and other governmental contributions as part of the required permit to fund expenditures incurred to create new wetlands or improve alternative existing wetlands due to the destruction of designated wetlands. Revenues are also provided by interest earnings on unspent fund balances.

Indian River Lagoon Restoration Fund

Accounts for revenues provided by sales of Indian River Lagoon license plates, used in funding expenditures incurred for the purpose of enhancing the environmental and scenic value of surface waters in the Indian River Lagoon.

Federal Land Management Fund

Accounts for grant revenues received from the federal government in support of expenditures relating to the management and maintenance of environmentally sensitive lands.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Nonmajor Governmental Funds

Special Revenue Funds (continued)

External Grants Fund

Accounts for revenues and expenditures related to grants that are received and used primarily for monitoring, restoration, and maintenance efforts. This separate fund facilitates the detailed tracking of expenditures and/or cost share contributions.

Lake Belt Mitigation Fund

Accounts for revenues received pursuant to Chapter 373.41492 Florida Statutes, which requires mitigation from impacts resulting from rock mining in the Lake Belt area of Miami-Dade County, and related expenditures incurred towards the environmentally sensitive lands.

Everglades License Plate Fund

Accounts for proceeds derived from Everglades license plate sales, which are used to fund expenditures incurred towards the conservation and protection of the natural resources and abatement of water pollution in the Everglades.

Lake Okeechobee Fund

Accounts for revenues provided by the State of Florida through the Department of Environmental Protection towards restoration projects associated with Lake Okeechobee.

Save Our Everglades Fund

Accounts for revenues and operating expenditures for the Comprehensive Everglades Restoration Plan (CERP) and the Northern Everglades Estuary Protection Program (NEEPP) which are funded from the State's Save Our Everglades Trust Fund.

Land Acquisition Trust Fund

Accounts for revenues and operating expenditures received from the Trust Fund of the same name. Funding is used for debt service, land management, and dispersed water management projects.

Federal Emergency Management Agency Fund

Accounts for revenues provided by the Department of Homeland Security to fund operating costs associated with noncapital project expenditures.

Florida Bay Fund

Accounts for operating expenditures associated with restoring a more natural quantity, distribution, and timing of water flows to Florida Bay.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Nonmajor Governmental Funds

Capital Projects Funds

Capital Projects Funds are maintained to account for financial resources to be used for the purchase of real property and the acquisition or construction of major capital facilities.

District Fund

Accounts for capital expenditures on projects associated with District-wide functions. Revenue is provided through operating transfers from the General Fund.

Okeechobee Basin

Accounts for capital expenditures incurred towards projects benefiting the Okeechobee Basin. Revenue is provided through operating transfers from the Okeechobee Basin Special Revenue Fund.

Big Cypress Basin Fund

Accounts for capital expenditures incurred towards projects benefiting the Big Cypress Basin. Revenue is provided through operating transfers from the Big Cypress Basin Special Revenue Fund.

Save Our Rivers Fund

Accounts for revenues received from annual allocations through the State's Florida Forever Trust Fund, and related expenditures incurred for the purchase of environmentally sensitive lands.

State Appropriations Fund

Accounts for capital expenditures incurred towards various projects utilizing state sources. Revenue is provided through operating transfers from the State Appropriations Special Revenue Fund.

External Grants Fund

Accounts for revenues and expenditures related to grants that are received and used primarily for monitoring, restoration, and maintenance efforts. Revenue is provided through operating transfers from the External Grants Special Revenue Fund.

Federal Emergency Management Agency Fund

Accounts for revenues provided by the Department of Homeland Security to fund related capital project expenditures.

Florida Bay Fund

Accounts for capital expenditures associated with restoring a more natural quantity, distribution, and timing of water flows to Florida Bay.

Wetland Mitigation Fund

Accounts for revenues provided by private and other governmental contributions as part of the required permit to fund capital expenditures incurred to create new wetlands or improve alternative existing wetlands due to the destruction of designated wetlands. Revenues are also provided by interest earnings on unspent fund balances.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Nonmajor Governmental Funds

Capital Projects Funds (continued)

Comprehensive Everglades Restoration Plan (CERP) Fund

Accounts for capital expenditures associated with projects included in the Central and Southern Florida (C&SF) Restudy and which form the basis of the CERP. These projects are designed to increase the availability of water supplies for consumptive use or cost share with the federal government on regional projects intended to mitigate consequences that are an outgrowth of the original C&SF Flood Control Project. Funding is provided by transfers from the General Fund and Okeechobee Basin Special Revenue Fund.

Federal Land Acquisition Fund

Accounts for grant revenues received from the federal government in support of expenditures relating to the purchase of environmentally sensitive lands.

Save Our Everglades Trust Fund

Accounts for revenues and capital expenditures for the Kissimmee River Restoration and Restoration Strategies projects including CERP/Northern Everglades projects. Funding is received from Trust Fund of the same name.

Comprehensive Everglades Restoration Plan (CERP) – Other Creditable Funds Fund

Accounts for revenues received from and expenditures funded through various sources for the Comprehensive Everglades Restoration Plan, excluding revenues and expenditures from federal sources, district ad-valorem property tax sources, and the state's Save Our Everglades Trust Fund.

COPS Everglades Forever Fund

Accounts for capital expenditures to support the construction of projects in the Everglades/Long Term Plan Implementation program with resources from issuance of Certificates of Participation.

COPS – Comprehensive Everglades Restoration Plan (CERP) Fund

Accounts for revenues from Certificates of Participation issued to support the accelerated construction of projects in the Comprehensive Everglades Restoration Plan.

Lake Belt Mitigation Fund

Accounts for revenues received pursuant to Chapter 373.41492, Florida Statutes, which requires mitigation from impacts resulting from rock mining in the Lake Belt area of Miami-Dade County, and related capital expenditures incurred towards the acquisition, restoration and management of environmentally sensitive lands.

Permanent Fund

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the District's programs.

Wetland Mitigation Fund

Accounts for the long-term maintenance portion of fees collected from private businesses and other governmental agencies as a condition for issuing wetlands mitigation permits. Interest earned on these fees is used to pay for the costs associated with long-term maintenance of lands purchased pursuant to the District's wetlands mitigation program.

**South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024**

	Special Revenue Funds			
	Big Cypress Basin	Save Our Rivers	State Appropriations	Invasive Aquatic Plant Control
ASSETS				
Cash and Investments	\$ 15,452,722	\$ 7,410,008	\$ -	\$ 18,536
Cash Held by Trustee	-	-	-	-
Accounts Receivable	10,777	1,137,687	-	-
Lease Receivable	-	-	-	-
Due from Other Governments	-	3,000	6,100,461	33,945
Due from Other Funds	-	-	-	-
Inventory	449,387	22,464	-	-
Prepaid Items	-	-	-	-
Other Assets	-	-	-	-
Total Assets	\$ 15,912,886	\$ 8,573,159	\$ 6,100,461	\$ 52,481
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ 1,811,526	\$ 751,011	\$ 989,629	\$ 13,869
Due to Other Funds	8,864	-	2,092,080	-
Unearned Revenue	-	194,712	-	-
Total Liabilities	1,820,390	945,723	3,081,709	13,869
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	2,280,662	-
Deferred Inflows from Leases	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	1,820,390	945,723	5,362,371	13,869
FUND BALANCES (DEFICITS)				
Nonspendable	449,387	22,464	-	-
Restricted	13,297,403	7,473,163	738,090	38,612
Assigned	-	-	-	-
Unassigned (Deficits)	345,706	131,809	-	-
Total Fund Balances (Deficits)	14,092,496	7,627,436	738,090	38,612
Total Liabilities, Deferred Inflows of Resources & Fund Balances (Deficits)	\$ 15,912,886	\$ 8,573,159	\$ 6,100,461	\$ 52,481

South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue Funds			
	Upland Invasive Plant Control	Wetland Mitigation	Indian River Lagoon Restoration	Federal Land Management
ASSETS				
Cash and Investments	\$ -	\$ 15,340,669	\$ 310,590	\$ 4,542,949
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	14,892	218	-
Lease Receivable	-	-	-	-
Due from Other Governments	-	3,600	-	-
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Prepaid Items	-	-	-	-
Other Assets	-	-	-	-
Total Assets	\$ -	\$ 15,359,161	\$ 310,808	\$ 4,542,949
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ -	\$ 95,204	\$ -	\$ 125,786
Due to Other Funds	14,398	-	-	-
Unearned Revenue	-	-	-	103,539
Total Liabilities	14,398	95,204	-	229,325
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	3,600	-	-
Deferred Inflows from Leases	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	14,398	98,804	-	229,325
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	14,793,390	303,367	4,313,624
Assigned	-	-	-	-
Unassigned (Deficits)	(14,398)	466,967	7,441	-
Total Fund Balances (Deficits)	(14,398)	15,260,357	310,808	4,313,624
Total Liabilities, Deferred Inflows of Resources & Fund Balances (Deficits)	\$ -	\$ 15,359,161	\$ 310,808	\$ 4,542,949

**South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024**

	Special Revenue Funds			
	External Grants	Lake Belt Mitigation	Everglades License Plate	Lake Okeechobee
ASSETS				
Cash and Investments	\$ -	\$ 11,342,261	\$ 605,285	\$ 1,527
Cash Held by Trustee	-	-	-	-
Accounts Receivable	184	12,284	422	-
Lease Receivable	-	-	-	-
Due from Other Governments	12,301,836	-	-	-
Due from Other Funds	-	-	-	-
Inventory	3,375	-	-	-
Prepaid Items	-	-	-	-
Other Assets	-	2,980,431	-	-
Total Assets	\$ 12,305,395	\$ 14,334,976	\$ 605,707	\$ 1,527
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ 2,959,136	\$ -	\$ 50,000	\$ -
Due to Other Funds	12,452,264	1,089	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	15,411,400	1,089	50,000	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	11,820,432	-	-	-
Deferred Inflows from Leases	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	27,231,832	1,089	50,000	-
FUND BALANCES (DEFICITS)				
Nonspendable	3,375	-	-	-
Restricted	-	13,974,685	543,623	1,527
Assigned	-	-	-	-
Unassigned (Deficits)	(14,929,812)	359,202	12,084	-
Total Fund Balances (Deficits)	(14,926,437)	14,333,887	555,707	1,527
Total Liabilities, Deferred Inflows of Resources & Fund Balances (Deficits)	\$ 12,305,395	\$ 14,334,976	\$ 605,707	\$ 1,527

South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue Funds			
	Save Our Everglades	Land Acquisition Trust	Federal Emergency Management Agency	Florida Bay
ASSETS				
Cash and Investments	\$ 4,816,421	\$ -	\$ 4,000	\$ 6,362
Cash Held by Trustee	-	-	-	-
Accounts Receivable	151,202	10,000	-	51
Lease Receivable	-	-	-	-
Due from Other Governments	-	20,235,358	-	-
Due from Other Funds	-	-	-	65,922
Inventory	-	54,187	-	-
Prepaid Items	-	-	-	-
Other Assets	-	-	-	-
Total Assets	<u><u>\$ 4,967,623</u></u>	<u><u>\$ 20,299,545</u></u>	<u><u>\$ 4,000</u></u>	<u><u>\$ 72,335</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ 329,270	\$ 6,181,705	\$ -	\$ -
Due to Other Funds	-	7,659,536	-	-
Unearned Revenue	593,525	5,000	-	-
Total Liabilities	<u>922,795</u>	<u>13,846,241</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	18,854,799	-	-
Deferred Inflows from Leases	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>922,795</u>	<u>32,701,040</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	54,187	-	-
Restricted	4,044,828	879,314	4,000	69,550
Assigned	-	-	-	-
Unassigned (Deficits)	-	(13,334,996)	-	2,785
Total Fund Balances (Deficits)	<u>4,044,828</u>	<u>(12,401,495)</u>	<u>4,000</u>	<u>72,335</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances (Deficits)	<u><u>\$ 4,967,623</u></u>	<u><u>\$ 20,299,545</u></u>	<u><u>\$ 4,000</u></u>	<u><u>\$ 72,335</u></u>

**South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024**

	Capital Projects Funds			
	District	Okeechobee Basin	Big Cypress Basin	Save Our Rivers
ASSETS				
Cash and Investments	\$ 3,333,748	\$ 17,676,231	\$ 10,868,122	\$ 5,059,324
Cash Held by Trustee	10,589,831	355,972	-	-
Accounts Receivable	2,572	41,801	5,018	3,141
Lease Receivable	-	35,556	-	2,490,547
Due from Other Governments	-	-	-	-
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Prepaid Items	-	192,180	-	-
Other Assets	-	375	-	-
Total Assets	<u>\$ 13,926,151</u>	<u>\$ 18,302,115</u>	<u>\$ 10,873,140</u>	<u>\$ 7,553,012</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ 2,660,889	\$ 4,445,443	\$ 31,466	\$ -
Due to Other Funds	2,655,596	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>5,316,485</u>	<u>4,445,443</u>	<u>31,466</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	6,915	-	198,315
Deferred Inflows from Leases	-	31,732	-	2,463,061
Total Liabilities & Deferred Inflows of Resources	<u>5,316,485</u>	<u>4,484,090</u>	<u>31,466</u>	<u>2,661,376</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	8,292,225	12,429,062	10,720,577	4,811,645
Assigned	-	-	-	-
Unassigned (Deficits)	317,441	1,388,963	121,097	79,991
Total Fund Balances (Deficits)	<u>8,609,666</u>	<u>13,818,025</u>	<u>10,841,674</u>	<u>4,891,636</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances (Deficits)	<u>\$ 13,926,151</u>	<u>\$ 18,302,115</u>	<u>\$ 10,873,140</u>	<u>\$ 7,553,012</u>

South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Capital Projects Funds			
	State Appropriations	External Grants	Federal Emergency Management Agency	Florida Bay
ASSETS				
Cash and Investments	\$ -	\$ -	\$ 195	\$ -
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	-	-	-
Lease Receivable	-	-	-	-
Due from Other Governments	2,557,587	-	-	-
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Prepaid Items	-	-	-	-
Other Assets	-	-	-	-
Total Assets	\$ 2,557,587	\$ -	\$ 195	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ 6,787,485	\$ -	\$ -	\$ -
Due to Other Funds	2,291,411	-	-	65,922
Unearned Revenue	-	-	-	-
Total Liabilities	9,078,896	-	-	65,922
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	517,848	-	-	-
Deferred Inflows from Leases	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	9,596,744	-	-	65,922
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	-	195	-
Assigned	-	-	-	-
Unassigned (Deficits)	(7,039,157)	-	-	(65,922)
Total Fund Balances (Deficits)	(7,039,157)	-	195	(65,922)
Total Liabilities, Deferred Inflows of Resources & Fund Balances (Deficits)	\$ 2,557,587	\$ -	\$ 195	\$ -

South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Capital Projects Funds			
	Wetland Mitigation	Comprehensive Everglades Restoration Plan (CERP)	Federal Land Acquisition	Save Our Everglades Trust
ASSETS				
Cash and Investments	\$ 3,849,929	\$ 202,444	\$ 5,281,017	\$ 6,082,127
Cash Held by Trustee	-	-	-	-
Accounts Receivable	2,914	-	1,398	18,974
Lease Receivable	-	-	2,546,468	32,107
Due from Other Governments	-	-	-	162,645
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Prepaid Items	-	-	-	-
Other Assets	-	-	-	-
Total Assets	<u><u>\$ 3,852,843</u></u>	<u><u>\$ 202,444</u></u>	<u><u>\$ 7,828,883</u></u>	<u><u>\$ 6,295,853</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ -	\$ 2	\$ -	\$ -
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	157,428
Deferred Inflows from Leases	-	-	2,346,491	32,296
Total Liabilities & Deferred Inflows of Resources	<u>-</u>	<u>2</u>	<u>2,346,491</u>	<u>189,724</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	3,752,699	1,557	5,438,113	6,048,947
Assigned	-	200,885	-	-
Unassigned (Deficits)	100,144	-	44,279	57,182
Total Fund Balances (Deficits)	<u>3,852,843</u>	<u>202,442</u>	<u>5,482,392</u>	<u>6,106,129</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances (Deficits)	<u><u>\$ 3,852,843</u></u>	<u><u>\$ 202,444</u></u>	<u><u>\$ 7,828,883</u></u>	<u><u>\$ 6,295,853</u></u>

South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Capital Projects Funds			
	Comprehensive Everglades Restoration Plan Other Creditable	COPS Everglades Forever	COPS Comprehensive Everglades Restoration	Lake Belt Mitigation
ASSETS				
Cash and Investments	\$ 14,721	\$ 314,093	\$ 6,252	\$ 23,260,776
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	-	-	12,874
Lease Receivable	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Prepaid Items	-	-	-	-
Other Assets	-	-	-	-
Total Assets	<u>\$ 14,721</u>	<u>\$ 314,093</u>	<u>\$ 6,252</u>	<u>\$ 23,273,650</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 3,746,210
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,746,210</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
Deferred Inflows from Leases	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,746,210</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	14,721	314,093	6,252	19,026,607
Assigned	-	-	-	-
Unassigned (Deficits)	-	-	-	500,833
Total Fund Balances (Deficits)	<u>14,721</u>	<u>314,093</u>	<u>6,252</u>	<u>19,527,440</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances (Deficits)	<u>\$ 14,721</u>	<u>\$ 314,093</u>	<u>\$ 6,252</u>	<u>\$ 23,273,650</u>

**South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024**

	<u>Permanent Fund</u>	
	Wetland Mitigation	Total Nonmajor Governmental Funds
ASSETS		
Cash and Investments	\$ 16,138,183	\$ 151,938,492
Cash Held by Trustee	-	10,945,803
Accounts Receivable	12,674	1,439,083
Lease Receivable	-	5,104,678
Due from Other Governments	-	41,398,432
Due from Other Funds	-	65,922
Inventory	-	529,413
Prepaid Items	-	192,180
Other Assets	-	2,980,806
Total Assets	<u>\$ 16,150,857</u>	<u>\$ 214,594,809</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES (DEFICITS)		
LIABILITIES		
Accounts Payable	\$ -	\$ 30,978,631
Due to Other Funds	-	27,241,160
Unearned Revenue	-	896,776
Total Liabilities	<u>-</u>	<u>59,116,567</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue	-	33,839,999
Deferred Inflows from Leases	-	4,873,580
Total Liabilities & Deferred Inflows of Resources	<u>-</u>	<u>97,830,146</u>
FUND BALANCES (DEFICITS)		
Nonspendable	16,150,857	16,680,270
Restricted	-	131,331,869
Assigned	-	200,885
Unassigned (Deficits)	-	(31,448,361)
Total Fund Balances (Deficits)	<u>16,150,857</u>	<u>116,764,663</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances (Deficits)	<u>\$ 16,150,857</u>	<u>\$ 214,594,809</u>

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2024

	Special Revenue Funds			
	Big Cypress Basin	Save Our Rivers	State Appropriations	Invasive Aquatic Plant Control
REVENUES				
Ad Valorem Property Taxes	\$ 13,016,582	\$ -	\$ -	\$ -
Intergovernmental	153	40,243	17,949,445	239,684
Investment Earnings (Loss)	695,765	261,806	-	-
Licenses, Permits and Fees	10,875	-	-	-
Gain on Sale of District Property	-	39,744	-	-
Leases	80,757	5,930,490	-	-
Lease-Real Property	-	-	-	-
Lease-Real Property State	-	-	-	-
Lease-Interest	-	-	-	-
Other	1,102	41,218	-	238
Total Revenues	13,805,234	6,313,501	17,949,445	239,922
EXPENDITURES				
Water Resources Planning and Monitoring	1,004,502	-	618,014	-
Land Acquisition, Restoration and Public Works	-	-	16,413,357	-
Operations and Maintenance of Lands and Works	5,584,526	2,919,965	1,254,562	220,409
Regulation	-	-	-	-
Outreach	46,520	-	-	-
District Management and Administration	218,829	-	-	-
Capital Outlay	-	39,745	-	-
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
Total Expenditures	6,854,377	2,959,710	18,285,933	220,409
Revenues in Excess of (Less than) Expenditures	6,950,857	3,353,791	(336,488)	19,513
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(3,783,314)	(60,000)	-	-
Finance Leases	-	-	-	-
Subscription IT arrangements	-	-	-	-
Total Other Financing Sources (Uses)	(3,783,314)	(60,000)	-	-
Net Change in Fund Balances (Deficits)	3,167,543	3,293,791	(336,488)	19,513
Fund Balances (Deficits) at Beginning of Year, as previously reported	10,924,953	4,333,645	1,074,578	19,099
Changes within financial reporting entity:				
Change from nonmajor fund to major fund	-	-	-	-
Fund Balances (Deficits) at Beginning of Year, as adjusted	10,924,953	4,333,645	1,074,578	19,099
Fund Balances (Deficits) at End of Year	\$ 14,092,496	\$ 7,627,436	\$ 738,090	\$ 38,612

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2024

	Special Revenue Funds			
	Upland Invasive Plant Control	Wetland Mitigation	Indian River Lagoon Restoration	Federal Land Management
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,647,784	2,752	64,169	-
Investment Earnings (Loss)	-	919,383	14,329	481,799
Licenses, Permits and Fees	-	903,188	-	-
Gain on Sale of District Property	-	-	-	-
Leases	-	-	-	-
Lease-Real Property	-	-	-	-
Lease-Real Property State	-	-	-	-
Lease-Interest	-	-	-	-
Other	-	122	-	-
Total Revenues	3,647,784	1,825,445	78,498	481,799
EXPENDITURES				
Water Resources Planning and Monitoring	-	124,329	100,020	-
Land Acquisition, Restoration and Public Works	-	-	-	-
Operations and Maintenance of Lands and Works	3,214,467	1,267,258	-	678,954
Regulation	-	-	-	-
Outreach	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
Total Expenditures	3,214,467	1,391,587	100,020	678,954
Revenues in Excess of (Less than) Expenditures	433,317	433,858	(21,522)	(197,155)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	56,301	-	652,147
Transfers Out	-	(60,000)	-	-
Finance Leases	-	-	-	-
Subscription IT arrangements	-	-	-	-
Total Other Financing Sources (Uses)	-	(3,699)	-	652,147
Net Change in Fund Balances (Deficits)	433,317	430,159	(21,522)	454,992
Fund Balances (Deficits) at Beginning of Year, as previously reported	(447,715)	14,830,198	332,330	3,858,632
Changes within financial reporting entity:				
Change from nonmajor fund to major fund	-	-	-	-
Fund Balances (Deficits) at Beginning of Year, as adjusted	(447,715)	14,830,198	332,330	3,858,632
Fund Balances (Deficits) at End of Year	<u>\$ (14,398)</u>	<u>\$ 15,260,357</u>	<u>\$ 310,808</u>	<u>\$ 4,313,624</u>

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2024

	Special Revenue Funds			
	External Grants	Lake Belt Mitigation	Everglades License Plate	Lake Okeechobee
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,705,744	-	240,722	-
Investment Earnings (Loss)	16,694	740,446	23,610	-
Licenses, Permits and Fees	-	2,152,451	-	-
Gain on Sale of District Property	-	-	1	-
Leases	-	-	-	-
Lease-Real Property	-	-	-	-
Lease-Real Property State	-	-	-	-
Lease-Interest	-	-	-	-
Other	109,166	-	2	-
Total Revenues	7,831,604	2,892,897	264,335	-
EXPENDITURES				
Water Resources Planning and Monitoring	1,428,137	-	16,945	-
Land Acquisition, Restoration and Public Works	4,241,574	-	172,000	-
Operations and Maintenance of Lands and Works	14,328,521	1,634,585	-	-
Regulation	-	-	-	-
Outreach	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	-	-	1	-
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
Total Expenditures	19,998,232	1,634,585	188,946	-
Revenues in Excess of (Less than) Expenditures	(12,166,628)	1,258,312	75,389	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	(4,984,789)	-	-
Finance Leases	-	-	-	-
Subscription IT arrangements	-	-	-	-
Total Other Financing Sources (Uses)	-	(4,984,789)	-	-
Net Change in Fund Balances (Deficits)	(12,166,628)	(3,726,477)	75,389	-
Fund Balances (Deficits) at Beginning of Year, as previously reported	(2,759,809)	18,060,364	480,318	1,527
Changes within financial reporting entity:				
Change from nonmajor fund to major fund	-	-	-	-
Fund Balances (Deficits) at Beginning of Year, as adjusted	(2,759,809)	18,060,364	480,318	1,527
Fund Balances (Deficits) at End of Year	<u>\$ (14,926,437)</u>	<u>\$ 14,333,887</u>	<u>\$ 555,707</u>	<u>\$ 1,527</u>

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2024

	Special Revenue Funds			
	Save Our Everglades	Land Acquisition Trust	Federal Emergency Management Agency	Florida Bay
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,534	44,648,856	-	-
Investment Earnings (Loss)	171,843	7,923	-	5,590
Licenses, Permits and Fees	-	-	-	-
Gain on Sale of District Property	-	-	-	-
Leases	986,330	5,000	-	-
Lease-Real Property	-	-	-	-
Lease-Real Property State	-	-	-	-
Lease-Interest	-	-	-	-
Other	564,171	1,040	-	-
Total Revenues	1,727,878	44,662,819	-	5,590
EXPENDITURES				
Water Resources Planning and Monitoring	-	245,714	-	120,319
Land Acquisition, Restoration and Public Works	5,534	39,869,454	-	-
Operations and Maintenance of Lands and Works	738,556	22,991,229	-	-
Regulation	-	-	-	-
Outreach	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
Total Expenditures	744,090	63,106,397	-	120,319
Revenues in Excess of (Less than) Expenditures	983,788	(18,443,578)	-	(114,729)
OTHER FINANCING SOURCES (USES)				
Transfers In	5,534	-	-	-
Transfers Out	-	-	-	-
Finance Leases	-	-	-	-
Subscription IT arrangements	-	-	-	-
Total Other Financing Sources (Uses)	5,534	-	-	-
Net Change in Fund Balances (Deficits)	989,322	(18,443,578)	-	(114,729)
Fund Balances (Deficits) at Beginning of Year, as previously reported	3,055,506	6,042,083	4,000	187,064
Changes within financial reporting entity:				
Change from nonmajor fund to major fund	-	-	-	-
Fund Balances (Deficits) at Beginning of Year, as adjusted	3,055,506	6,042,083	4,000	187,064
Fund Balances (Deficits) at End of Year	\$ 4,044,828	\$ (12,401,495)	\$ 4,000	\$ 72,335

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2024

	Capital Projects Funds			
	District	Okeechobee Basin	Big Cypress Basin	Save Our Rivers
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,688	-	5,200,000	-
Investment Earnings (Loss)	816,020	2,692,083	223,508	195,491
Licenses, Permits and Fees	-	-	-	-
Gain on Sale of District Property	12,681	6,720	92	-
Leases	-	6,847	-	198,157
Lease-Real Property	406,249	9,764	-	377,905
Lease-Real Property State	-	-	-	-
Lease-Interest	1,064	465	-	38,526
Other	12,680	6,965	91	-
Total Revenues	<u>1,256,382</u>	<u>2,722,844</u>	<u>5,423,691</u>	<u>810,079</u>
EXPENDITURES				
Water Resources Planning and Monitoring	-	-	-	-
Land Acquisition, Restoration and Public Works	-	-	-	-
Operations and Maintenance of Lands and Works	687,622	-	-	198,158
Regulation	351,675	-	-	-
Outreach	-	-	-	-
District Management and Administration	1,051	1,376	-	-
Capital Outlay	14,936,968	12,246,963	2,094,573	47,965
Debt Service				
COPS Bond Principal Retirement	7,024,134	-	-	-
COPS Bond Interest	6,366,336	-	-	-
Total Expenditures	<u>29,367,786</u>	<u>12,248,339</u>	<u>2,094,573</u>	<u>246,123</u>
Revenues in Excess of (Less than) Expenditures	<u>(28,111,404)</u>	<u>(9,525,495)</u>	<u>3,329,118</u>	<u>563,956</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	26,700,117	11,357,465	3,783,314	60,000
Transfers Out	-	-	-	-
Finance Leases	-	1,684,867	-	-
Subscription IT arrangements	1,569,445	216,597	-	-
Total Other Financing Sources (Uses)	<u>28,269,562</u>	<u>13,258,929</u>	<u>3,783,314</u>	<u>60,000</u>
Net Change in Fund Balances (Deficits)	158,158	3,733,434	7,112,432	623,956
Fund Balances (Deficits) at Beginning of Year, as previously reported	8,451,508	10,084,591	3,729,242	4,267,680
Changes within financial reporting entity:				
Change from nonmajor fund to major fund	-	-	-	-
Fund Balances (Deficits) at Beginning of Year, as adjusted	<u>8,451,508</u>	<u>10,084,591</u>	<u>3,729,242</u>	<u>4,267,680</u>
Fund Balances (Deficits) at End of Year	<u>\$ 8,609,666</u>	<u>\$ 13,818,025</u>	<u>\$ 10,841,674</u>	<u>\$ 4,891,636</u>

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2024

	Capital Projects Funds			
	State Appropriations	Formerly Nonmajor Fund External Grants	Federal Emergency Management Agency	Florida Bay
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	19,028,473	-	-	-
Investment Earnings (Loss)	-	-	-	-
Licenses, Permits and Fees	-	-	-	-
Gain on Sale of District Property	-	-	-	3,035
Leases	-	-	-	-
Lease-Real Property	-	-	-	-
Lease-Real Property State	-	-	-	-
Lease-Interest	-	-	-	-
Other	-	-	-	3,035
Total Revenues	19,028,473	-	-	6,070
EXPENDITURES				
Water Resources Planning and Monitoring	-	-	-	-
Land Acquisition, Restoration and Public Works	-	-	-	-
Operations and Maintenance of Lands and Works	-	-	-	-
Regulation	-	-	-	-
Outreach	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	17,762,587	-	-	26,506
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
Total Expenditures	17,762,587	-	-	26,506
Revenues in Excess of (Less than) Expenditures	1,265,886	-	-	(20,436)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Finance Leases	-	-	-	-
Subscription IT arrangements	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances (Deficits)	1,265,886	-	-	(20,436)
Fund Balances (Deficits) at Beginning of Year, as previously reported	(8,305,043)	498,319	195	(45,486)
Changes within financial reporting entity:				
Change from nonmajor fund to major fund	-	(498,319)	-	-
Fund Balances (Deficits) at Beginning of Year, as adjusted	(8,305,043)	-	195	(45,486)
Fund Balances (Deficits) at End of Year	\$ (7,039,157)	\$ -	\$ 195	\$ (65,922)

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2024

	Capital Projects Funds			
	Wetland Mitigation	COPS Comprehensive Restoration Plan (CERP)	Federal Land Acquisition	Save Our Everglades Trust
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	1,848,397
Investment Earnings (Loss)	200,743	-	84,422	523,849
Licenses, Permits and Fees	-	-	-	-
Gain on Sale of District Property	-	1,645	-	-
Leases	-	-	-	4,583
Lease-Real Property	-	-	938,596	-
Lease-Real Property State	-	-	-	7,510
Lease-Interest	-	-	21,556	4
Other	-	1,645	-	-
Total Revenues	200,743	3,290	1,044,574	2,384,343
EXPENDITURES				
Water Resources Planning and Monitoring	-	-	-	-
Land Acquisition, Restoration and Public Works	-	-	-	-
Operations and Maintenance of Lands and Works	-	-	-	-
Regulation	-	-	-	-
Outreach	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	709,500	74,637	-	167,695
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
Total Expenditures	709,500	74,637	-	167,695
Revenues in Excess of (Less than) Expenditures	(508,757)	(71,347)	1,044,574	2,216,648
OTHER FINANCING SOURCES (USES)				
Transfers In	60,000	-	-	-
Transfers Out	(20,000)	-	(652,147)	(5,534)
Finance Leases	-	-	-	-
Subscription IT arrangements	-	-	-	-
Total Other Financing Sources (Uses)	40,000	-	(652,147)	(5,534)
Net Change in Fund Balances (Deficits)	(468,757)	(71,347)	392,427	2,211,114
Fund Balances (Deficits) at Beginning of Year, as previously reported	4,321,600	273,789	5,089,965	3,895,015
Changes within financial reporting entity:				
Change from nonmajor fund to major fund	-	-	-	-
Fund Balances (Deficits) at Beginning of Year, as adjusted	4,321,600	273,789	5,089,965	3,895,015
Fund Balances (Deficits) at End of Year	\$ 3,852,843	\$ 202,442	\$ 5,482,392	\$ 6,106,129

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2024

	Capital Projects Funds			
	Comprehensive Everglades Restoration Plan Other Creditable	COPS Everglades Forever	COPS Comprehensive Everglades Restoration	Lake Belt Mitigation
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Investment Earnings (Loss)	-	-	-	955,381
Licenses, Permits and Fees	-	-	-	-
Gain on Sale of District Property	-	1,939	5,722	-
Leases	-	-	-	-
Lease-Real Property	-	-	-	-
Lease-Real Property State	-	-	-	-
Lease-Interest	-	-	-	-
Other	-	1,938	5,722	-
Total Revenues	-	3,877	11,444	955,381
EXPENDITURES				
Water Resources Planning and Monitoring	-	-	-	-
Land Acquisition, Restoration and Public Works	-	-	-	-
Operations and Maintenance of Lands and Works	-	-	-	-
Regulation	-	-	-	-
Outreach	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	10,950	1,938	5,722	9,198,162
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	336,784	-	-
Total Expenditures	10,950	338,722	5,722	9,198,162
Revenues in Excess of (Less than) Expenditures	(10,950)	(334,845)	5,722	(8,242,781)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	4,919,608
Transfers Out	-	-	-	-
Finance Leases	-	-	-	-
Subscription IT arrangements	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	4,919,608
Net Change in Fund Balances (Deficits)	(10,950)	(334,845)	5,722	(3,323,173)
Fund Balances (Deficits) at Beginning of Year, as previously reported	25,671	648,938	530	22,850,613
Changes within financial reporting entity:				
Change from nonmajor fund to major fund	-	-	-	-
Fund Balances (Deficits) at Beginning of Year, as adjusted	25,671	648,938	530	22,850,613
Fund Balances (Deficits) at End of Year	\$ 14,721	\$ 314,093	\$ 6,252	\$ 19,527,440

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2024

	<u>Permanent Fund</u>	
	Wetland Mitigation	Total Nonmajor Governmental Funds
REVENUES		
Ad Valorem Property Taxes	\$ -	\$ 13,016,582
Intergovernmental	-	100,629,644
Investment Earnings (Loss)	789,931	9,820,616
Licenses, Permits and Fees	-	3,066,514
Gain on Sale of District Property	-	71,579
Leases	-	7,212,164
Lease-Real Property	-	1,732,514
Lease-Real Property State	-	7,510
Lease-Interest	-	61,615
Other	-	749,135
	<u>789,931</u>	<u>136,367,873</u>
Total Revenues		
EXPENDITURES		
Water Resources Planning and Monitoring	-	3,657,980
Land Acquisition, Restoration and Public Works	-	60,701,919
Operations and Maintenance of Lands and Works	-	55,718,812
Regulation	-	351,675
Outreach	-	46,520
District Management and Administration	-	221,256
Capital Outlay	-	57,323,912
Debt Service		
COPS Bond Principal Retirement	-	7,024,134
COPS Bond Interest	-	6,703,120
	<u>-</u>	<u>191,749,328</u>
Total Expenditures		
Revenues in Excess of (Less than) Expenditures	<u>789,931</u>	<u>(55,381,455)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	28,880	47,623,366
Transfers Out	-	(9,565,784)
Finance Leases	-	1,684,867
Subscription IT arrangements	-	1,786,042
	<u>28,880</u>	<u>41,528,491</u>
Total Other Financing Sources (Uses)		
Net Change in Fund Balances (Deficits)	818,811	(13,852,964)
Fund Balances (Deficits) at Beginning of Year, as previously reported	15,332,046	131,115,946
Changes within financial reporting entity:		
Change from nonmajor fund to major fund	-	(498,319)
Fund Balances (Deficits) at Beginning of Year, as adjusted	<u>15,332,046</u>	<u>130,617,627</u>
Fund Balances (Deficits) at End of Year	<u>\$ 16,150,857</u>	<u>\$ 116,764,663</u>

**South Florida Water Management District
Special Revenue Fund
Big Cypress Basin
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Ad Valorem Property Taxes	\$ 12,975,058	\$ 13,016,582	\$ 41,524
Intergovernmental	-	153	153
Investment Earnings (Loss)	60,000	695,765	635,765
Licenses, Permits and Fees	8,000	10,875	2,875
Leases	80,757	80,757	-
Other	1,000	1,102	102
Total Revenues	<u>13,124,815</u>	<u>13,805,234</u>	<u>680,419</u>
EXPENDITURES			
Current			
Administrative Services & Executive Offices			
Water Resources Planning and Monitoring	135,444	-	135,444
Operation and Maintenance of Lands and Works	722,064	113,459	608,605
District Management and Administration	345,000	218,829	126,171
Total Administrative Services & Executive Offices	<u>1,202,508</u>	<u>332,288</u>	<u>870,220</u>
Big Cypress Basin			
Water Resources Planning and Monitoring	2,451,618	937,933	1,513,685
Operation and Maintenance of Lands and Works	1,756,718	735,063	1,021,655
Outreach	49,888	46,520	3,368
Total Big Cypress Basin	<u>4,258,224</u>	<u>1,719,516</u>	<u>2,538,708</u>
Ecosystem Restoration & Capital Projects			
Water Resources Planning and Monitoring	150,909	66,569	84,340
Operation and Maintenance of Lands and Works	1,737,049	1,215,581	521,468
Total Ecosystem Restoration & Capital Projects	<u>1,887,958</u>	<u>1,282,150</u>	<u>605,808</u>
Field Operations			
Operation and Maintenance of Lands and Works	3,501,080	3,039,458	461,622
Total Field Operations	<u>3,501,080</u>	<u>3,039,458</u>	<u>461,622</u>
Information Technology			
Operation and Maintenance of Lands and Works	165,120	129,538	35,582
Total Information Technology	<u>165,120</u>	<u>129,538</u>	<u>35,582</u>
Real Estate & Land Management			
Operation and Maintenance of Lands and Works	442,361	351,427	90,934
Total Real Estate & Land Management	<u>442,361</u>	<u>351,427</u>	<u>90,934</u>
Contingency			
Managerial Reserve-Contingency	2,000,000	-	2,000,000
Total Contingency	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>
Total Expenditures	<u>13,457,251</u>	<u>6,854,377</u>	<u>6,602,874</u>
Revenues in Excess of (Less than) Expenditures	<u>(332,436)</u>	<u>6,950,857</u>	<u>7,283,293</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(3,787,314)	(3,783,314)	4,000
Total Other Financing Sources (Uses)	<u>(3,787,314)</u>	<u>(3,783,314)</u>	<u>4,000</u>
Net Change in Fund Balance	(4,119,750)	3,167,543	7,287,293
Fund Balance (Deficit) at Beginning of Year	10,924,953	10,924,953	-
Fund Balance (Deficit) at End of Year	<u>\$ 6,805,203</u>	<u>\$ 14,092,496</u>	<u>\$ 7,287,293</u>

**South Florida Water Management District
Special Revenue Fund
Save Our Rivers
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 15,000	\$ 40,243	\$ 25,243
Investment Earnings (Loss)	14,888	261,806	246,918
Gain on Sale of District Property	-	39,744	39,744
Leases	3,548,826	5,930,490	2,381,664
Other	-	41,218	41,218
Total Revenues	<u>3,578,714</u>	<u>6,313,501</u>	<u>2,734,787</u>
EXPENDITURES			
Current			
Administrative Services & Executive Offices			
Operation and Maintenance of Lands and Works	41,231	-	41,231
Total Administrative Services & Executive Offices	<u>41,231</u>	<u>-</u>	<u>41,231</u>
Ecosystem Restoration & Capital Projects			
Operation and Maintenance of Lands and Works	234,463	4,060	230,403
Total Ecosystem Restoration & Capital Projects	<u>234,463</u>	<u>4,060</u>	<u>230,403</u>
Field Operations			
Operation and Maintenance of Lands and Works	253,191	54,259	198,932
Total Field Operations	<u>253,191</u>	<u>54,259</u>	<u>198,932</u>
Real Estate & Land Management			
Land Acquisition, Restoration and Public Works	34,151	-	34,151
Operation and Maintenance of Lands and Works	4,527,456	2,894,791	1,632,665
Total Real Estate & Land Management	<u>4,561,607</u>	<u>2,894,791</u>	<u>1,666,816</u>
Regulation			
Operation and Maintenance of Lands and Works	-	6,600	(6,600)
Total Regulation	<u>-</u>	<u>6,600</u>	<u>(6,600)</u>
Total Expenditures	<u>5,090,492</u>	<u>2,959,710</u>	<u>2,130,782</u>
Revenues in Excess of (Less than) Expenditures	<u>(1,511,778)</u>	<u>3,353,791</u>	<u>4,865,569</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(60,000)	(60,000)	-
Total Other Financing Sources (Uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Net Change in Fund Balance	(1,571,778)	3,293,791	4,865,569
Fund Balance (Deficit) at Beginning of Year	4,333,645	4,333,645	-
Fund Balance (Deficit) at End of Year	<u>\$ 2,761,867</u>	<u>\$ 7,627,436</u>	<u>\$ 4,865,569</u>

**South Florida Water Management District
Special Revenue Fund
State Appropriations
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 37,129,332	\$ 17,949,445	\$ (19,179,887)
Total Revenues	<u>37,129,332</u>	<u>17,949,445</u>	<u>(19,179,887)</u>
EXPENDITURES			
Current			
Administrative Services & Executive Offices			
Operation and Maintenance of Lands and Works	1,160,942	752,204	408,738
Total Administrative Services & Executive Offices	<u>1,160,942</u>	<u>752,204</u>	<u>408,738</u>
Ecosystem Restoration & Capital Projects			
Water Resources Planning and Monitoring	4,789,726	594,704	4,195,022
Land Acquisition, Restoration and Public Works	21,783,014	7,958,173	13,824,841
Operation and Maintenance of Lands and Works	1,003,828	502,358	501,470
Total Ecosystem Restoration & Capital Projects	<u>27,576,568</u>	<u>9,055,235</u>	<u>18,521,333</u>
Water Resources			
Water Resources Planning and Monitoring	23,310	23,310	-
Land Acquisition, Restoration and Public Works	53,792,516	8,455,184	45,337,332
Total Water Resources	<u>53,815,826</u>	<u>8,478,494</u>	<u>45,337,332</u>
Total Expenditures	<u>82,553,336</u>	<u>18,285,933</u>	<u>64,267,403</u>
Net Change in Fund Balance	(45,424,004)	(336,488)	45,087,516
Fund Balance (Deficit) at Beginning of Year	1,074,578	1,074,578	-
Fund Balance (Deficit) at End of Year	<u>\$ (44,349,426)</u>	<u>\$ 738,090</u>	<u>\$ 45,087,516</u>

**South Florida Water Management District
Special Revenue Fund
Invasive Aquatic Plant Control
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 2,003,932	\$ 239,684	\$ (1,764,248)
Other	-	238	238
Total Revenues	<u>2,003,932</u>	<u>239,922</u>	<u>(1,764,010)</u>
EXPENDITURES			
Current			
Field Operations			
Operation and Maintenance of Lands and Works	23,111	11,017	12,094
Total Field Operations	<u>23,111</u>	<u>11,017</u>	<u>12,094</u>
Real Estate & Land Management			
Operation and Maintenance of Lands and Works	2,089,226	209,392	1,879,834
Total Real Estate & Land Management	<u>2,089,226</u>	<u>209,392</u>	<u>1,879,834</u>
Total Expenditures	<u>2,112,337</u>	<u>220,409</u>	<u>1,891,928</u>
Net Change in Fund Balance	(108,405)	19,513	127,918
Fund Balance (Deficit) at Beginning of Year	19,099	19,099	-
Fund Balance (Deficit) at End of Year	<u>\$ (89,306)</u>	<u>\$ 38,612</u>	<u>\$ 127,918</u>

**South Florida Water Management District
Special Revenue Fund
Upland Invasive Plant Control
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 5,000,000	\$ 3,647,784	\$ (1,352,216)
Total Revenues	<u>5,000,000</u>	<u>3,647,784</u>	<u>(1,352,216)</u>
EXPENDITURES			
Current			
Real Estate & Land Management			
Operation and Maintenance of Lands and Works	5,741,673	3,214,467	2,527,206
Total Real Estate & Land Management	<u>5,741,673</u>	<u>3,214,467</u>	<u>2,527,206</u>
Total Expenditures	<u>5,741,673</u>	<u>3,214,467</u>	<u>2,527,206</u>
Net Change in Fund Balance	(741,673)	433,317	1,174,990
Fund Balance (Deficit) at Beginning of Year	<u>(447,715)</u>	<u>(447,715)</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u><u>\$ (1,189,388)</u></u>	<u><u>\$ (14,398)</u></u>	<u><u>\$ 1,174,990</u></u>

**South Florida Water Management District
Special Revenue Fund
Wetland Mitigation
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 2,752	\$ 2,752
Investment Earnings (Loss)	67,793	919,383	851,590
Licenses, Permits and Fees	-	903,188	903,188
Other	-	122	122
Total Revenues	<u>67,793</u>	<u>1,825,445</u>	<u>1,757,652</u>
EXPENDITURES			
Current			
Administrative Services & Executive Offices			
Operation and Maintenance of Lands and Works	-	-	-
Total Administrative Services & Executive Offices	<u>-</u>	<u>-</u>	<u>-</u>
Field Operations			
Operation and Maintenance of Lands and Works	2,937	2,500	437
Total Field Operations	<u>2,937</u>	<u>2,500</u>	<u>437</u>
Real Estate & Land Management			
Operation and Maintenance of Lands and Works	1,929,466	1,264,758	664,708
Total Real Estate & Land Management	<u>1,929,466</u>	<u>1,264,758</u>	<u>664,708</u>
Water Resources			
Water Resources Planning and Monitoring	480,569	124,329	356,240
Total Water Resources	<u>480,569</u>	<u>124,329</u>	<u>356,240</u>
Contingency			
Managerial Reserve	618,853	-	618,853
Total Contingency	<u>618,853</u>	<u>-</u>	<u>618,853</u>
Total Expenditures	<u>3,031,825</u>	<u>1,391,587</u>	<u>1,640,238</u>
Revenues in Excess of (Less than) Expenditures	<u>(2,964,032)</u>	<u>433,858</u>	<u>3,397,890</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	56,301	56,301	-
Transfers Out	(60,000)	(60,000)	-
Total Other Financing Sources (Uses)	<u>(3,699)</u>	<u>(3,699)</u>	<u>-</u>
Net Change in Fund Balance	<u>(2,967,731)</u>	<u>430,159</u>	<u>3,397,890</u>
Fund Balance (Deficit) at Beginning of Year	<u>14,830,198</u>	<u>14,830,198</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 11,862,467</u>	<u>\$ 15,260,357</u>	<u>\$ 3,397,890</u>

**South Florida Water Management District
Special Revenue Fund
Indian River Lagoon Restoration
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 63,000	\$ 64,169	\$ 1,169
Investment Earnings (Loss)	-	14,329	14,329
Total Revenues	<u>63,000</u>	<u>78,498</u>	<u>15,498</u>
EXPENDITURES			
Current			
Administrative Services & Executive Offices			
Water Resources Planning and Monitoring	354,737	100,020	254,717
Total Administrative Services & Executive Offices	<u>354,737</u>	<u>100,020</u>	<u>254,717</u>
Ecosystem Restoration & Capital Projects			
Water Resources Planning and Monitoring	15,000	-	15,000
Total Ecosystem Restoration & Capital Projects	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Expenditures	<u>369,737</u>	<u>100,020</u>	<u>269,717</u>
Net Change in Fund Balance	(306,737)	(21,522)	285,215
Fund Balance (Deficit) at Beginning of Year	332,330	332,330	-
Fund Balance (Deficit) at End of Year	<u>\$ 25,593</u>	<u>\$ 310,808</u>	<u>\$ 285,215</u>

**South Florida Water Management District
Special Revenue Fund
Federal Land Management
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ 27,888	\$ 481,799	\$ 453,911
Leases	158,984	-	(158,984)
Total Revenues	<u>186,872</u>	<u>481,799</u>	<u>294,927</u>
EXPENDITURES			
Current			
Administrative Services & Executive Offices			
Operation and Maintenance of Lands and Works	-	-	-
Total Administrative Services & Executive Offices	<u>-</u>	<u>-</u>	<u>-</u>
Real Estate & Land Management			
Operation and Maintenance of Lands and Works	4,013,055	678,954	3,334,101
Total Real Estate & Land Management	<u>4,013,055</u>	<u>678,954</u>	<u>3,334,101</u>
Contingency			
Managerial Reserve	129,955	-	129,955
Total Contingency	<u>129,955</u>	<u>-</u>	<u>129,955</u>
Total Expenditures	<u>4,143,010</u>	<u>678,954</u>	<u>3,464,056</u>
Revenues in Excess of (Less than) Expenditures	<u>(3,956,138)</u>	<u>(197,155)</u>	<u>3,758,983</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	652,147	652,147	-
Total Other Financing Sources (Uses)	<u>652,147</u>	<u>652,147</u>	<u>-</u>
Net Change in Fund Balance	(3,303,991)	454,992	3,758,983
Fund Balance (Deficit) at Beginning of Year	<u>3,858,632</u>	<u>3,858,632</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 554,641</u>	<u>\$ 4,313,624</u>	<u>\$ 3,758,983</u>

South Florida Water Management District
Special Revenue Fund
External Grants
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 52,918,479	\$ 7,705,744	\$ (45,212,735)
Investment Earnings (Loss)	-	16,694	16,694
Other	1,363,445	109,166	(1,254,279)
Total Revenues	<u>54,281,924</u>	<u>7,831,604</u>	<u>(46,450,320)</u>
EXPENDITURES			
Current			
Administrative Services & Executive Offices			
Water Resources Planning and Monitoring	-	-	-
Land Acquisition, Restoration and Public Works	459,022	-	459,022
Operation and Maintenance of Lands and Works	8,915,369	721,878	8,193,491
District Management and Administration	500,000	-	500,000
Total Administrative Services & Executive Offices	<u>9,874,391</u>	<u>721,878</u>	<u>9,152,513</u>
Ecosystem Restoration & Capital Projects			
Water Resources Planning and Monitoring	399,353	219,758	179,595
Land Acquisition, Restoration and Public Works	16,786,799	4,100,600	12,686,199
Operation and Maintenance of Lands and Works	12,628,229	163,657	12,464,572
Total Ecosystem Restoration & Capital Projects	<u>29,814,381</u>	<u>4,484,015</u>	<u>25,330,366</u>
Field Operations			
Operation and Maintenance of Lands and Works	13,053,039	6,691,850	6,361,189
Total Field Operations	<u>13,053,039</u>	<u>6,691,850</u>	<u>6,361,189</u>
Information Technology			
Operation and Maintenance of Lands and Works	333,133	177,635	155,498
Total Information Technology	<u>333,133</u>	<u>177,635</u>	<u>155,498</u>
Real Estate & Land Management			
Water Resources Planning and Monitoring	83,681	2,580	81,101
Land Acquisition, Restoration and Public Works	114,263	-	114,263
Operation and Maintenance of Lands and Works	10,448,853	6,475,014	3,973,839
Total Real Estate & Land Management	<u>10,646,797</u>	<u>6,477,594</u>	<u>4,169,203</u>
Regulation			
Operation and Maintenance of Lands and Works	1,896	128	1,768
Total Regulation	<u>1,896</u>	<u>128</u>	<u>1,768</u>
Water Resources			
Water Resources Planning and Monitoring	3,588,371	1,205,799	2,382,572
Land Acquisition, Restoration and Public Works	168,290	140,974	27,316
Operation and Maintenance of Lands and Works	427,515	98,359	329,156
Total Water Resources	<u>4,184,176</u>	<u>1,445,132</u>	<u>2,739,044</u>
Total Expenditures	<u>67,907,813</u>	<u>19,998,232</u>	<u>47,909,581</u>
Net Change in Fund Balance	(13,625,889)	(12,166,628)	1,459,261
Fund Balance (Deficit) at Beginning of Year	(2,759,809)	(2,759,809)	-
Fund Balance (Deficit) at End of Year	<u>\$ (16,385,698)</u>	<u>\$ (14,926,437)</u>	<u>\$ 1,459,261</u>

**South Florida Water Management District
Special Revenue Fund
Lake Belt Mitigation
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ 164,591	\$ 740,446	\$ 575,855
Licenses, Permits and Fees	-	2,152,451	2,152,451
Total Revenues	<u>164,591</u>	<u>2,892,897</u>	<u>2,728,306</u>
EXPENDITURES			
Current			
Ecosystem Restoration & Capital Projects			
Operation and Maintenance of Lands and Works	2,232,775	140,582	2,092,193
Total Ecosystem Restoration & Capital Projects	<u>2,232,775</u>	<u>140,582</u>	<u>2,092,193</u>
Field Operations			
Operation and Maintenance of Lands and Works	65,403	13,648	51,755
Total Field Operations	<u>65,403</u>	<u>13,648</u>	<u>51,755</u>
Information Technology			
Operation and Maintenance of Lands and Works	5,486	-	5,486
Total Information Technology	<u>5,486</u>	<u>-</u>	<u>5,486</u>
Real Estate & Land Management			
Operation and Maintenance of Lands and Works	5,421,077	1,480,355	3,940,722
Total Real Estate & Land Management	<u>5,421,077</u>	<u>1,480,355</u>	<u>3,940,722</u>
Total Expenditures	<u>7,724,741</u>	<u>1,634,585</u>	<u>6,090,156</u>
Revenues in Excess of (Less than) Expenditures	<u>(7,560,150)</u>	<u>1,258,312</u>	<u>8,818,462</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(4,984,789)	(4,984,789)	-
Total Other Financing Sources (Uses)	<u>(4,984,789)</u>	<u>(4,984,789)</u>	<u>-</u>
Net Change in Fund Balance	(12,544,939)	(3,726,477)	8,818,462
Fund Balance (Deficit) at Beginning of Year	18,060,364	18,060,364	-
Fund Balance (Deficit) at End of Year	<u>\$ 5,515,425</u>	<u>\$ 14,333,887</u>	<u>\$ 8,818,462</u>

**South Florida Water Management District
Special Revenue Fund
Everglades License Plate
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 200,000	\$ 240,722	\$ 40,722
Investment Earnings (Loss)	-	23,610	23,610
Gain on Sale of District Property	-	1	1
Other	-	2	2
Total Revenues	<u>200,000</u>	<u>264,335</u>	<u>64,335</u>
EXPENDITURES			
Current			
Water Resources			
Water Resources Planning and Monitoring	20,000	16,946	3,054
Land Acquisition, Restoration and Public Works	273,152	172,000	101,152
Total Water Resources	<u>293,152</u>	<u>188,946</u>	<u>104,206</u>
Contingency			
Managerial Reserve	355,886	-	355,886
Total Contingency	<u>355,886</u>	<u>-</u>	<u>355,886</u>
Total Expenditures	<u>649,038</u>	<u>188,946</u>	<u>460,092</u>
Net Change in Fund Balance	(449,038)	75,389	524,427
Fund Balance (Deficit) at Beginning of Year	480,318	480,318	-
Fund Balance (Deficit) at End of Year	<u>\$ 31,280</u>	<u>\$ 555,707</u>	<u>\$ 524,427</u>

South Florida Water Management District
Special Revenue Fund
Lake Okeechobee
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
TOTAL	\$ -	\$ -	\$ -
Net Change in Fund Balance	-	-	-
Fund Balance (Deficit) at Beginning of Year	<u>1,527</u>	<u>1,527</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u><u>\$ 1,527</u></u>	<u><u>\$ 1,527</u></u>	<u><u>\$ -</u></u>

**South Florida Water Management District
Special Revenue Fund
Save Our Everglades
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 5,534	\$ 5,534
Investment Earnings (Loss)	-	171,843	171,843
Leases	534,885	986,330	451,445
Other	-	564,171	564,171
Total Revenues	<u>534,885</u>	<u>1,727,878</u>	<u>1,192,993</u>
EXPENDITURES			
Current			
Administrative Services & Executive Offices			
Operation and Maintenance of Lands and Works	-	-	-
Total Administrative Services & Executive Offices	<u>-</u>	<u>-</u>	<u>-</u>
Ecosystem Restoration & Capital Projects			
Land Acquisition, Restoration and Public Works	235,835	5,534	230,301
Total Ecosystem Restoration & Capital Projects	<u>235,835</u>	<u>5,534</u>	<u>230,301</u>
Real Estate & Land Management			
Land Acquisition, Restoration and Public Works	24,193	-	24,193
Operation and Maintenance of Lands and Works	854,871	738,556	116,315
Total Real Estate & Land Management	<u>879,064</u>	<u>738,556</u>	<u>140,508</u>
Total Expenditures	<u>1,114,899</u>	<u>744,090</u>	<u>370,809</u>
Revenues in Excess of (Less than) Expenditures	<u>(580,014)</u>	<u>983,788</u>	<u>1,563,802</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	5,534	5,534	-
Total Other Financing Sources (Uses)	<u>5,534</u>	<u>5,534</u>	<u>-</u>
Net Change in Fund Balance	(574,480)	989,322	1,563,802
Fund Balance (Deficit) at Beginning of Year	3,055,506	3,055,506	-
Fund Balance (Deficit) at End of Year	<u>\$ 2,481,026</u>	<u>\$ 4,044,828</u>	<u>\$ 1,563,802</u>

**South Florida Water Management District
Special Revenue Fund
Land Acquisition Trust
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 56,499,548	\$ 44,648,856	\$ (11,850,692)
Investment Earnings (Loss)	-	7,923	7,923
Leases	5,000	5,000	-
Other	-	1,040	1,040
Total Revenues	<u>56,504,548</u>	<u>44,662,819</u>	<u>(11,841,729)</u>
EXPENDITURES			
Current			
Ecosystem Restoration & Capital Projects			
Water Resources Planning and Monitoring	41,813	27,876	13,937
Land Acquisition, Restoration and Public Works	86,127,362	38,694,920	47,432,442
Operation and Maintenance of Lands and Works	14,434,372	14,434,369	3
Total Ecosystem Restoration & Capital Projects	<u>100,603,547</u>	<u>53,157,165</u>	<u>47,446,382</u>
Field Operations			
Land Acquisition, Restoration and Public Works	811,212	741,916	69,296
Operation and Maintenance of Lands and Works	4,547,850	4,547,853	(3)
Total Field Operations	<u>5,359,062</u>	<u>5,289,769</u>	<u>69,293</u>
Real Estate & Land Management			
Land Acquisition, Restoration and Public Works	84,391	20,992	63,399
Operation and Maintenance of Lands and Works	4,009,137	4,009,007	130
Total Real Estate & Land Management	<u>4,093,528</u>	<u>4,029,999</u>	<u>63,529</u>
Water Resources			
Water Resources Planning and Monitoring	2,528,517	217,838	2,310,679
Land Acquisition, Restoration and Public Works	800,244	411,626	388,618
Total Water Resources	<u>3,328,761</u>	<u>629,464</u>	<u>2,699,297</u>
Contingency			
Managerial Reserve	621,283	-	621,283
Total Contingency	<u>621,283</u>	<u>-</u>	<u>621,283</u>
Total Expenditures	<u>114,006,181</u>	<u>63,106,397</u>	<u>50,899,784</u>
Net Change in Fund Balance	(57,501,633)	(18,443,578)	39,058,055
Fund Balance (Deficit) at Beginning of Year	6,042,083	6,042,083	-
Fund Balance (Deficit) at End of Year	<u>\$ (51,459,550)</u>	<u>\$ (12,401,495)</u>	<u>\$ 39,058,055</u>

South Florida Water Management District
Special Revenue Fund
Federal Emergency Management Agency
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
TOTAL	\$ -	\$ -	\$ -
Net Change in Fund Balance	-	-	-
Fund Balance (Deficit) at Beginning of Year	4,000	4,000	-
Fund Balance (Deficit) at End of Year	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ -</u>

**South Florida Water Management District
Special Revenue Fund
Florida Bay
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ -	\$ 5,590	\$ 5,590
Total Revenues	<u>-</u>	<u>5,590</u>	<u>5,590</u>
EXPENDITURES			
Current			
Water Resources			
Water Resources Planning and Monitoring	236,522	120,319	116,203
Land Acquisition, Restoration and Public Works	16,425	-	16,425
Total Water Resources	<u>252,947</u>	<u>120,319</u>	<u>132,628</u>
Total Expenditures	<u>252,947</u>	<u>120,319</u>	<u>132,628</u>
Revenues in Excess of (Less than) Expenditures	<u>(252,947)</u>	<u>(114,729)</u>	<u>138,218</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(1,588)</u>	-	1,588
Total Other Financing Sources (Uses)	<u>(1,588)</u>	-	1,588
Net Change in Fund Balance	(254,535)	(114,729)	139,806
Fund Balance (Deficit) at Beginning of Year	187,064	187,064	-
Fund Balance (Deficit) at End of Year	<u>\$ (67,471)</u>	<u>\$ 72,335</u>	<u>\$ 139,806</u>

**South Florida Water Management District
Capital Projects Fund
Everglades Restoration Trust Capital Projects
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 64,000,000	\$ 64,000,000	\$ -	\$ (64,000,000)
Investment Earnings (Loss)	403,383	403,383	4,006,697	3,603,314
Gain on Sale of District Property	-	-	653	653
Other	-	-	653	653
Total Revenues	<u>64,403,383</u>	<u>64,403,383</u>	<u>4,008,003</u>	<u>(60,395,380)</u>
EXPENDITURES				
Water Resources Planning and Monitoring	-	-	10	(10)
Land Acquisition, Restoration and Public Works	97,687,688	95,879,114	45,881,840	49,997,274
Operation and Maintenance of Lands and Works	311,623	300,710	45,884	254,826
Water Resources Planning and Monitoring	-	186,648	62,216	124,432
Operation and Maintenance of Lands and Works	514,330	623,733	623,931	(198)
Water Resources Planning and Monitoring	100,265	80,973	52,748	28,225
Operation and Maintenance of Lands and Works	24,000	6,098	6,543	(445)
COPS Bond Principal Retirement	8,690,866	8,690,866	8,690,866	-
COPS Bond Interest	7,877,005	7,877,005	7,877,005	-
Lease & SBITA Principal	-	21,552	-	21,552
Total Expenditures	<u>115,205,777</u>	<u>113,666,699</u>	<u>63,241,043</u>	<u>50,425,656</u>
Revenues in Excess of (Less than) Expenditures	<u>(50,802,394)</u>	<u>(49,263,316)</u>	<u>(59,233,040)</u>	<u>(9,969,724)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	17,115,625	17,115,625	16,277,161	(838,464)
Transfers Out	-	(1,539,077)	(700,613)	838,464
Total Other Financing Sources (Uses)	<u>17,115,625</u>	<u>15,576,548</u>	<u>15,576,548</u>	<u>-</u>
Net Change in Fund Balance	<u>(33,686,769)</u>	<u>(33,686,768)</u>	<u>(43,656,492)</u>	<u>(9,969,724)</u>
Fund Balance (Deficit) at Beginning of Year	<u>91,624,839</u>	<u>91,624,839</u>	<u>91,624,839</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 57,938,070</u>	<u>\$ 57,938,071</u>	<u>\$ 47,968,347</u>	<u>\$ (9,969,724)</u>

**South Florida Water Management District
Capital Projects Fund
External Grants Capital Projects
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 46,677,747	\$ 21,588,354	\$ 105,179,492	\$ 83,591,138
Investment Earnings (Loss)	-	-	1,501,897	1,501,897
Other	-	136,555	-	(136,555)
Total Revenues	<u>46,677,747</u>	<u>21,724,909</u>	<u>106,681,389</u>	<u>84,956,480</u>
EXPENDITURES				
Current				
Administrative Services & Executive Offices				
Operation and Maintenance of Lands and Works	106,543,265	89,567,578	-	89,567,578
Total Administrative Services & Executive Offices	<u>106,543,265</u>	<u>89,567,578</u>	<u>-</u>	<u>89,567,578</u>
Ecosystem Restoration & Capital Projects				
Land Acquisition, Restoration and Public Works	147,891,000	144,790,401	11,050,068	133,740,333
Operation and Maintenance of Lands and Works	49,023,787	25,523,717	1,309,694	24,214,023
Total Ecosystem Restoration & Capital Projects	<u>196,914,787</u>	<u>170,314,118</u>	<u>12,359,762</u>	<u>157,954,356</u>
Field Operations				
Operation and Maintenance of Lands and Works	-	16,623,905	4,915,394	11,708,511
Total Field Operations	<u>-</u>	<u>16,623,905</u>	<u>4,915,394</u>	<u>11,708,511</u>
Information Technology				
Operation and Maintenance of Lands and Works	-	737,560	-	737,560
Total Information Technology	<u>-</u>	<u>737,560</u>	<u>-</u>	<u>737,560</u>
Real Estate & Land Management				
Land Acquisition, Restoration and Public Works	5,350,000	5,350,000	500,000	4,850,000
Operation and Maintenance of Lands and Works	-	866,426	729,815	136,611
Total Real Estate & Land Management	<u>5,350,000</u>	<u>6,216,426</u>	<u>1,229,815</u>	<u>4,986,611</u>
Water Resources				
Water Resources Planning and Monitoring	-	321,494	321,492	2
Operation and Maintenance of Lands and Works	-	74,134	74,134	-
Total Water Resources	<u>-</u>	<u>395,628</u>	<u>395,626</u>	<u>2</u>
Total Expenditures	<u>308,808,052</u>	<u>283,855,215</u>	<u>18,900,597</u>	<u>264,954,618</u>
Net Change in Fund Balance	(262,130,305)	(262,130,306)	87,780,792	349,911,098
Fund Balance (Deficit) at Beginning of Year	498,319	498,319	498,319	-
Fund Balance (Deficit) at End of Year	<u>\$ (261,631,986)</u>	<u>\$ (261,631,987)</u>	<u>\$ 88,279,111</u>	<u>\$ 349,911,098</u>

**South Florida Water Management District
Capital Projects Fund
Land Acquisition Trust
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 509,488,242	\$ 499,859,928	\$ 466,169,323	\$ (33,690,605)
Investment Earnings (Loss)	-	-	65,209	65,209
Total Revenues	<u>509,488,242</u>	<u>499,859,928</u>	<u>466,234,532</u>	<u>(33,625,396)</u>
EXPENDITURES				
Current				
Administrative Services & Executive Offices				
Operation and Maintenance of Lands and Works	-	-	30,001	(30,001)
Total Administrative Services & Executive Offices	<u>-</u>	<u>-</u>	<u>30,001</u>	<u>(30,001)</u>
Ecosystem Restoration & Capital Projects				
Land Acquisition, Restoration and Public Works	769,574,630	775,278,067	485,486,693	289,791,374
Operation and Maintenance of Lands and Works	42,540,834	23,249,531	23,249,531	-
Total Ecosystem Restoration & Capital Projects	<u>812,115,464</u>	<u>798,527,598</u>	<u>508,736,224</u>	<u>289,791,374</u>
Field Operations				
Operation and Maintenance of Lands and Works	-	61,645	61,645	-
Total Field Operations	<u>-</u>	<u>61,645</u>	<u>61,645</u>	<u>-</u>
Real Estate & Land Management				
Land Acquisition, Restoration and Public Works	-	3,892,442	3,892,442	-
Total Real Estate & Land Management	<u>-</u>	<u>3,892,442</u>	<u>3,892,442</u>	<u>-</u>
Water Resources				
Water Resources Planning and Monitoring	50,000	50,000	-	50,000
Land Acquisition, Restoration and Public Works	-	5,466	5,466	-
Total Water Resources	<u>50,000</u>	<u>55,466</u>	<u>5,466</u>	<u>50,000</u>
Lease & SBITA Principal	99,602	99,602	-	99,602
Lease & SBITA Interest	398	398	-	398
Total Expenditures	<u>812,265,464</u>	<u>802,637,151</u>	<u>512,725,778</u>	<u>289,911,373</u>
Net Change in Fund Balance	(302,777,222)	(302,777,223)	(46,491,246)	256,285,977
Fund Balance (Deficit) at Beginning of Year	<u>(115,848,757)</u>	<u>(115,848,757)</u>	<u>(115,848,757)</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ (418,625,979)</u>	<u>\$ (418,625,980)</u>	<u>\$ (162,340,003)</u>	<u>\$ 256,285,977</u>

**South Florida Water Management District
Capital Projects Fund
District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 4,000	\$ 7,688	\$ 3,688
Investment Earnings (Loss)	127,869	816,020	688,151
Gain on Sale of District Property	-	12,681	12,681
Lease-Real Property	-	406,249	406,249
Lease-Interest	-	1,064	1,064
Other	-	12,680	12,680
Total Revenues	<u>131,869</u>	<u>1,256,382</u>	<u>1,124,513</u>
EXPENDITURES			
Current			
Administrative Services & Executive Offices			
Operation and Maintenance of Lands and Works	143,887	854,002	(710,115)
Regulation	-	351,675	(351,675)
Outreach	-	107	(107)
District Management and Administration	2,134	2,047	87
Total Administrative Services & Executive Offices	<u>146,021</u>	<u>1,207,831</u>	<u>(1,061,810)</u>
Ecosystem Restoration & Capital Projects			
Land Acquisition, Restoration and Public Works	611,357	155,236	456,121
Operation and Maintenance of Lands and Works	8,714,969	3,833,360	4,881,609
Total Ecosystem Restoration & Capital Projects	<u>9,326,326</u>	<u>3,988,596</u>	<u>5,337,730</u>
Field Operations			
Water Resources Planning and Monitoring	165,290	102,590	62,700
Land Acquisition, Restoration and Public Works	582,334	59,702	522,632
Operation and Maintenance of Lands and Works	6,987,784	6,107,666	880,118
District Management and Administration	9,028	10,079	(1,051)
Total Field Operations	<u>7,744,436</u>	<u>6,280,037</u>	<u>1,464,399</u>
Information Technology			
Land Acquisition, Restoration and Public Works	-	221	(221)
Operation and Maintenance of Lands and Works	7,103	(99,572)	106,675
Regulation	-	1,569,445	(1,569,445)
District Management and Administration	2,754,622	2,236,259	518,363
Total Information Technology	<u>2,761,725</u>	<u>3,706,353</u>	<u>(944,628)</u>
Real Estate & Land Management			
Land Acquisition, Restoration and Public Works	6,216	-	6,216
Operation and Maintenance of Lands and Works	448,644	159,731	288,913
Total Real Estate & Land Management	<u>454,860</u>	<u>159,731</u>	<u>295,129</u>
Regulation			
District Management and Administration	201,000	199,227	1,773
Total Regulation	<u>201,000</u>	<u>199,227</u>	<u>1,773</u>
Water Resources			
Water Resources Planning and Monitoring	432,707	404,548	28,159
Land Acquisition, Restoration and Public Works	27,275	30,993	(3,718)
Total Water Resources	<u>459,982</u>	<u>435,541</u>	<u>24,441</u>
Debt Service			
COPS Bond Principal Retirement	7,024,134	7,024,134	-
COPS Bond Interest	6,366,336	6,366,336	-
Total Debt Service	<u>13,390,470</u>	<u>13,390,470</u>	<u>-</u>
Lease & SBITA Principal	824,796	-	824,796
Lease & SBITA Interest	69,742	-	69,742
Total Expenditures	<u>35,379,358</u>	<u>29,367,786</u>	<u>6,011,572</u>
Revenues in Excess of (Less than) Expenditures	<u>(35,247,489)</u>	<u>(28,111,404)</u>	<u>7,136,085</u>

**South Florida Water Management District
Capital Projects Fund
District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Transfers In	26,700,117	26,700,117	-
Subscription IT arrangements	-	1,569,445	1,569,445
Total Other Financing Sources (Uses)	<u>26,700,117</u>	<u>28,269,562</u>	<u>1,569,445</u>
Net Change in Fund Balance	(8,547,372)	158,158	8,705,530
Fund Balance (Deficit) at Beginning of Year	<u>8,451,508</u>	<u>8,451,508</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ (95,864)</u>	<u>\$ 8,609,666</u>	<u>\$ 8,705,530</u>

**South Florida Water Management District
Capital Projects Fund
Okeechobee Basin
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ 212,789	\$ 2,692,083	\$ 2,479,294
Gain on Sale of District Property	-	6,720	6,720
Leases	-	6,847	6,847
Lease-Real Property	-	9,764	9,764
Lease-Interest	-	465	465
Other	-	6,965	6,965
Total Revenues	<u>212,789</u>	<u>2,722,844</u>	<u>2,510,055</u>
EXPENDITURES			
Current			
Administrative Services & Executive Offices			
Land Acquisition, Restoration and Public Works	114	-	114
Operation and Maintenance of Lands and Works	60,268	2,134,621	(2,074,353)
Total Administrative Services & Executive Offices	<u>60,382</u>	<u>2,134,621</u>	<u>(2,074,239)</u>
Ecosystem Restoration & Capital Projects			
Water Resources Planning and Monitoring	44,369	44,369	-
Land Acquisition, Restoration and Public Works	519,016	207,339	311,677
Operation and Maintenance of Lands and Works	14,448,048	5,979,877	8,468,171
Total Ecosystem Restoration & Capital Projects	<u>15,011,433</u>	<u>6,231,585</u>	<u>8,779,848</u>
Field Operations			
Water Resources Planning and Monitoring	62,216	-	62,216
Land Acquisition, Restoration and Public Works	198,218	198,218	-
Operation and Maintenance of Lands and Works	5,814,213	2,911,087	2,903,126
District Management and Administration	-	1,376	(1,376)
Total Field Operations	<u>6,074,647</u>	<u>3,110,681</u>	<u>2,963,966</u>
Information Technology			
Water Resources Planning and Monitoring	49,758	49,758	-
Operation and Maintenance of Lands and Works	128,866	466,648	(337,782)
District Management and Administration	128,739	216,597	(87,858)
Total Information Technology	<u>307,363</u>	<u>733,003</u>	<u>(425,640)</u>
Real Estate & Land Management			
Land Acquisition, Restoration and Public Works	3,702,356	-	3,702,356
Operation and Maintenance of Lands and Works	33,936	16,781	17,155
Total Real Estate & Land Management	<u>3,736,292</u>	<u>16,781</u>	<u>3,719,511</u>
Water Resources			
Land Acquisition, Restoration and Public Works	21,620	21,668	(48)
Total Water Resources	<u>21,620</u>	<u>21,668</u>	<u>(48)</u>
Lease & SBITA Principal	195,752	-	195,752
Lease & SBITA Interest	4,673	-	4,673
Contingency			
Managerial Reserve	29,400	-	29,400
Total Contingency	<u>29,400</u>	<u>-</u>	<u>29,400</u>
Total Expenditures	<u>25,441,562</u>	<u>12,248,339</u>	<u>13,193,223</u>
Revenues in Excess of (Less than) Expenditures	<u>(25,228,773)</u>	<u>(9,525,495)</u>	<u>15,703,278</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	11,954,121	11,357,465	(596,656)
Transfers Out	(596,656)	-	596,656
Finance Leases	-	1,684,867	1,684,867
Subscription IT arrangements	-	216,597	216,597
Total Other Financing Sources (Uses)	<u>11,357,465</u>	<u>13,258,929</u>	<u>1,901,464</u>
Net Change in Fund Balance	(13,871,308)	3,733,434	17,604,742
Fund Balance (Deficit) at Beginning of Year	10,084,591	10,084,591	-
Fund Balance (Deficit) at End of Year	<u>\$ (3,786,717)</u>	<u>\$ 13,818,025</u>	<u>\$ 17,604,742</u>

**South Florida Water Management District
Capital Projects Fund
Big Cypress Basin
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 5,200,000	\$ 5,200,000
Investment Earnings (Loss)	-	223,508	223,508
Gain on Sale of District Property	-	92	92
Other	-	91	91
Total Revenues	<u>-</u>	<u>5,423,691</u>	<u>5,423,691</u>
EXPENDITURES			
Current			
Ecosystem Restoration & Capital Projects			
Operation and Maintenance of Lands and Works	6,451,260	1,151,256	5,300,004
Total Ecosystem Restoration & Capital Projects	<u>6,451,260</u>	<u>1,151,256</u>	<u>5,300,004</u>
Field Operations			
Land Acquisition, Restoration and Public Works	-	79	(79)
Operation and Maintenance of Lands and Works	1,244,236	943,238	300,998
Total Field Operations	<u>1,244,236</u>	<u>943,317</u>	<u>300,919</u>
Total Expenditures	<u>7,695,496</u>	<u>2,094,573</u>	<u>5,600,923</u>
Revenues in Excess of (Less than) Expenditures	<u>(7,695,496)</u>	<u>3,329,118</u>	<u>11,024,614</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	3,787,314	3,783,314	(4,000)
Total Other Financing Sources (Uses)	<u>3,787,314</u>	<u>3,783,314</u>	<u>(4,000)</u>
Net Change in Fund Balance	<u>(3,908,182)</u>	<u>7,112,432</u>	<u>11,020,614</u>
Fund Balance (Deficit) at Beginning of Year	<u>3,729,242</u>	<u>3,729,242</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ (178,940)</u>	<u>\$ 10,841,674</u>	<u>\$ 11,020,614</u>

**South Florida Water Management District
Capital Projects Fund
Save Our Rivers
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ -	\$ 195,491	\$ 195,491
Leases	-	198,157	198,157
Lease-Real Property	-	377,905	377,905
Lease-Interest	-	38,526	38,526
Total Revenues	<u>-</u>	<u>810,079</u>	<u>810,079</u>
EXPENDITURES			
Current			
Administrative Services & Executive Offices			
Operation and Maintenance of Lands and Works	-	198,158	(198,158)
Total Administrative Services & Executive Offices	<u>-</u>	<u>198,158</u>	<u>(198,158)</u>
Real Estate & Land Management			
Land Acquisition, Restoration and Public Works	3,603,990	(246)	3,604,236
Operation and Maintenance of Lands and Works	174,451	48,211	126,240
Total Real Estate & Land Management	<u>3,778,441</u>	<u>47,965</u>	<u>3,730,476</u>
Total Expenditures	<u>3,778,441</u>	<u>246,123</u>	<u>3,532,318</u>
Revenues in Excess of (Less than) Expenditures	<u>(3,778,441)</u>	<u>563,956</u>	<u>4,342,397</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	60,000	60,000	-
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net Change in Fund Balance	<u>(3,718,441)</u>	<u>623,956</u>	<u>4,342,397</u>
Fund Balance (Deficit) at Beginning of Year	<u>4,267,680</u>	<u>4,267,680</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 549,239</u>	<u>\$ 4,891,636</u>	<u>\$ 4,342,397</u>

**South Florida Water Management District
Capital Projects Fund
State Appropriations
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 5,273,496	\$ 19,028,473	\$ 13,754,977
Total Revenues	<u>5,273,496</u>	<u>19,028,473</u>	<u>13,754,977</u>
EXPENDITURES			
Current			
Ecosystem Restoration & Capital Projects			
Land Acquisition, Restoration and Public Works	134,966,562	17,631,063	117,335,499
Total Ecosystem Restoration & Capital Projects	<u>134,966,562</u>	<u>17,631,063</u>	<u>117,335,499</u>
Water Resources			
Water Resources Planning and Monitoring	131,524	131,524	-
Total Water Resources	<u>131,524</u>	<u>131,524</u>	<u>-</u>
Total Expenditures	<u>135,098,086</u>	<u>17,762,587</u>	<u>117,335,499</u>
Net Change in Fund Balance	(129,824,590)	1,265,886	131,090,476
Fund Balance (Deficit) at Beginning of Year	<u>(8,305,043)</u>	<u>(8,305,043)</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u><u>\$ (138,129,633)</u></u>	<u><u>\$ (7,039,157)</u></u>	<u><u>\$ 131,090,476</u></u>

**South Florida Water Management District
Capital Projects Fund
Federal Emergency Management Agency
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
EXPENDITURES			
Current			
Administrative Services & Executive Offices			
Operation and Maintenance of Lands and Works	\$ 196	\$ -	\$ 196
Total Administrative Services & Executive Offices	<u>196</u>	<u>-</u>	<u>196</u>
Total Expenditures	<u>196</u>	<u>-</u>	<u>196</u>
Net Change in Fund Balance	(196)	-	196
Fund Balance (Deficit) at Beginning of Year	<u>195</u>	<u>195</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u><u>\$ (1)</u></u>	<u><u>\$ 195</u></u>	<u><u>\$ 196</u></u>

**South Florida Water Management District
Capital Projects Fund
Florida Bay
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Gain on Sale of District Property	\$ -	\$ 3,035	\$ 3,035
Other	-	3,035	3,035
Total Revenues	-	6,070	6,070
EXPENDITURES			
Current			
Ecosystem Restoration & Capital Projects			
Land Acquisition, Restoration and Public Works	-	3,025	(3,025)
Total Ecosystem Restoration & Capital Projects	-	3,025	(3,025)
Water Resources			
Water Resources Planning and Monitoring	23,471	23,481	(10)
Total Water Resources	23,471	23,481	(10)
Total Expenditures	23,471	26,506	(3,035)
Revenues in Excess of (Less than) Expenditures	(23,471)	(20,436)	3,035
OTHER FINANCING SOURCES (USES)			
Transfers In	1,588	-	(1,588)
Total Other Financing Sources (Uses)	1,588	-	(1,588)
Net Change in Fund Balance	(21,883)	(20,436)	1,447
Fund Balance (Deficit) at Beginning of Year	(45,486)	(45,486)	-
Fund Balance (Deficit) at End of Year	\$ (67,369)	\$ (65,922)	\$ 1,447

**South Florida Water Management District
Capital Projects Fund
Wetland Mitigation
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ -	\$ 200,743	\$ 200,743
Total Revenues	<u>-</u>	<u>200,743</u>	<u>200,743</u>
EXPENDITURES			
Current			
Field Operations			
Operation and Maintenance of Lands and Works	60,000	-	60,000
Total Field Operations	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Real Estate & Land Management			
Operation and Maintenance of Lands and Works	2,616,898	709,500	1,907,398
Total Real Estate & Land Management	<u>2,616,898</u>	<u>709,500</u>	<u>1,907,398</u>
Total Expenditures	<u>2,676,898</u>	<u>709,500</u>	<u>1,967,398</u>
Revenues in Excess of (Less than) Expenditures	<u>(2,676,898)</u>	<u>(508,757)</u>	<u>2,168,141</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	60,000	60,000	-
Transfers Out	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net Change in Fund Balance	<u>(2,636,898)</u>	<u>(468,757)</u>	<u>2,168,141</u>
Fund Balance (Deficit) at Beginning of Year	<u>4,321,600</u>	<u>4,321,600</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1,684,702</u>	<u>\$ 3,852,843</u>	<u>\$ 2,168,141</u>

**South Florida Water Management District
Capital Projects Fund
Comprehensive Everglades Restoration Plan (CERP)
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Gain on Sale of District Property	\$ -	\$ 1,645	\$ 1,645
Other	-	1,645	1,645
Total Revenues	<u>-</u>	<u>3,290</u>	<u>3,290</u>
EXPENDITURES			
Current			
Ecosystem Restoration & Capital Projects			
Land Acquisition, Restoration and Public Works	272,159	74,569	197,590
Total Ecosystem Restoration & Capital Projects	<u>272,159</u>	<u>74,569</u>	<u>197,590</u>
Information Technology			
Land Acquisition, Restoration and Public Works	-	61	(61)
Total Information Technology	<u>-</u>	<u>61</u>	<u>(61)</u>
Water Resources			
Land Acquisition, Restoration and Public Works	-	1	(1)
Operation and Maintenance of Lands and Works	-	6	(6)
Total Water Resources	<u>-</u>	<u>7</u>	<u>(7)</u>
Total Expenditures	<u>272,159</u>	<u>74,637</u>	<u>197,522</u>
Revenues in Excess of (Less than) Expenditures	<u>(272,159)</u>	<u>(71,347)</u>	<u>200,812</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(72)	-	72
Total Other Financing Sources (Uses)	<u>(72)</u>	<u>-</u>	<u>72</u>
Net Change in Fund Balance	(272,231)	(71,347)	200,884
Fund Balance (Deficit) at Beginning of Year	273,789	273,789	-
Fund Balance (Deficit) at End of Year	<u>\$ 1,558</u>	<u>\$ 202,442</u>	<u>\$ 200,884</u>

**South Florida Water Management District
Capital Projects Fund
Federal Land Acquisition
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ -	\$ 84,422	\$ 84,422
Lease-Real Property	-	938,596	938,596
Lease-Interest	-	21,556	21,556
Total Revenues	<u>-</u>	<u>1,044,574</u>	<u>1,044,574</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(652,147)</u>	<u>(652,147)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(652,147)</u>	<u>(652,147)</u>	<u>-</u>
Net Change in Fund Balance	(652,147)	392,427	1,044,574
Fund Balance (Deficit) at Beginning of Year	<u>5,089,965</u>	<u>5,089,965</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 4,437,818</u>	<u>\$ 5,482,392</u>	<u>\$ 1,044,574</u>

**South Florida Water Management District
Capital Projects Fund
Save Our Everglades Trust
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$ 93,408	\$ 1,848,397	\$ 1,754,989
Investment Earnings (Loss)	-	523,849	523,849
Leases	-	4,583	4,583
Lease-Real Property State	-	7,510	7,510
Lease-Interest	-	4	4
Total Revenues	<u>93,408</u>	<u>2,384,343</u>	<u>2,290,935</u>
EXPENDITURES			
Current			
Ecosystem Restoration & Capital Projects			
Land Acquisition, Restoration and Public Works	272,844	167,695	105,149
Total Ecosystem Restoration & Capital Projects	<u>272,844</u>	<u>167,695</u>	<u>105,149</u>
Real Estate & Land Management			
Land Acquisition, Restoration and Public Works	2,578,507	-	2,578,507
Total Real Estate & Land Management	<u>2,578,507</u>	<u>-</u>	<u>2,578,507</u>
Total Expenditures	<u>2,851,351</u>	<u>167,695</u>	<u>2,683,656</u>
Revenues in Excess of (Less than) Expenditures	<u>(2,757,943)</u>	<u>2,216,648</u>	<u>4,974,591</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(5,534)	(5,534)	-
Total Other Financing Sources (Uses)	<u>(5,534)</u>	<u>(5,534)</u>	<u>-</u>
Net Change in Fund Balance	(2,763,477)	2,211,114	4,974,591
Fund Balance (Deficit) at Beginning of Year	3,895,015	3,895,015	-
Fund Balance (Deficit) at End of Year	<u>\$ 1,131,538</u>	<u>\$ 6,106,129</u>	<u>\$ 4,974,591</u>

**South Florida Water Management District
Capital Projects Fund
Comprehensive Everglades Restoration Plan - Other Creditable
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
EXPENDITURES			
Current			
Ecosystem Restoration & Capital Projects			
Land Acquisition, Restoration and Public Works	\$ 30,897	\$ 10,950	\$ 19,947
Total Ecosystem Restoration & Capital Projects	30,897	10,950	19,947
Total Expenditures	30,897	10,950	19,947
Revenues in Excess of (Less than) Expenditures	(30,897)	(10,950)	19,947
OTHER FINANCING SOURCES (USES)			
Transfers Out	(11,233)	-	11,233
Total Other Financing Sources (Uses)	(11,233)	-	11,233
Net Change in Fund Balance	(42,130)	(10,950)	31,180
Fund Balance (Deficit) at Beginning of Year	25,671	25,671	-
Fund Balance (Deficit) at End of Year	\$ (16,459)	\$ 14,721	\$ 31,180

**South Florida Water Management District
Capital Projects Fund
COPS - Everglades Forever Act (EFA)
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Gain on Sale of District Property	\$ -	\$ 1,939	\$ 1,939
Other	-	1,938	1,938
Total Revenues	<u>-</u>	<u>3,877</u>	<u>3,877</u>
EXPENDITURES			
Current			
Ecosystem Restoration & Capital Projects			
Land Acquisition, Restoration and Public Works	-	1,938	(1,938)
Total Ecosystem Restoration & Capital Projects	<u>-</u>	<u>1,938</u>	<u>(1,938)</u>
Debt Service			
COPS Bond Interest	336,784	336,784	-
Total Debt Service	<u>336,784</u>	<u>336,784</u>	<u>-</u>
Total Expenditures	<u>336,784</u>	<u>338,722</u>	<u>(1,938)</u>
Net Change in Fund Balance	(336,784)	(334,845)	1,939
Fund Balance (Deficit) at Beginning of Year	<u>648,938</u>	<u>648,938</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 312,154</u>	<u>\$ 314,093</u>	<u>\$ 1,939</u>

**South Florida Water Management District
Capital Projects Fund
COPS - Comprehensive Everglades Restoration (CERP)
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Gain on Sale of District Property	\$ -	\$ 5,722	\$ 5,722
Other	-	5,722	5,722
Total Revenues	<u>-</u>	<u>11,444</u>	<u>11,444</u>
EXPENDITURES			
Current			
Ecosystem Restoration & Capital Projects			
Land Acquisition, Restoration and Public Works	-	5,722	(5,722)
Total Ecosystem Restoration & Capital Projects	<u>-</u>	<u>5,722</u>	<u>(5,722)</u>
Total Expenditures	<u>-</u>	<u>5,722</u>	<u>(5,722)</u>
Net Change in Fund Balance	-	5,722	5,722
Fund Balance (Deficit) at Beginning of Year	<u>530</u>	<u>530</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 530</u>	<u>\$ 6,252</u>	<u>\$ 5,722</u>

**South Florida Water Management District
Capital Projects Fund
Lake Belt Mitigation
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ 69,542	\$ 955,381	\$ 885,839
Total Revenues	<u>69,542</u>	<u>955,381</u>	<u>885,839</u>
EXPENDITURES			
Current			
Ecosystem Restoration & Capital Projects			
Operation and Maintenance of Lands and Works	26,059,971	9,198,162	16,861,809
Total Ecosystem Restoration & Capital Projects	<u>26,059,971</u>	<u>9,198,162</u>	<u>16,861,809</u>
Real Estate & Land Management			
Operation and Maintenance of Lands and Works	3,046,137	-	3,046,137
Total Real Estate & Land Management	<u>3,046,137</u>	<u>-</u>	<u>3,046,137</u>
Contingency			
Managerial Reserve	792,900	-	792,900
Total Contingency	<u>792,900</u>	<u>-</u>	<u>792,900</u>
Total Expenditures	<u>29,899,008</u>	<u>9,198,162</u>	<u>20,700,846</u>
Revenues in Excess of (Less than) Expenditures	<u>(29,829,466)</u>	<u>(8,242,781)</u>	<u>21,586,685</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	4,919,608	4,919,608	-
Total Other Financing Sources (Uses)	<u>4,919,608</u>	<u>4,919,608</u>	<u>-</u>
Net Change in Fund Balance	(24,909,858)	(3,323,173)	21,586,685
Fund Balance (Deficit) at Beginning of Year	22,850,613	22,850,613	-
Fund Balance (Deficit) at End of Year	<u>\$ (2,059,245)</u>	<u>\$ 19,527,440</u>	<u>\$ 21,586,685</u>

**South Florida Water Management District
Permanent Fund
Wetland Mitigation
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended September 30, 2024**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ -	\$ 789,931	\$ 789,931
Total Revenues	<u>-</u>	<u>789,931</u>	<u>789,931</u>
EXPENDITURES			
Current			
Real Estate & Land Management			
Operation and Maintenance of Lands and Works	28,880	-	28,880
Total Real Estate & Land Management	<u>28,880</u>	<u>-</u>	<u>28,880</u>
Total Expenditures	<u>28,880</u>	<u>-</u>	<u>28,880</u>
Revenues in Excess of (Less than) Expenditures	<u>(28,880)</u>	<u>789,931</u>	<u>818,811</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	28,880	28,880	-
Total Other Financing Sources (Uses)	<u>28,880</u>	<u>28,880</u>	<u>-</u>
Net Change in Fund Balance	-	818,811	818,811
Fund Balance (Deficit) at Beginning of Year	15,332,046	15,332,046	-
Fund Balance (Deficit) at End of Year	<u>\$ 15,332,046</u>	<u>\$ 16,150,857</u>	<u>\$ 818,811</u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Internal Service Funds

Internal Service Funds are used to account for District activities that provide services to other funds and organizational units on a cost reimbursement basis.

Self Insurance Fund

Accounts for the operations related to providing workers' compensation, general liability, and automobile insurance coverage to all District resource areas. Revenue is provided through interfund charges based on a cost allocation study.

Health Benefits Fund

Accounts for the operations related to providing health and medical insurance coverage to District employees and retirees who choose to remain in the plan. Revenue is provided through interfund charges and employee and retiree contributions.

South Florida Water Management District
Combining Statement of Net Position
Internal Service Funds
September 30, 2024

	Self Insurance Fund	Health Benefits Fund	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 6,403,131	\$ 8,988,262	\$ 15,391,393
Accounts Receivable	35,734	163,438	199,172
Due from Other Funds	-	690,911	690,911
Other Assets	140,000	775,000	915,000
Total Current Assets	<u>6,578,865</u>	<u>10,617,611</u>	<u>17,196,476</u>
Noncurrent Assets			
Furniture, Fixtures and Equipment	38,161	-	38,161
Vehicles	118,811	-	118,811
Accumulated Depreciation	(48,034)	-	(48,034)
Total Noncurrent Assets	<u>108,938</u>	<u>-</u>	<u>108,938</u>
Total Assets	<u>6,687,803</u>	<u>10,617,611</u>	<u>17,305,414</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	24,902	311,972	336,874
Due to Other Funds	2,037	-	2,037
Claims Payable	1,440,614	2,010,000	3,450,614
Total Current Liabilities	<u>1,467,553</u>	<u>2,321,972</u>	<u>3,789,525</u>
Noncurrent Liabilities			
Non-Current Claims Payable	<u>1,468,386</u>	<u>-</u>	<u>1,468,386</u>
Total Noncurrent Liabilities	<u>1,468,386</u>	<u>-</u>	<u>1,468,386</u>
Total Liabilities	<u>2,935,939</u>	<u>2,321,972</u>	<u>5,257,911</u>
NET POSITION			
Net Position			
Net Investment in Capital Assets	108,938	-	108,938
Unrestricted	<u>3,642,926</u>	<u>8,295,639</u>	<u>11,938,565</u>
Total Net Position	<u>\$ 3,751,864</u>	<u>\$ 8,295,639</u>	<u>\$ 12,047,503</u>

South Florida Water Management District
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended September 30, 2024

	Self Insurance Fund	Health Benefits Fund	Total
OPERATING REVENUES			
Charges for Services	\$ 2,612,500	\$ 28,900,653	\$ 31,513,153
Other Operating Revenue	425	-	425
Total Operating Revenues	<u>2,612,925</u>	<u>28,900,653</u>	<u>31,513,578</u>
OPERATING EXPENSES			
Salaries	296,554	150,781	447,335
Benefits	137,566	73,493	211,059
Claims	576,718	26,838,194	27,414,912
Purchased Services	171,387	8,203	179,590
Administrative Fees	-	2,277,296	2,277,296
Other	1,312,763	44,553	1,357,316
Depreciation	9,393	-	9,393
Total Operating Expenses	<u>2,504,381</u>	<u>29,392,520</u>	<u>31,896,901</u>
OPERATING INCOME (LOSS)	108,544	(491,867)	(383,323)
NONOPERATING REVENUES			
Investment Earnings/(Loss)	218,131	506,182	724,313
Total Nonoperating Revenues	<u>218,131</u>	<u>506,182</u>	<u>724,313</u>
Change in Net Position	326,675	14,315	340,990
Net Position at Beginning of Year	<u>3,425,189</u>	<u>8,281,324</u>	<u>11,706,513</u>
Net Position at End of Year	<u><u>\$ 3,751,864</u></u>	<u><u>\$ 8,295,639</u></u>	<u><u>\$ 12,047,503</u></u>

**South Florida Water Management District
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2024**

	Self Insurance Fund	Health Benefits Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Receipts from Participants and Other Funds	\$ 2,613,363	\$ 28,903,678	\$ 31,517,041
Cash Payments to Suppliers	(1,462,620)	(2,558,114)	(4,020,734)
Cash Payments for Salaries, Benefits	(434,120)	(224,274)	(658,394)
Claims Paid	(685,718)	(27,184,194)	(27,869,912)
Other Receipts (Payments)	425	-	425
Net Cash Provided (Used) by Operating Activities	31,330	(1,062,904)	(1,031,574)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	(58,803)	-	(58,803)
Net Cash Provided (Used) by Capital and Related Financing Activities	(58,803)	-	(58,803)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment Earnings (Loss)	218,131	506,182	724,313
Net Cash Provided (Used) by Investing Activities	218,131	506,182	724,313
Net Change in Cash and Cash Equivalents	190,658	(556,722)	(366,064)
Cash and Cash Equivalents, Beginning of Year	6,212,473	9,544,984	15,757,457
Cash and Cash Equivalents, End of Year	<u>\$ 6,403,131</u>	<u>\$ 8,988,262</u>	<u>\$ 15,391,393</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:			
Operating Income (Loss)	108,544	(491,867)	(383,323)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities			
Depreciation	9,393	-	9,393
CHANGES IN ASSETS AND LIABILITIES:			
Decrease (Increase) in Accounts Receivable	863	3,025	3,888
Decrease (Increase) in Due from Other Funds	-	-	-
Decrease (Increase) in Other Assets	-	-	-
Increase (Decrease) in Accounts Payable	21,530	(228,062)	(206,532)
Increase (Decrease) in Due to Other Funds	-	-	-
Increase (Decrease) in Estimated Unpaid Claims	(109,000)	(346,000)	(455,000)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 31,330</u>	<u>\$ (1,062,904)</u>	<u>\$ (1,031,574)</u>

**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Governing Board and Executive Director
South Florida Water Management District

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Florida Water Management District (the "District"), a component unit of the State of Florida, as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 23, 2025

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item SD2024-001 that we consider to be significant a deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items SD2024-001 and SD2024-002.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

West Palm Beach, FL
June 23, 2025

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
(a component unit of the State of Florida)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

SD2024-001 – INACCURATE REPORTING SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Criteria

Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires that the recipient of grant awards must be able to prepare an accurate schedule of expenditures and be able to identify in its accounts all federal awards and state assistance received and expended.

Additionally, Compliance Supplement – 2 CFR Part 200 Appendix XI, 4–97.036, specifies that non-federal agencies must record expenditures for Disaster Grants – Public Assistance when both of the following criteria are satisfied: 1) Federal Emergency Management Agency (“FEMA”) has approved the recipient’s FEMA subgrant application, and 2) the recipient has incurred the eligible expenditures.

Condition

During our initial testing of the Disaster Grants - Public Assistance (Presidentially Declared Disasters) grant (ALN # 97.036), the auditor identified approximately \$538,000 in obligated advanced funds from FEMA that were initially reported in the Schedule of Expenditures of Federal Awards and State Financial Assistance (“SEFA”). However, the District had not yet incurred the corresponding expenditures. As a result, the expenditure was initially recorded and improperly reflected in the SEFA as a federal award expenditure. The removal of the expenditure amount reduced the Disaster Grant from a Major Type A Program to a Non-Major Type B Program and decreased the federal award expenditure amount by approximately \$538,000. Accordingly, these adjustments required the auditor to modify its testing procedures in accordance with the Uniform Guidance.

Additionally, the SEFA provided by the District’s staff incorrectly reported three (3) expenditures related to CSFA #37.039 (Statewide Water Quality Restoration Projects) totaling approximately \$205,000 for services that were performed in previous fiscal years but were presented as a state financial assistance expenditure in the SEFA for the fiscal year ended September 30, 2024.

Cause

Lack of sufficient review controls over the preparation and review of the SEFA.

Effect

The SEFA was not accurately prepared and could result in incorrect reporting of expenditures to federal and state agencies.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
(a component unit of the State of Florida)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SD2024-001 – INACCURATE REPORTING SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)

Recommendation

We recommend that the staff responsible for the preparation of the SEFA and monitoring of Federal and State Awards receive additional training to possess a thorough understanding of Disaster Grants and their related program requirements. Additionally, the SEFA should be reviewed and approved by management personnel identified by the District who possesses the adequate knowledge and expertise. Such review and approval should take place during the District's financial close process.

View of Responsible Officials

See accompanying Corrective Action Plan.



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CORRECTIVE ACTION PLAN FISCAL YEAR ENDED SEPTEMBER 30, 2024

Identifying Number: SD2024 – 001

Finding: Inaccurate Reporting Schedule of Expenditures of Federal Awards and State Financial Assistance (SEFA).

Corrective Action Taken: The corrective action plan to resolve the inaccurate SEFA reporting is to update the procedure for the preparation and review of Federal and State reporting requirements and to increase staff training.

Contact Name(s): Michelle Quigley, Finance Bureau Chief, Chelsey Mills-Coleman, Finance Bureau Section Administrator, and Lin Feng, Finance Bureau Section Leader

Corrective Action Completion Date: 12/31/2025

Identifying Number: SD2024 – 002

Finding: Non-compliance with stipulated period of performance for State Program 37.022.

Corrective Action Taken: The corrective action plan to resolve the SEFA non-compliance with period of performance reporting is to update the procedure for preparation and review of the Federal and State reporting requirements and to increase staff training.

Contact Name(s): Michelle Quigley, Finance Bureau Chief, Chelsey Mills-Coleman, Finance Bureau Section Administrator, and Lin Feng, Finance Bureau Section Leader

Corrective Action Completion Date: 12/31/2025

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APPENDIX B

CERTAIN LEGAL DOCUMENTS

Master Trust Agreement

Form of Series 2026 Supplemental Trust Agreement

Master Lease Purchase Agreement

Form of Second Amended and Restated Schedule 2006

Series 2006 Ground Lease

Series 2006 Assignment Agreement

First Amendment to Series 2006 Assignment Agreement

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MASTER TRUST AGREEMENT

by and between

SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.

and

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Trustee

Dated as of November 1, 2006

TABLE OF CONTENTS

ARTICLE I.....	4
DEFINITIONS AND RULES OF CONSTRUCTION.....	4
101. Definitions.....	4
102. Rules of Construction.....	18
103. Exhibits.....	19
ARTICLE II.....	20
ASSIGNMENT; DECLARATION OF TRUST; REPRESENTATIONS.....	20
201. Assignment Agreements.....	20
202. Declaration of Trust by Trustee.....	20
203. Representations.....	20
204. Description and Estimated Costs of the Facilities.....	20
205. Conditions Precedent Satisfied.....	20
ARTICLE III.....	21
CERTIFICATES; TERMS AND PROVISIONS.....	21
301. Authorization of Certificates.....	21
302. Execution and Delivery of Certificates.....	21
303. Terms of Series of Certificates.....	22
304. Conditions Precedent to Delivery of a Series of Certificates.....	23
305. Payments from Trust Estate Only; Distribution of Trust Estate.....	26
306. Execution.....	27
307. Negotiability, Transfer and Registration.....	27
308. Regulations With Respect to Exchanges and Transfers.....	28
309. Certificates Mutilated, Destroyed, Stolen or Lost.....	29
310. Temporary Certificates.....	29
311. Privilege of Prepayment and Prepayment Price.....	30
312. Prepayment.....	30
313. Selection of Certificates to be Prepaid.....	30
314. Notice of Prepayment.....	30
315. Payment of Prepaid Certificates.....	32
316. Cancellation of Certificates.....	33
317. Qualification for The Depository Trust Company.....	33
ARTICLE IV.....	35
ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND ACCOUNTS; PREPAYMENT OF CERTIFICATES.....	35
401. Establishment of Project Fund.....	35
402. Acquisition Account.....	35
403. Capitalized Interest Accounts.....	38
404. Lease Payment Accounts.....	39
405. Reserve Accounts.....	39
406. Prepayment Accounts.....	42
407. Deposits of Money.....	43
408. Investment of Certain Accounts.....	44
409. Valuation and Sale of Investments.....	45
ARTICLE V.....	47
COVENANTS, DEFAULT AND LIMITATIONS OF LIABILITY.....	47

501. Trustee to Perform each Lease.....	47
502. Notice of Nonpayment.....	47
503. Events of Default.....	47
504. Remedies on Default or Non-Appropriation.....	47
505. Account and Reports.....	49
506. Liability to Certificate Holders for Payment.....	50
507. Possession and Enjoyment.....	50
508. Warranties.....	50
ARTICLE VI.....	52
CONCERNING THE TRUSTEE.....	52
601. Employment of Trustee.....	52
602. Trustee Acceptance of Duties.....	52
603. Evidence on Which Trustee May Act.....	54
604. Compensation to Trustee.....	56
605. Resignation of Trustee.....	56
606. Removal of Trustee.....	56
607. Appointment of Successor Trustee.....	56
608. Transfer of Rights in Property to Successor Trustee.....	57
609. Merger or Consolidation.....	58
610. Addition of Authorized Signature.....	58
611. Indemnification to Trustee.....	59
612. Obligation to Act on Defaults.....	59
613. Intervention by Trustee.....	59
614. Third Party Beneficiaries.....	59
ARTICLE VII.....	61
AMENDMENTS.....	61
701. Mailing.....	61
702. Power of Amendment.....	61
703. Consent of Certificate Holders.....	62
704. Modifications by Unanimous Consent.....	64
705. Exclusion of Certificates.....	64
706. Notation on Certificates.....	65
707. Credit Facility Issuers Deemed Certificate Holders.....	65
ARTICLE VIII.....	66
MISCELLANEOUS.....	66
801. Defeasance.....	66
802. Evidence of Signatures of Certificate Holders and Ownership of Certificates.....	70
803. Moneys Held for Particular Certificates.....	71
804. Preservation and Inspection of Documents.....	71
805. Parties Interest Herein.....	71
806. Severability.....	72
807. Recording and Filing.....	72
808. Notices.....	72
809. Applicable Law.....	73
810. Binding on Successors.....	73
811. Captions.....	74

- ii -

812. Legal Holidays.....	74
813. Execution in Counterparts.....	74

Exhibit A. FORM OF CERTIFICATE.....	
Exhibit B. FORM OF REQUISITION.....	
Exhibit C. FORM OF REQUISITION (COSTS OF ISSUANCE).....	

MASTER TRUST AGREEMENT

THIS MASTER TRUST AGREEMENT is dated as of November 1, 2006 (as the same may be amended or supplemented from time to time, this "Trust Agreement"), and is between DEUTSCHE BANK NATIONAL TRUST COMPANY, Charlotte, North Carolina (the "Trustee") and SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a not-for-profit corporation, duly organized and existing under the laws of the State of Florida, as lessor under the within mentioned Master Lease (the "Corporation");

W I T N E S S E T H:

WHEREAS, the Governing Board (the "Governing Board") of the South Florida Water Management District (the "District") desires to lease-purchase certain real property, structures and improvements and the equipment, fixtures and furnishings to be built, installed or established therein in connection with the construction of several of the Comprehensive Everglades Restoration Plan (the "CERP") projects included within the Acceler8 Project list attached to the Master Lease (defined herein) (the "Facilities") by entering into a Master Lease Purchase Agreement dated as of November 1, 2006 (as the same may be amended or supplemented from time to time, the "Master Lease"), between the Corporation, as lessor, and the Governing Board, as lessee; and

WHEREAS, pursuant to Section 2.1 of the Master Lease, the Governing Board may from time to time, by execution of a Schedule to the Master Lease (each hereinafter referred to as a "Schedule"), direct the Corporation to acquire and lease-purchase to the Governing Board the Facilities described in such Schedule to the Master Lease; and

WHEREAS, Facilities may be added to the Master Lease by execution of Schedules thereto from time to time; and

WHEREAS, the Master Lease and the terms and conditions thereof with respect to the particular Facilities described on a Schedule are sometimes referred to herein as a "Lease" and the Schedule describing such Facilities is sometimes referred to as "Schedule No. ____" or "Schedule ____"; and

WHEREAS, certain of the Facilities will be located on certain real property located within Glades, Lee, Hendry, Broward, Miami-Dade, Palm Beach, Collier and Martin Counties and any other counties within the District in which Acceler8 Projects are located (each such location, or all locations on a single Schedule, together with all structures and improvements erected or situated thereon, any easements or other rights or privileges in adjoining property inuring to the fee simple owner of such land by reason of ownership of such land, and all fixtures, additions, alterations or replacements thereto, on or used in connection with or attached or made to such land, a "Facility Site") to be leased or subleased by the Governing Board to the Corporation pursuant to a Ground Lease (as defined herein); and

WHEREAS, the relationship between the Corporation and Governing Board under the Master Lease is to be a continuing one and Facilities may be added to or deleted from the Master Lease from time to time in accordance with the terms thereof and of the Schedule describing such Facilities; and

WHEREAS, pursuant to Section 7.1 of the Master Lease, the Corporation, with the consent of the Governing Board, has the right to assign all of its right, title and interest in and to a particular Lease (except for its right to indemnification under Section 5.7 of the Master Lease, its right to hold title to the Facilities under Section 6.1 of the Master Lease and its right to receive notices under the Master Lease) to the Trustee including the rights to receive Basic Lease Payments (as hereinafter defined) due under such Lease; and

WHEREAS, the Corporation has requested the Trustee to issue from time to time separate Series of Certificates of Participation substantially in the form of Exhibit A hereto (the "Certificates") to third parties to whom such Certificates are sold and for whose benefit and for the benefit of any corresponding Credit Facility Issuer (as hereinafter defined) an Assignment Agreement will be executed and delivered to the Trustee, each such Certificate of a particular Series (as hereinafter defined) evidencing an undivided proportionate interest of the registered owner thereof to the Basic Lease Payments to be made under one or more Leases created by one or more particular Schedules and certain rights of the Corporation under such Lease or Leases; and

- 2 -

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

101. Definitions. The terms set forth in this Section shall have the meanings ascribed to them for all purposes of this Trust Agreement unless the context clearly indicates some other meaning, unless otherwise provided in a Supplemental Trust Agreement. Terms used herein and not otherwise defined shall have the meaning given to them in the Master Lease.

"Acquisition Account" shall mean any Acquisition Account established pursuant to Section 401 hereof and in any Supplemental Trust Agreement.

"Additional Lease Payment" shall mean any amount payable by the Governing Board under the terms of the Master Lease, other than a Basic Lease Payment or a Supplemental Payment, as set forth in a Schedule to the Master Lease and so designated, and shall include Termination Payments in connection with a Hedge Agreement.

"Assignment Agreement" shall mean any assignment agreement pursuant to which the Corporation shall have assigned to the Trustee all of its right, title and interest in and to a Ground Lease and the Lease or Leases created by one or more particular Schedules, including its right to receive Lease Payments under such Lease or Leases.

"Authorized Corporation Representative" shall mean the President of the Corporation and any person or persons designated by the Corporation and authorized to act on behalf of the Corporation by a written certificate delivered to the Trustee signed on behalf of the Corporation by the Chair of the Board of Directors containing the specimen signature of each such person.

"Authorized Newspaper" shall mean a newspaper containing financial matters, customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language, and of general circulation in the Borough of Manhattan, City and State of New York.

- 4 -

WHEREAS, upon receipt by the Trustee from the Corporation of the corresponding Assignment Agreement and satisfaction of the conditions set forth in Section 304 hereof, the Trustee shall issue a Series of Certificates that shall correspond to the Lease or Leases created by a particular Schedule or Schedules; and

WHEREAS, the Trustee has agreed to hold the proceeds corresponding to such Series of Certificates and to disburse such proceeds in accordance herewith and with the Master Lease, and to receive Basic Lease Payments due under the Lease or Leases created by a particular Schedule or Schedules and apply and disburse same in accordance herewith; and

WHEREAS, by this Trust Agreement, the Corporation agrees to direct the Governing Board to forward the Basic Lease Payments due under the Lease created by a particular Schedule to the Trustee from and after the execution of the corresponding Assignment Agreement by the Corporation;

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained and for other valuable consideration, the parties hereto agree as follows:

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- 3 -

"Authorized Governing Board Representative" shall mean the Chair and any person or persons designated by the Chair and authorized to act on behalf of the Governing Board by a written certificate delivered to the Trustee signed on behalf of the Governing Board by the Chair containing the specimen signature of each such person.

"Basic Lease Payment" shall mean, with respect to each Lease or each Facility financed under such Lease, as of each Lease Payment Date, the amount set forth on the appropriate Schedule of the Master Lease corresponding to such Lease Payment Date and designated as a Basic Lease Payment in such Schedule, and including Hedge Obligations due under a Hedge Agreement entered into by the Governing Board in connection with a Series of Certificates.

"Board of Directors" shall mean the Board of Directors of the Corporation.

"Business Day" shall mean a day other than a Saturday, Sunday or day on which banks in the State of New York or the State of Florida are authorized or required to be closed, or a day on which the New York Stock Exchange is closed.

"Capitalized Interest Account" shall mean any Capitalized Interest Account established pursuant to Section 401 hereof and in any Supplemental Trust Agreement.

"Certificate or Certificates" shall mean the certificates of participation, executed and delivered from time to time by the Trustee pursuant to this Trust Agreement and any Supplemental Trust Agreement. Each Series of Certificates issued under this Trust Agreement and any Supplemental Trust Agreement shall bear a Series designation to identify such Series of Certificates to a particular Schedule to the Master Lease.

"Certificate Holder" or "Holder of Certificates" shall mean the registered owner of any Certificate or Certificates.

"Certificate of Acceptance" shall mean the certificate of the Governing Board substantially in the form of Exhibit C to the Master Lease.

- 5 -

"Chair" shall mean the Chair of the Governing Board and any person or persons designated by the Governing Board and authorized to act on behalf of the Chair.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder and under the Internal Revenue Code of 1954.

"Continuing Disclosure Certificate" shall mean any Continuing Disclosure Certificate executed and delivered by the Governing Board in connection with the issuance of a Series of Certificates, in order to comply with the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule").

"Contractor" shall mean the person, firm, corporation or joint venture authorized to do business in Florida with whom a contract has been made directly with the Governing Board for the performance of the work with respect to any Facilities described by the Instructions to Bidders and General Conditions.

"Corporation" shall mean the South Florida Water Management District Leasing Corp., a Florida not-for-profit corporation, its successors and assigns.

"Cost" shall mean costs and expenses related to the acquisition, construction and installation of any Facilities including, but not limited to (i) costs and expenses of the acquisition of the title to or other interest in real property, including leasehold interests, easements, rights-of-way and licenses, including, without limitation, lease payments to be made by the Corporation under the terms of a Ground Lease until the expected acceptance of the Facilities related thereto as described herein, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders, materialmen and vendors, for the acquisition, construction and installation of the Facilities, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be advisable or necessary prior to completion of any of the Facilities which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction and installation of Facilities, (v) costs and expenses required for the acquisition and installation of equipment or machinery that comprise part of

- 6 -

organization who enters into a Hedge Agreement with the Governing Board whose senior long-term debt obligations or claims-paying ability, or whose payment obligations, under a Hedge Agreement are guaranteed by an entity whose senior long-term debt obligations or who has provided collateral such that its claims-paying ability is rated (at the time the Hedge Agreement is entered into) at least as high as Aa3 by Moody's, AA- by S&P or AA- by Fitch.

"Credit Facility" shall mean, with respect to a Series of Certificates, the letter of credit, insurance policy, guaranty, surety bond or other irrevocable security device, if any, supporting the obligations of the Governing Board to make Basic Lease Payments relating to such Series of Certificates.

"Credit Facility Issuer" shall mean, with respect to a Series of Certificates, the issuer of the Credit Facility, if any, for such Series of Certificates.

"Defeasance Securities", except as otherwise provided in a Supplemental Trust Agreement, shall mean cash or Government Obligations.

"District" shall mean the South Florida Water Management District, an agency of the State of Florida and a water management district, which is organized, exists and operates pursuant to the Florida Water Resources Act of 1972, Chapter 373, Florida Statutes, as amended.

"Event of Extraordinary Prepayment" shall mean one or more of the events so designated in Section 7.2 of the Master Lease.

"Excess Earnings" shall mean, with respect to each Series of Certificates, the amount by which the earnings on the Gross Proceeds of such Certificates exceeds the amount which would have been earned thereon if such Gross Proceeds were invested at a yield equal to the yield on the interest portion of the Basic Lease Payments represented by such Certificates, as such yield is determined in accordance with the Code and amounts earned on the investment of earnings on the Gross Proceeds of such Certificates.

"Facility" or "Facilities" shall mean a project included within the District's Everglades Restoration Acceler8 Project pursuant to the Memorandum of Agreement Regarding Acceleration of the Comprehensive Everglades Restoration Plan entered into by

the Facilities, (vi) all costs which the Governing Board shall be required to pay for or in connection with additions to, and expansions of Facilities, (vii) all costs which the Governing Board shall be required to pay to provide improvements, including offsite improvements, necessary for the use and occupancy of Facilities, including roads, walkways, water, sewer, electric, fire alarms and other utilities, (viii) any sums required to reimburse the Governing Board for advances made by it for any of the above items or for other costs incurred and for work done by it in connection with Facilities, (ix) deposits into any Reserve Account established pursuant to Section 401 of the Trust Agreement and any Supplemental Trust Agreement and any recurring amounts payable to a provider of a Reserve Account Letter of Credit/Insurance Policy, (x) fees, expenses and liabilities of the Governing Board, if any, incurred in connection with the acquisition, construction and installation of Facilities, (xi) Costs of Issuance, and (xii) interest during construction.

"Costs of Issuance" shall mean the items of expense incurred in connection with the authorization, sale and delivery of a Series of Certificates, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee and any Credit Facility Issuer or any provider of a Reserve Account Letter of Credit/Insurance Policy, legal fees and charges, professional consultants' fees, fees and charges for execution, delivery, transportation and safekeeping of Certificates, premiums, costs and expenses of refunding Certificates and other costs, charges and fees, including those of the Corporation, in connection with the foregoing.

"Costs of Issuance Subaccount" shall mean a Costs of Issuance Subaccount within an Acquisition Account established under Section 401 hereof and in any Supplemental Trust Agreement in connection with the issuance of a Series of Certificates.

"Credit Facility" shall mean, with respect to a Series of Certificates, the letter of credit, insurance policy, guaranty, surety bond or other irrevocable security device, if any, supporting the obligations of the Governing Board to make Basic Lease payments relating to such Certificates.

"Counterparty" shall mean any corporation, partnership, association, joint venture, trust or other entity or

- 7 -

the Governor of the State of Florida and the District to be acquired from the proceeds of a Series of Certificates consisting of real property, if any, structures and improvements, and the equipment, fixtures and furnishings which are to be built, installed or established on such real property, if any, structures, improvements, fixtures, and all appurtenances thereto and interests therein, all as set forth on a Schedule or Schedules from time to time.

"Facility Site" shall mean the real property (together with all structures, fixtures, and improvements erected or situated thereon, any easements or other rights or privileges in adjoining property inuring to the fee simple owner of such land by reason of ownership of such land, and all fixtures, additions, alterations or replacements located on, or used in connection with, or attached or made to, such land) either (i) owned by the Governing Board at the time of the issuance of a Series of Certificates to finance Facilities relating thereto, (ii) to be acquired by the Governing Board subsequent thereto but not paid for out of the proceeds of such Series of Certificates, upon which a Facility is to be located within the District and more particularly described in a Ground Lease, or (iii) owned by or co-owned with another governmental entity.

"Fiscal Year" shall mean the twelve month fiscal period of the Governing Board which under current law commences on October 1 in every year and ends on September 30 of the succeeding year.

"Governing Board" shall mean The Governing Board of the South Florida Water Management District, a body corporate and the governing body of the District.

"Government Obligations" shall mean any obligations which as to both principal and interest constitute non-callable direct obligations of, or non-callable obligations fully and unconditionally guaranteed by, the full faith and credit of the United States of America, including bonds or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America to the extent unconditionally guaranteed by the full faith and credit of the United States of America.

"Gross Proceeds" shall mean, with respect to each Series of Certificates, unless inconsistent with the provisions of the Code, in which case as provided in the Code, (i) amounts

- 8 -

- 9 -

received by or on behalf of the Corporation from the sale of such Certificates; (iii) amounts received as a result of investments of amounts described in (i); (iii) amounts treated as transferred proceeds of such Certificates in accordance with the Code; (iv) amounts treated as proceeds under the provisions of the Code relating to invested sinking funds; (v) securities or obligations pledged, if any, as security for payment of Basic Lease Payments under the Master Lease; (vi) amounts received with respect to obligations acquired with Gross Proceeds; (vii) amounts used to pay principal and interest portions of the Basic Lease Payments represented by such Certificates; (viii) amounts in any Reserve Account established pursuant to Section 401 of this Trust Agreement and in any Supplemental Trust Agreement; and (ix) amounts received as a result of the investment of Gross Proceeds not described in (i) above.

"Ground Lease" shall mean one or more ground leases or sub-ground leases between the Governing Board and the Corporation, as amended and supplemented from time to time, pursuant to which the Governing Board shall ground lease and/or sub-ground lease one or more Facility Sites to the Corporation.

"Hedge Agreement" shall mean an interest rate exchange agreement, an interest rate swap agreement, a forward purchase contract, a put option contract, a call option contract or another financial product which is used by the Governing Board as a hedging device with respect to its obligation to pay the interest portion of Basic Lease Payments, represented by Series of Certificates, entered into between the Governing Board and a Counterparty.

"Hedge Obligations" shall mean net payments, excluding non-periodic Termination Payments or similar fees or penalties, required to be made by the Governing Board under a Hedge Agreement from time to time as a result of fluctuation in hedged interest rates, or fluctuation in the value of any index of payment.

"Hedge Receipts" shall mean net payments received by the Governing Board from a Counterparty under a Hedge Agreement.

"Instructions to Bidders and General Conditions" shall mean the Instructions to Bidders and General Conditions of the Governing Board as in effect from time to time.

- 10 -

Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, and other senior debt obligations of other government-sponsored agencies approved by the Credit Facility Issuer insuring the Series of Certificates relating to the moneys invested.

(e) U.S. dollar denominated deposit accounts, federal (funds and banker's acceptances with domestic commercial banks (including the Trustee and any of its affiliates) which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase.

(f) Commercial paper which at the time of purchase is rated in the highest rating category by either S&P, Moody's or Fitch.

(g) Investments in a money market fund rated "AAA" or "AAM-G" or better by S&P.

(h) Direct and general obligations of any state of the United States, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, if at the time of their purchase such obligations are rated in either of the two highest rating categories by either S&P, Moody's or Fitch.

(i) Unsecured investment agreements from banks, registered broker/dealers, or other financial institutions, who have a long-term debt rating, or whose parent has a long-term debt rating, without regard to qualifier, in the two highest rating categories by a major rating service provided however that in the event the provider of the agreement is downgraded to below the "A" category by all the rating services, the provider must within 14 business days from the downgrade either; collateralize the agreement as outlined in (j), obtain a guaranty from a financial institution whose rating is at least "A" by a major rating agency, and assign the agreement to a financial institution whose rating is at least "A" by a major agency.

(j) Collateralized investment agreements (including repurchase agreements), provided by a registered broker/dealer, subject to SIPC, collateralized by obligations described in (c) and (h) such that the value of the collateral pledged is not less than 102% of the principal balance, marked to market not

- 12 -

"Investment Agreement" shall mean an agreement for the investment of moneys entered into by the Trustee with a Qualified Financial Institution whether such agreement is in the form of an interest-bearing time deposit, repurchase agreement or any similar arrangement and any note delivered by a Qualified Financial Institution pursuant to such agreement, which agreement shall have been approved by the Credit Facility Issuer insuring the Series of Certificates relating to the moneys invested.

"Investment Securities" except as otherwise provided in a Supplemental Trust Agreement, shall mean any of the following Securities, if and to the extent the same are at the time legal under State law for investment of the Governing Board's funds:

(a) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (b) below).

(b) Guaranteed direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

(c) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Farmers Home Administration
- General Services Administration - U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration
- Federal National Mortgage Association
- Federal Home Loan Bank
- Federal Home Loan Mortgage Corporation
- Student Loan Marketing Association

(d) Senior debt obligations rated in the highest rating category by either S&P, Moody's or Fitch issued by the

- 11 -

less frequently than weekly. Collateral must be held by an independent third party custodian.

(k) Obligations or funds permitted under the Laws of the State for investing by the Governing Board in trust with the State Board of Administration pursuant to Chapter 215, Florida Statutes.

(l) Forward purchase agreements by a financial institution which have a long-term debt rating, or whose parent has a long-term debt rating, of not less than A by a major rating agency. Securities eligible for delivery under such agreements will include those described in (c), (f), (h) and (j). Any forward purchase agreement must be accompanied by a bankruptcy opinion of counsel that the securities delivered will not be considered a part of the bankruptcy estate in the event of a declaration of bankruptcy or insolvency by the provider.

(m) Any other investment agreed to in writing by the Credit Facility Issuer insuring the Series of Certificates relating to the moneys invested.

"Lease" shall mean each separate Schedule to the Master Lease executed and delivered by the Governing Board and the Corporation, together with the terms and provisions of the Master Lease.

"Lease Payment Account" shall mean any Lease Payment Account established pursuant to Section 401 hereof and in any Supplemental Trust Agreement.

"Lease Payment Date" shall mean, with respect to a Lease, each date set forth on the corresponding Schedule designated as a Lease Payment Date for such Lease.

"Lease Payments" shall mean, with respect to each Lease, all amounts payable by the Governing Board pursuant to the terms of a Lease including Basic Lease Payments, Additional Lease Payments and Supplemental Payments.

"Lease Term" shall mean, with respect to each Lease, the period from the date of a Lease through the end of the then current Fiscal Year, plus each annual or lesser renewal period thereafter occurring which such Lease is maintained in effect in

- 13 -

accordance therewith, with the maximum number of renewals being specified in the Schedule corresponding to such Lease.

"Master Lease" shall mean the Master Lease Purchase Agreement dated as of November 1, 2006, between the Corporation and the Governing Board and any and all modifications, alterations, amendments and supplements thereto.

"Net Proceeds" shall mean, with respect to one or more Facilities financed under a Lease, proceeds from any insurance, condemnation, performance bond, Federal or State flood disaster assistance or any other financial guaranty (other than a Credit Facility Issuer) paid with respect to such Facilities remaining after payment therefrom of all expenses, including attorneys' fees, incurred in the collection thereof; and, with respect to insurance, to the extent that the Governing Board elects to self-insure under Section 5.3 of the Master Lease, any moneys payable from any appropriation made by the Governing Board in connection with such self-insurance.

"Notice by Mail" shall mean a written notice meeting the requirements of this Trust Agreement mailed by first-class mail to the Certificate Holders, at the addresses shown on the register maintained by the Trustee.

"Opinion of Counsel" shall mean an opinion signed by an attorney or firm of attorneys of recognized standing and who are qualified to pass on the legality of the particular matter (who may be counsel to the Governing Board or Special Tax Counsel) selected by the Governing Board.

"Outstanding" when used with reference to the Certificates, shall mean, as of any date, Certificates theretofore or thereupon being authenticated and delivered under this Trust Agreement except

(i) Certificates canceled by, or duly surrendered for cancellation to, the Trustee at or prior to such date;

(ii) Certificates (or portions of Certificates) for the payment or prepayment of which moneys, equal to the principal portion or Prepayment Price thereof, as the case may be, with interest to the date of maturity or Prepayment Date, shall be held in trust under this Trust Agreement and set aside for such payment, or prepayment, (whether at or

- 14 -

"Purchase Option Price" shall mean, with respect to any Facility financed under a Lease, as of each Lease Payment Date, the Basic Lease Payment then due plus the amount so designated and set forth on the Schedule for such Facility as the remaining principal portion of the Purchase Option Price minus any credits pursuant to the provisions of Section 3.2 of the Master Lease, plus, an amount equal to the interest to accrue with respect to the Certificates to be prepaid as a result of the release of such Facility from the Lease, from such Lease Payment Date to the next available date for prepaying such Certificates, unless such prepayment shall occur on such Lease Payment Date, plus an amount equal to a pro-rata portion of any Additional Lease Payments and Supplemental Payments then due and owing under the Lease relating to such Facility, including any prepayment premiums payable on the Certificates prepaid.

"Qualified Financial Institution" shall mean a bank, trust company, national banking association or a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or the Federal National Mortgage Association or any insurance company or other corporation (i) whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating by a Rating Agency which is not lower than AA/Aa, or which has issued a letter of credit, contract, agreement or surety bond in support of debt obligations which have been so rated; or (ii) which collateralizes its obligations at all times at levels in compliance with the requirements of the Rating Agencies for ratings not lower than AA/Aa.

"Rating Agency" shall mean each of Standard & Poor's Ratings Services ("S&P"), Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings ("Fitch") and any other nationally recognized rating service acceptable to the Credit Facility Issuer insuring the related series of Certificates which shall have provided a rating on any Outstanding Certificates.

"Reimbursement Agreement" shall mean, with respect to each Lease, any reimbursement agreement among the Corporation, the Governing Board and any Credit Facility Issuer.

"Reserve Account" shall mean any Reserve Account established pursuant to Section 405 hereof and in any Supplemental Trust Agreement.

prior to the maturity or Prepayment Date), provided that if such Certificates (or portions of Certificates) are to be prepaid, notice of such prepayment shall have been given as provided in Article III of this Trust Agreement;

(iii) Certificates in lieu of or in substitution for which other Certificates shall have been executed and delivered pursuant to Article III hereof; and

(iv) Certificates deemed to have been paid as provided in subsection (b) of Section 801 hereof.

"Payment Date" shall mean a date on which the principal portion or the interest portion of Basic Lease Payments is scheduled to be paid to Certificate Holders pursuant to the terms such Certificates.

"Prepayment Account" shall mean any Prepayment Account established pursuant to Section 401 hereof and in any Supplemental Trust Agreement.

"Prepayment Date" shall mean the date on which optional prepayment, extraordinary prepayment or mandatory sinking fund prepayment of Basic Lease Payments represented by a Series of Certificates Outstanding shall be made pursuant to Section 312 hereof or pursuant to any Supplemental Trust Agreement.

"Prepayment Price" shall mean, with respect to any Certificate, the principal amount thereof (together with the premium, if any, applicable upon an optional prepayment) payable upon prepayment thereof pursuant to such Certificate and this Trust Agreement or any Supplemental Trust Agreement, together with accrued interest represented by such Certificate to the Prepayment Date.

"Project" shall mean the lease-purchase financing and construction or refinancing of the Facilities set forth on a particular Schedule and, if all or a portion of such Facilities shall be comprised of real property, the ground leasing and/or sub-ground leasing of the related Facility Site by the Governing Board to the Corporation, as applicable, and the subleasing of such Facility Site back to the Governing Board.

"Project Fund" shall mean the trust fund designated as the "Project Fund" created and established in Section 401 hereof.

- 15 -

"Reserve Account Letter of Credit/Insurance Policy" shall mean the irrevocable letter or line of credit, insurance policy, surety bond or guarantee agreement issued by a Qualified Financial Institution in favor of the Trustee which is to be deposited into a Reserve Account in order to fulfill the Reserve Account Requirement relating thereto.

"Reserve Account Requirement" shall mean, in regard to a Reserve Account to secure a Series of Certificates, such amounts, if any, as shall be provided in the Supplemental Trust Agreement authorizing the issuance of such Series and in the Schedule relating thereto, provided such Reserve Account Requirement shall not exceed the least of (i) the maximum annual amount of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Year, (ii) 125% of the average annual amount of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Years, and (iii) 10% of the stated principal amount of such Series of Certificates.

"Schedule" shall mean a schedule, as amended and supplemented from time to time, to this Master Lease to be executed and delivered by the Governing Board and the Corporation for each Project, substantially in the form of Exhibit B to the Master Lease.

"Series" or **"Series of Certificates"** shall mean the aggregate amount of each series of Certificates evidencing an undivided proportionate interest of the owners thereof in a particular Lease and the Basic Lease Payments thereunder, issued pursuant to this Trust Agreement or a Supplemental Trust Agreement.

"Special Tax Counsel" shall mean shall mean Edwards Angell Palmer & Dodge LLP, West Palm Beach, Florida, or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of the interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"State" shall mean the State of Florida.

- 17 -

- 16 -

"Supplemental Payments" shall mean all amounts due under a Lease other than Basic Lease Payments and Additional Lease Payments.

"Supplemental Trust Agreement" shall mean any agreement supplemental or amendatory of this Trust Agreement.

"Termination Payments" shall mean all non-periodic payments or penalties or fees in connection with a Hedge Agreement and shall not include Hedge Obligations.

"Trust Agreement" shall mean this Master Trust Agreement dated as of November 1, 2006 entered into by and between the Corporation and the Trustee, and any Supplemental Trust Agreement.

"Trust Estate" shall mean all estate, right, title and interest of the Trustee in and to (a) the Basic Lease Payments, the Master Lease, the Leases and each Assignment Agreement, and (b) (i) all amounts from time to time deposited in the funds and accounts created pursuant to this Trust Agreement and any Supplemental Trust Agreement in accordance with the provisions of the Master Lease, the Leases and this Trust Agreement, including investment earnings thereon; and (ii) any and all monies received by the Trustee pursuant to the provisions hereof and not required to be remitted to the Governing Board pursuant to the Master Lease or this Trust Agreement.

"Trustee" shall mean Deutsche Bank National Trust Company, and its successors or assigns which may at any time be substituted in its place pursuant to the provisions hereof.

102. Rules of Construction. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Trust Agreement, refer to this Trust Agreement.

- 18 -

ARTICLE II

ASSIGNMENT; DECLARATION OF TRUST; REPRESENTATIONS

201. Assignment Agreements. The Corporation shall assign and transfer to the Trustee its rights under each Ground Lease and each Lease pursuant to and to the extent described in the corresponding Assignment Agreement, and in consideration of such assignment and the execution of this Trust Agreement, the Trustee shall authenticate, execute and deliver each Series of Certificates, evidencing an undivided proportionate interest of the Certificate Holders in Basic Lease Payments under the corresponding Lease.

202. Declaration of Trust by Trustee. The Trustee hereby declares that it holds and will hold the Trust Estate conferred on it by the Corporation hereunder upon the trusts and apply the amounts as hereinafter set forth for the use and benefit of the Certificate Holders, as more particularly set forth in Section 305 hereof.

203. Representations. In the Master Lease, the Governing Board has agreed to acquire, construct and install the Facilities as agent for the Corporation pursuant to specifications prepared by the Governing Board and that the Governing Board will be responsible for the letting of contracts for the acquisition, construction and installation of the Facilities and supervising the acquisition, construction and installation of the Facilities.

204. Description and Estimated Costs of the Facilities. The description of the Facilities to be acquired, constructed and installed and leased by the Governing Board from the Corporation pursuant to the Master Lease and each Schedule and the estimated Costs of such Facilities shall be set forth in the related Schedule to the Master Lease.

205. Conditions Precedent Satisfied. Each party hereto, represents with respect to itself that all acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the execution and delivery of this Trust Agreement have happened and have been performed in regular and due time, form and manner as required by law, and

- 20 -

103. Exhibits. The following Exhibits are attached hereto and by this reference made a part of this Trust Agreement:

Exhibit A.	FORM OF CERTIFICATE
Exhibit B.	FORM OF REQUISITION
Exhibit C.	FORM OF REQUISITION (COSTS OF ISSUANCE)

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- 19 -

the parties hereto each represents as to itself that it is now duly empowered to execute and deliver this Trust Agreement.

ARTICLE III

CERTIFICATES; TERMS AND PROVISIONS

301. Authorization of Certificates.

(a) The total aggregate principal amount of Series of Certificates which may be issued under this Trust Agreement is limited to \$1,800,000,000. The aggregate principal amount of Certificates of each Series which may be issued, executed and delivered under this Trust Agreement is not limited except as set forth in the Supplemental Trust Agreement creating such Series.

(b) The Certificates issuable under this Trust Agreement shall be issued in such Series as may from time to time be created in connection with one or more Leases. Each Series shall be designated "Certificates of Participation, Series _____, Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Lease Payments to be Made by the Governing Board of the South Florida Water Management District, as Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor." The Certificates may, if and when authorized by this Trust Agreement, be designated with such further appropriate particular designations added to or incorporated in such title for the Certificates of any particular Series as the Board may determine and as may be necessary to distinguish such Certificates from the Certificates of any other Series.

(c) Pursuant to Section 7.4 of the Master Lease, the Trustee, at the direction of the Corporation, shall issue one or more Series of refunding Certificates under a Supplemental Trust Agreement for the purpose of providing for the payment of all or a portion of Outstanding Series of Certificates, the funding of a Reserve Account, if any, and the payment of the Costs of Issuance in connection with such Series of refunding Certificates.

302. Execution and Delivery of Certificates. Each Series of Certificates shall be authorized by the Corporation at the

- 21 -

request of the Governing Board and executed and delivered by the Trustee for the purpose of (a) financing and refinancing the cost of acquisition, construction and equipping of any Facilities, (b) financing the cost of completing the acquisition, construction, installation and equipping of any Facilities, (c) financing the cost of increasing, improving, modifying, expanding or replacing any Facilities, (d) paying or providing for the payment of the principal portion and interest portion of the Basic Lease Payments with respect to, or the Purchase Option Price of, all or a portion of the Facilities financed from the proceeds of any Series of Certificates theretofore executed and delivered, (e) funding a Reserve Account in an amount equal to the Reserve Account Requirement applicable thereto, (f) capitalizing the interest portion of Basic Lease Payments during construction and (g) paying the Costs of Issuance applicable thereto.

Each Series of Certificates shall be substantially in the form set forth in Exhibit A hereto, with such appropriate variations, omissions and insertions as necessary to conform to the provisions of this Trust Agreement, including any use of a book-entry-only system as described in Section 317 hereof. All Certificates may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Certificates may be listed or any usage or requirement of law with respect thereto.

303. Terms of Series of Certificates. Certificates may be executed and delivered at any time and from time to time in one or more Series, upon such terms and conditions as may then be permitted by law and as shall be determined by the Corporation and provided in the respective Supplemental Trust Agreement under which such Series of Certificates are authorized. Certificates of any Series:

(a) shall be dated, shall bear interest at such fixed or variable rates and interest rate modes, and shall be payable and mature in such amounts and at such time or times, as may be provided in the Supplemental Trust Agreement creating such Series of Certificates;

(b) shall be payable, as to the principal portion, Prepayment Price, if any, and interest portion of such Series of Certificates, at such place or places in lawful money of the

- 22 -

authorized by the Corporation in accordance with the provisions of this Section 304.

Prior to the delivery by the Trustee of any Series of Certificates there shall have been received by the Trustee:

(a) A Supplemental Trust Agreement providing for the terms and conditions upon which they shall be executed and delivered by the Trustee;

(b) An executed counterpart of a corresponding Schedule to the Master Lease (or amended Schedule in the case of Certificates issued for the purposes as described in Section 302(b) and (d) above) effective on or before the date of execution and delivery of such Series of Certificates, providing for (i) Lease Payments payable under such Schedule at least equal to the principal portion of, Prepayment Price, if any, and interest portion represented by such Series of Certificates, and (ii) the disposition of the proceeds of the sale of such Series of Certificates, including the acquisition, construction, equipping or improvement of the Facilities to be financed from the proceeds of such Series of Certificates or the payment or refunding of the Series of Certificates to be paid or refunded;

(c) An executed counterpart of an Assignment Agreement, effective on or before the date of execution and delivery of such Series of Certificates, assigning and transferring to the Trustee substantially all of the rights of the Corporation under the Lease relating to such Series of Certificates, except for the provisions with respect to release and indemnity of the Corporation and the right of the Corporation to hold title to various Facilities and to receive notices under the Master Lease;

(d) One or more opinions of Special Tax Counsel to the effect that (i) the Certificates evidence undivided proportionate interests of the owners thereof in Basic Lease Payments to be made by the Governing Board pursuant to the corresponding Lease and (ii) the interest portion of the Basic Lease Payments represented by the Series of Certificates being issued is excludable from gross income for federal income tax purposes, and, in the case of refunding Certificates, that the exclusion from gross income for federal income tax purposes of the interest portion of the Basic Lease Payments represented by

- 24 -

United States of America and may have such registration privileges and such exchange privileges as may be provided in the Supplemental Trust Agreement creating such Series of Certificates and allowable under then existing law;

(c) shall have such particular designations added to their title, and shall be in such form and denominations, as provided in the Supplemental Trust Agreement creating such Series of Certificates;

(d) shall be limited as to the maximum principal amount thereof which may be delivered by the Trustee or which may be at any time Outstanding, as provided in the Supplemental Trust Agreement creating such Series of Certificates;

(e) may contain provisions for the prepayment thereof at such Prepayment Price or Prices, at such time or times, upon such notice, in such manner, and upon such other terms and conditions, not inconsistent with the provisions hereof and the terms of the Master Lease, as may be provided in the Supplemental Trust Agreement creating such Series of Certificates;

(f) may have provisions requiring mandatory payments for the purchase and sinking fund prepayment of such Series of Certificates, in such amounts, at such time or times, upon such notice, in such manner, and upon such other terms and conditions, not inconsistent with the provisions hereof and the terms of the Master Lease as shall be set forth in such Supplemental Trust Agreement;

(g) may contain such other provisions and such other special terms and conditions, not contrary to the provisions hereof, as may be provided in such Supplemental Trust Agreement;

(h) shall be payable from and secured by the Trust Estate, but solely to the extent provided in and subject to the limitations of Section 305 hereof.

304. Conditions Precedent to Delivery of a Series of Certificates. The Trustee shall execute and deliver one or more Series of Certificates for the purposes set forth in Section 302 hereof to the purchaser or purchasers thereof as requested and

- 23 -

the Certificates being refunded will not be adversely affected by the issuance of the refunding Certificates being issued;

(e) A written order to the Trustee by an Authorized Corporation Representative to authenticate, execute and deliver the Series of Certificates to the purchaser or purchasers therein identified upon payment to the Trustee of a specified sum;

(f) Certified copies of resolutions of the Corporation and the Governing Board authorizing the issuance of such Series of Certificates;

(g) Such other documents and opinions as may be provided for in the Supplemental Trust Agreement referred to in subparagraph (a) hereof, including one or more Ground Leases (or amended Ground Leases in the case of Certificates issued for the purposes described in Section 302(b) above), or as may be required under Section 6.1 of the Master Lease;

(h) One or more Opinions of Counsel in form and substance satisfactory to each Credit Facility Issuer to the effect that the issuance of such Series of Certificates for the purposes set forth in Section 302 is authorized by law, and the execution and delivery thereof and of the other documents described in this Section have been duly authorized by the Governing Board and the Corporation, all conditions precedent to the delivery thereof have been fulfilled and to the further effect that the execution of the Supplemental Trust Agreement is authorized or permitted hereunder; and

(i) A certificate signed by an Authorized Corporation Representative to the effect that the Master Lease is in effect and to its knowledge there are no defaults at the time of issuance of the Series of Certificates under any Lease, Ground Lease, this Trust Agreement or any Supplemental Trust Agreement.

The proceeds of such Series of Certificates shall be held and disbursed as provided in the Supplemental Trust Agreement providing for such Series of Certificates. The Trustee shall execute and deliver such Series of Certificates to the purchaser or purchasers thereof as directed and authorized in writing by an Authorized Corporation Representative.

- 25 -

305. Payments from Trust Estate Only; Distribution of Trust Estate.

(a) Unless otherwise set forth in a Supplemental Trust Agreement, each Certificate within a Series of Certificates executed and delivered pursuant to this Section shall rank *pari passu* and be equally and ratably secured under this Trust Agreement with each other Certificate of such Series, but not with any Certificates of any other Series issued pursuant to this Trust Agreement and Outstanding, without preference, priority or distinction of any such Certificate over any other such Certificate, except that to the extent that Basic Lease Payments available for Payment to all Certificate Holders are less than all amounts owed with respect to all Series of Certificates on any Payment Date, such amounts available shall be applied on a pro-rata basis to Certificate Holders of all Series in accordance with the ratio that the principal balance due on each Series of Certificates Outstanding on such Payment Date bears to the total principal balance due on all Certificates Outstanding under this Trust Agreement on such Payment Date.

(b) Except as otherwise expressly provided in the immediately preceding paragraph and elsewhere herein, all amounts payable by the Trustee with respect to a Series of Certificates or to any Credit Facility Issuer who shall have issued a Credit Facility, if any, securing such Series pursuant to this Trust Agreement shall be paid only from the portion of the Trust Estate derived from Basic Lease Payments made pursuant to the Schedule corresponding to such Series and only to the extent that the Trustee shall have actually received sufficient income or proceeds from such portion of the Trust Estate to make such payments. Each Certificate Holder agrees, and each such Credit Facility Issuer, by its execution and delivery of the Credit Facility shall be deemed to have agreed, except as otherwise expressly provided herein, to look solely to the income of and the proceeds from such portion of the Trust Estate to the extent available for distribution to such Holder and each such Credit Facility Issuer as herein provided and that the Trustee is not personally liable to any Certificate Holder or any such Credit Facility Issuer for any amounts payable under this Trust Agreement or subject to any liability under this Trust Agreement except liability under this Trust Agreement as a result of negligence or willful misconduct by the Trustee.

- 26 -

such Certificate Holder or upon his/her order shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid, and the Trustee, the Corporation and the Governing Board shall not be affected by any notice to the contrary.

(d) Certificates, upon surrender thereof at the designated corporate trust office of the Trustee, together with an assignment duly executed by the Certificate Holder or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Certificate Holder thereof and upon payment by such Certificate Holder of any charges which the Trustee may make as provided in Section 308 hereof, be exchanged for an equal aggregate principal amount of Certificates of the same maturity and series, of any denomination or denominations authorized by this Trust Agreement, representing interest at the same rate, and in the same form as the Certificates surrendered for exchange.

(e) Upon the occurrence and continuance of an Event of Default which requires a Credit Facility Issuer to make payments under a Credit Facility, the Credit Facility Issuer and its designated agent shall be provided with access to inspect and copy the register of the Series of Certificate Holders insured by its Credit Facility.

308. Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Certificates or registering the transfer of Certificates is exercised, the Trustee shall execute and deliver Certificates in accordance with the provisions of this Trust Agreement. All Certificates surrendered in any such exchanges or registrations of transfer shall forthwith be canceled by the Trustee. For every such exchange or registration of transfer of Certificates, whether temporary or definitive, the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Trustee shall not be required (a) to register the transfer of or exchange Certificates for a period of fifteen (15) days preceding any Payment Date until such Payment Date, or for a period of fifteen (15) days preceding any selection of Certificates to be prepaid until after the mailing of any notice of prepayment; or (b) to register the transfer of or exchange any Certificates called for prepayment.

- 28 -

(c) So long as the Master Lease or related Ground Leases shall be in effect, all amounts of Lease Payments, insurance proceeds, indemnity payments and other payments of any kind constituting a part of the Trust Estate payable under this Trust Agreement or the Lease corresponding to such Series of Certificates to the Trustee shall be paid directly to the Trustee for distribution, in accordance with Articles III, V, VI and VII of this Trust Agreement, to or for the Certificate Holders or the related Credit Facility Issuer, as the case may be.

306. Execution.

The Certificates shall be executed in the name of, and by, the Trustee, solely as trustee under the Trust Agreement and not in its individual capacity, by the manual signature of any authorized signatory of the Trustee.

307. Negotiability, Transfer and Registration.

(a) The Trustee shall maintain, at its designated corporate trust office, a register of the names and addresses of all Certificate Holders as of any particular time, and the Trustee shall, upon request of the Governing Board, furnish such information to the Governing Board.

(b) Each Certificate shall be transferable only upon the register maintained by the Trustee, by the Certificate Holder in person or by his/her attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Certificate Holder or his/her attorney duly authorized in writing. Upon the registration of transfer of any such Certificate, the Trustee shall deliver in the name of the transferee a new Certificate or Certificates of the same series, aggregate principal amount and maturity as the surrendered Certificate.

(c) The person in whose name any Certificate shall be registered upon the books of the Trustee shall be treated as the absolute owner of such Certificate, whether such Certificate shall be overdue or not, for the purpose of receiving payment of or on account of, the principal portion or Prepayment Price, if applicable, and interest portion represented by such Certificate and for all other purposes, and all such payments so made to any

- 27 -

309. Certificates Mutilated, Destroyed, Stolen or Lost. In case any Certificates shall become mutilated or be destroyed, stolen or lost, the Trustee shall execute and deliver a new Certificate of the same series and of like maturity and principal amount as the Certificate so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Certificate, or in lieu of and substitution for the Certificate destroyed, stolen or lost, upon surrender of such mutilated Certificate or filing with the Trustee of evidence satisfactory to the Trustee that such Certificate has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Trustee with indemnity satisfactory to the Trustee and complying with such other reasonable regulations as the Trustee may prescribe and paying such expenses as the Trustee may incur. All Certificates so surrendered to the Trustee shall be canceled by it. Any such new Certificates executed and delivered pursuant to this Section in substitution for Certificates alleged to be destroyed, stolen or lost shall be equally secured by and entitled to equal and proportionate benefits, with all other Certificates delivered under the Trust Agreement and Outstanding.

310. Temporary Certificates. Until the definitive Certificates are prepared, the Trustee may execute and deliver, in the same manner as is provided in Section 306, in lieu of definitive Certificates, one or more temporary Certificates of the same series and substantially of the tenor of the definitive Certificates in lieu of which such temporary Certificate or Certificates are issued, in denominations of \$5,000 or any multiples thereof, and with such omissions, insertions and variations as may be appropriate for temporary Certificates. The Trustee, at the expense and direction of the Governing Board, shall prepare and execute and, upon the surrender of such temporary Certificates, and the cancellation of such surrendered temporary Certificates, the Trustee shall without charge to the Holder thereof, in exchange therefor, deliver definitive Certificates of the same series, of the same aggregate principal amount and maturity as the temporary Certificates surrendered. Until so exchanged, the temporary Certificates shall in all respects be entitled to the same benefits and security as definitive Certificates of the same series executed and delivered pursuant to the Trust Agreement.

- 29 -

311. Privilege of Prepayment and Prepayment Price. Certificates subject to prepayment prior to maturity pursuant to this Trust Agreement may be prepaid, upon notice given as provided in this Article III, at such times, at such Prepayment Prices and upon such terms as specified in this Article III or in the Supplemental Trust Agreement authorizing the issuance of such Certificate.

312. Prepayment. Whenever by the terms of this Trust Agreement or any Supplemental Trust Agreement the Certificates are required to be prepaid, the Trustee shall select the Certificates to be prepaid in accordance with the provisions of Section 313 hereof. The Trustee shall select a Prepayment Date, and immediately give the notice of prepayment and pay the Prepayment Price thereof, plus interest accrued and unpaid to the Prepayment Date, in accordance with the terms of this Article III.

313. Selection of Certificates to be Prepaid. If less than all of the Certificates of a Series shall be called for prepayment, the particular Certificates or portions of Certificates to be prepaid shall be in multiples of \$5,000 and, except as otherwise provided in a Supplemental Trust Agreement, such Certificates or portions of Certificates shall be prepaid in such order of maturity as shall be designated by the Governing Board. If less than all of the Certificates of like maturity shall be called for prepayment, the particular Certificates or portions thereof to be prepaid shall be selected by lot by the Trustee in such manner as the Trustee shall deem fair and appropriate. The portion of any Certificate of a denomination of more than \$5,000 to be prepaid shall be in the principal amount of \$5,000 or an integral multiple thereof, and, in selecting portions of such Certificates for prepayment, the Trustee shall treat each such Certificate as representing that number of Certificates of \$5,000 denomination which is obtained by dividing the principal amount of such Certificate to be prepaid in part by \$5,000.

314. Notice of Prepayment. When prepayment of Certificates is required pursuant to Section 312 hereof, the Trustee shall give notice of the prepayment of such Certificates, which notice shall specify the maturities of the Certificates to be prepaid, the CUSIP numbers (which shall be for informational purposes only and shall not affect the validity of such notice), the Prepayment Date and the place or places where amounts due upon

- 30 -

escrow deposit agreement, in amounts necessary to effect the prepayment, no later than the Prepayment Date or (2) the Trustee, at the direction of the Governing Board, retains the right to rescind such notice on or prior to the scheduled prepayment date (in either case, a "Conditional Prepayment"), and such notice and optional prepayment shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this subsection. Any such notice of Conditional Prepayment shall be captioned "Conditional Notice of Prepayment." Any Conditional Prepayment may be rescinded at any time prior to the Prepayment Date if the Governing Board delivers a written direction to the Trustee directing the Trustee to rescind the prepayment notice. The Trustee shall give prompt notice of such rescission to the affected Certificate Holders. Certificates subject to Conditional Prepayment where prepayment has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the Governing Board to make such funds available shall constitute an Event of Default. The Trustee shall give immediate notice to the securities information repositories and the affected Certificate Holders that the prepayment did not occur and that the Certificates called for prepayment and not so paid remain Outstanding.

315. Payment of Prepaid Certificates. Notice having been given in the manner provided in Section 314, the Prepayment Price of the Certificates or portions thereof so called for prepayment shall become due and payable on the Prepayment Date so designated at the Prepayment Price, plus the interest portion accrued and unpaid to the Prepayment Date, and, upon presentation and surrender thereof at the office specified in such notice such Prepayment Price of the Certificates, or portions thereof shall be paid. If there shall be selected for prepayment less than all of the Certificates, the Trustee shall execute and deliver, upon the surrender of such Certificates, without charge to the owner thereof, for the aggregate balance of the principal amount of the Outstanding Certificates so surrendered, at the option of the owner thereof, Certificates of like maturity in any of the authorized denominations. If, on the Prepayment Date, moneys for the payment of the Prepayment Price of all the Certificates of a Series or portions thereof of any like maturity to be prepaid, shall be held by the Trustee so as to be available therefor on the Prepayment Date and if notice of prepayment shall have been given as aforesaid, then, from and after the Prepayment Date the interest portion of the Certificates or portions thereof of such maturity so called for

- 32 -

such prepayment will be payable and, if less than all of the Certificates of a Series are to be prepaid, the letters and numbers or other distinguishing marks of such Certificates to be prepaid, and, in the case of Certificates to be prepaid in part only, such notice shall also specify the respective portions of the principal amounts thereof to be prepaid. Such notice shall further state that on such date there shall become due and payable with respect to each Certificate to be prepaid the Prepayment Price thereof, or the Prepayment Price of the specified portions of the principal thereof to be prepaid in part only, together with interest accrued to the Prepayment Date, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail a copy of such notice, postage prepaid, not less than 30 days before the Prepayment Date in the case of optional prepayment, extraordinary prepayment resulting from damage, destruction or condemnation of Facilities, extraordinary prepayment from amounts in excess of Basic Lease Payments coming due in the next Fiscal Year remaining in the Acquisition Account after completion of the Facilities or mandatory sinking fund prepayment, and not less than 5 days nor more than 10 days before the Prepayment Date in the case of extraordinary prepayment resulting from termination of all Leases as a result of nonappropriation or default by the Governing Board, to the Holders of any Certificates or portions of Certificates which are to be prepaid, at their last addresses appearing upon the registry books, but any defect in the notice to a particular Certificate Holder shall not affect the validity of the proceedings for the prepayment of other Certificates. Notwithstanding anything in this Section 314 to the contrary, the Trustee shall not give notice that the Certificates are subject to optional prepayment pursuant to a Supplemental Trust Agreement unless and until the Governing Board shall have deposited with the Trustee to the credit of the related Prepayment Account an amount sufficient to pay in full the principal of the Certificates subject to prepayment, plus accrued interest and premium, if any, on such Certificates to the date established for such prepayment. Notice of such prepayment shall be provided to any depository not less than two days prior to mailing of such notice, to the extent available.

Conditional Notice of Prepayment. In the case of an optional prepayment of any Certificate, the notice of prepayment may state that (1) it is conditioned upon the deposit of moneys in the Prepayment Account or with an escrow agent under an

- 31 -

prepayment shall cease to accrue and become payable. If said moneys shall not be so available on the Prepayment Date, the principal portion represented by such Certificates or portions thereof shall continue to bear interest until paid at the same rate as would have accrued had it not been called for prepayment.

316. Cancellation of Certificates. All Certificates paid or prepaid, either at or before maturity, shall be delivered to the Trustee when such payment or prepayment is made, and such Certificates shall thereupon be promptly canceled and destroyed. Upon the cancellation and deletion of any Certificates by the Trustee, the Trustee shall execute a certificate of cancellation in duplicate by the signature of one of its authorized officers describing the Certificates so canceled, and executed certificates shall be filed with the Governing Board and the Corporation and the other executed certificate shall be retained by the Trustee.

317. Qualification for The Depository Trust Company. The Trustee is hereby authorized to take such actions as may be necessary from time to time to qualify any Series of Certificates for deposit with The Depository Trust Company of New York, including but not limited to wire transfers of interest and principal payments with respect to such Series of Certificates, utilization of electronic book-entry data received from The Depository Trust Company of New York in place of actual delivery of Certificates and provision of notices with respect to Certificates registered by The Depository Trust Company of New York (or any of its designees identified to the Trustee) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with The Depository Trust Company of New York may adversely affect the interest of any of the beneficial owners of the Certificates, provided, however, that the Trustee shall not be liable with respect to any such arrangements it may make pursuant to this Section. Without limiting the foregoing, the Trustee may deliver a Series of Certificates to a bank or trust company serving as custodian (which may be the Trustee serving in the capacity of custodian) to provide for a book-entry or similar method for the registration and registration of transfers of such Series of Certificate; provided that the holders of such Series of Certificates always may receive upon request certificates evidencing their ownership of Certificates.

- 33 -

ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND
ACCOUNTS; PREPAYMENT OF CERTIFICATES

401. Establishment of Project Fund. There is hereby established with the Trustee a special trust fund to be designated as the "Project Fund". The Trustee shall keep the Project Fund separate and apart from all other funds and moneys held by it. Within the Project Fund, the Trustee shall establish pursuant to each Supplemental Trust Agreement, as necessary, the following accounts and subaccounts for each Series of Certificates: (a) an Acquisition Account and a Cost of Issuance Subaccount therein, more particularly described in Section 402 hereof; (b) a Capitalized Interest Account, more particularly described in Section 403 hereof; (c) a Lease Payment Account, more particularly described in Section 404 hereof; (d) a Reserve Account, more particularly described in Section 405 hereof; and (e) a Prepayment Account, more particularly described in Section 406 hereof. The Trustee shall establish separate Acquisition Accounts, Cost of Issuance Subaccounts, Capitalized Interest Accounts, Lease Payment Accounts, Reserve Accounts and Prepayment Accounts for each Project in the Supplemental Trust Agreement authorizing the issuance of the Series of Certificates corresponding to each such Project. The Trustee may create additional Accounts and Subaccounts in any Supplemental Trust Agreement at the request of the Governing Board. Each such account and subaccount shall be designated by the Trustee with the Series of the Certificates to which they relate.

On the date of delivery of each Series of Certificates the Trustee shall deposit the proceeds thereof as provided in the Schedule or Schedules and the Supplemental Trust Agreement authorizing such Series of Certificates.

402. Acquisition Account.

(a) There shall be paid into each Acquisition Account the amounts required to be so paid by the provisions hereof or by the provisions of the Supplemental Trust Agreement authorizing the issuance of the Series of Certificates to which such Acquisition Account relates.

- 34 -

- 35 -

(b) Pursuant to an election by the Governing Board under Section 5.4(a) of the Master Lease, Net Proceeds with respect to any Facilities, may be deposited into the Acquisition Account established under the Supplemental Trust Agreement authorizing the issuance of the Series of Certificates to which such Acquisition Account relates.

(c) The Cost (other than the Costs of Issuance) of the Facilities comprising each Project shall be paid from the amounts on deposit in the related Acquisition Account. Actual amounts paid for particular Facilities may be more or less than the estimated amounts set forth initially in a Schedule, so long as the certifications provided below can be made. The Trustee shall make such payments upon receipt of a requisition substantially in the form of Exhibit B hereto, signed by an Authorized Governing Board Representative certifying with respect to each payment to be made: (1) the requisition number, (2) the name and address of the person, firm, corporation or agency to whom payment is due or has been made, (3) the amount to be paid, (4) that each obligation, item of cost or expense mentioned therein has been properly incurred, is an item of Cost of the Facilities comprising the related Project and has not been the basis of any previous withdrawal, and (5) that the payment of the Cost of the Facilities comprising such Project will not cause the balance remaining in such Acquisition Account after such payment to be less than the amount necessary to pay the remaining estimated Costs to be paid from such account or that sufficient other moneys are available therefor. Payments may be made from such Acquisition Account in order to reimburse the Governing Board for payments previously made to pay the Costs of the Facilities comprising such Project.

Payments shall be made by the Trustee for Costs of real property in accordance with the following:

- (i) Receipt by the Trustee and the related Credit Facility Issuer of a title insurance policy, if required by such related Credit Facility Issuer pursuant to Section 6.1 of the Master Lease (the Trustee shall be notified in writing of such requirement);
- (ii) Receipt by the Trustee and the related Credit Facility Issuer of the Opinion of Counsel described in Section 6.1 of the Master Lease;

- 36 -

(iii) An executed Schedule or Amendment to the related Schedule describing the real property and the cost thereof;

(iv) A certificate of the Governing Board that all "Phase I" environmental audits of the real property have been obtained and all environmental conditions requiring remediation reported therein that would adversely impact the timely acquisition, construction, installation and equipping of the Facilities on the Facility Sites have been satisfactorily corrected or provided for;

(v) A copy of a recent survey of the real property prepared, sealed and certified to the Governing Board and the Trustee by a licensed Florida surveyor, in form satisfactory to the Governing Board and the applicable Credit Facility Issuer; and

(vi) An engineer's certification in form and substance acceptable to the Governing Board confirming the feasibility of the proposed construction.

Before payment is made pursuant to a requisition for real estate improvements, regardless of whether the underlying real property was previously owned by the Governing Board or is being acquired with Certificate proceeds, there shall be provided to the Trustee items (i) through (vii) above with respect to the real property underlying such real estate improvements, and in the case of underlying real property previously owned by the Governing Board, there shall be provided to the Trustee a related Ground Lease or amendment to the related Ground Lease adding such parcel of real property thereto.

(d) Costs of Issuance of Certificates shall be paid from the related Cost of Issuance Subaccount in the related Acquisition Account upon receipt by the Trustee of a requisition substantially in the form of Exhibit C hereto, signed by an Authorized Governing Board Representative stating with respect to each payment to be made: (1) the requisition number, (2) the

- 37 -

name and address of the person, firm, corporation or agency to whom payment is due, (3) the amount to be paid and (4) that such payment obligation has been properly incurred, is a Cost of Issuance for the related Project and has not been the basis of a previous withdrawal.

(e) The completion of the acquisition, construction and installation of the Facilities comprising each Project financed under a particular Lease shall be evidenced by a Certificate of Acceptance of the Governing Board and the Corporation in the form attached as Exhibit B to the Master Lease, which Certificate of Acceptance shall be filed with the Trustee upon completion of the acquisition, construction and installation of such Facilities. Upon the filing of such certificate any amounts remaining in the related Acquisition Account shall be either (a) transferred to the related Lease Payment Account and applied as a credit to Basic Lease Payments due under the particular Schedule with respect to which such surplus is applicable, in accordance with Section 3.2(b) of the Master Lease or (b) if there shall remain in the related Acquisition Account an amount greater than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under such Lease, transferred to the related Prepayment Account and utilized to purchase the related Series of Certificates at a price of par plus interest accrued to the date of purchase, in the manner provided in the related Supplemental Trust Agreement and at the direction of the District.

(f) In the event that a Lease Term terminates under Section 4.1 of the Master Lease prior to the completion of the acquisition, construction and installation of the Facilities comprising the related Project as evidenced by the delivery of a Certificate of Acceptance, the Trustee shall transfer all amounts remaining in the related Acquisition Account to the related Lease Payment Account and apply such amounts pursuant to Section 504 hereof.

403. Capitalized Interest Accounts. Funds in each Capitalized Interest Account relating to a Series of Certificates shall be transferred to the related Lease Payment Account in an amount necessary to pay the interest portion of Basic Lease Payments coming due during construction represented by such Series of Certificates. Such transfer shall be made on the Business Day before each Payment Date for such Series, until the amounts in such Capitalized Interest Account are exhausted.

- 38 -

established are paid in full pursuant to the terms of the Master Lease and the related Schedule, or the Governing Board has prepaid all such Basic Lease Payments in accordance with Section 7.2 or Section 7.3 of the Master Lease, or the Trust Agreement is terminated. The Trustee shall apply moneys in the Reserve Account as provided in this Section 405 or as provided in a Supplemental Trust Agreement.

(b) If on any Lease Payment Date (after taking into account Basic Lease Payments made to the Trustee on such Lease Payment Date) immediately preceding a Payment Date the amount in any Lease Payment Account shall be less than the amount required to pay the interest portion and principal portion of the Basic Lease Payments then due in relation to a Series of Certificates for which it was established, the Trustee shall transfer from the Reserve Account established in relation to such Series of Certificates to such Lease Payment Account the amount necessary to eliminate the deficiency. Any amounts transferred from a Reserve Account pursuant to this subsection (b) shall, to the extent of such transfer, be deemed to satisfy the Governing Board's obligation to make such Basic Lease Payment. In the event of any such transfer, the Trustee shall, within five (5) days after making such transfer, provide written notice to the Governing Board of the amount and date of such transfer and the Governing Board shall, if the deficiency in any Lease Payment Account is not the result of a failure of the Governing Board to appropriate moneys as contemplated by Section 3.5 of the Master Lease, pay within thirty (30) days of receipt of notice of such transfer from the Trustee, as Supplemental Payments, an amount necessary to restore the balance in such Reserve Account to the appropriate Reserve Account Requirement applicable thereto. In the event of any deficiency in the value of the Reserve Account pursuant to Section 409 hereof, the Trustee shall, within five (5) days of such valuation, provide written notice to the Governing Board of such deficiency and the Governing Board shall pay within thirty (30) days of receipt of notice of such deficiency from the Trustee, as Supplemental Payments, an amount necessary to restore the balance in such Reserve Account to the appropriate Reserve Account Requirement applicable thereto.

(c) Whenever the amount in any Reserve Account, together with the amount in the related Lease Payment Account, is sufficient to pay in full the interest portion and principal portion of the Basic Lease Payments represented by all Outstanding Certificates of a Series in accordance with their

404. Lease Payment Accounts.

(a) In addition to the moneys required to be deposited in a Lease Payment Account pursuant to Sections 401, 402 and 408 hereof and except as provided in Section 406(b) hereof, all Basic Lease Payments for the Facilities financed under a Lease shall be deposited by the Trustee in the related Lease Payment Account immediately upon their receipt. The Trustee shall pay out of such Lease Payment Account, (i) on each Payment Date, the amount required for the interest portion of the Basic Lease Payment for such Facilities payable on such date to the related Certificate Holders, (ii) on each Payment Date for principal the amount required for the principal portion of the Basic Lease Payments for such Facilities payable on such date to the related Certificate Holders, and (iii) in the event of the termination of the related Lease Term pursuant to Section 4.1(d) of the Master Lease for deposit in the related Prepayment Account to be applied to the prepayment of the related Certificates pursuant to Section 315 hereof amounts on deposit in the related Lease Payment Account sufficient to pay the Prepayment Price of the related Certificates.

(b) Pursuant to an election by the Governing Board under Section 5.4(b) of the Master Lease, Net Proceeds with respect to any Facilities of less than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to such Facilities shall be deposited in the related Lease Payment Account to be credited against Basic Lease Payments next coming due under the related Schedule in accordance with Section 3.2(c) of the Master Lease.

405. Reserve Accounts.

Pursuant to the Supplemental Trust Agreement authorizing the issuance of any Series of Certificates, there may be established and maintained a separate Reserve Account to secure the payment of the principal and/or interest portion of the Basic Lease Payments related to such Series of Certificates. Each such Reserve Account shall secure only the Series of Certificates for which it has been established.

(a) The Reserve Account shall be maintained by the Trustee at the Reserve Account Requirement until the Basic Lease Payments related to a Series of Certificates for which it was

- 39 -

terms, the funds on deposit in such Reserve Account shall be transferred to the related Lease Payment Account. Any provision of the Trust Agreement to the contrary notwithstanding, so long as there shall be held in any Lease Payment Account an amount sufficient to pay in full the interest portion and principal portion of all Basic Lease Payments represented by all Outstanding Certificates of a Series in accordance with their terms, no deposits shall be required to be made into the Reserve Account established in relation to such Series.

(d) Any amounts on deposit in a Reserve Account in excess of the related Reserve Account Requirement applicable thereto shall be transferred to the Lease Payment Account relating to the Series of Certificates secured by such Reserve Account.

(e) Any income or interest earned by, or increment to any Reserve Account due to the investment thereof paid into the applicable Lease Payment Account established for the particular Series of Certificates secured by such Reserve Account pursuant to Section 408(b) hereof shall be credited toward the interest portion of Basic Lease Payments represented by such Series next coming due, and the Trustee shall (to the extent reasonably ascertainable) notify the Governing Board at least twenty-five (25) days before each Lease Payment Date of the funds to be available for such transfer.

(f) Notwithstanding the foregoing, in lieu of the required deposits into the related Reserve Account, the Trustee is hereby authorized to accept and the Governing Board may cause to be deposited into the Reserve Account pursuant to Section 3.1 of the Master Lease, a Reserve Account Letter of Credit/Insurance Policy either in lieu of any cash amount required to be deposited therein in connection with the issuance of any Series of Certificates or in substitution for the full amounts then on deposit therein or in an amount equal to the difference between the amount required to be deposited and the sum, if any, then on deposit in the Reserve Account, which Reserve Account Letter of Credit/Insurance Policy shall be payable (upon the giving of notice as required thereunder) on any Payment Date on which a deficiency exists which cannot be remedied by moneys in any other fund or account held pursuant to the Trust Agreement and available for such purpose. If any such Reserve Account Letter of Credit/Insurance Policy is substituted for moneys on deposit in the Reserve Account, or if on a

- 40 -

- 41 -

valuation date there are excess moneys in the Reserve Account, the excess moneys in the Reserve Account shall be transferred to and deposited in the related Lease Payment Account. If a disbursement is made from a Reserve Account Letter of Credit/Insurance Policy, the Governing Board shall be obligated to either reinstate the maximum limits of such Reserve Account Letter of Credit/Insurance Policy immediately following such disbursement or to deposit into the Reserve Account, as provided in Section 3.1 of the Master Lease for restoration of withdrawals from the Reserve Account, funds in the amount of the disbursement made under such Reserve Account Letter of Credit/Insurance Policy.

In the event that upon the occurrence of any deficiency in a Lease Payment Account, the Reserve Account is then funded with a Reserve Account Letter of Credit/Insurance Policy, the Trustee shall, on a Payment Date to which such deficiency relates, draw upon or cause to be paid under the Reserve Account Letter of Credit/Insurance Policy an amount sufficient to remedy such deficiency, in accordance with the terms and provisions of the Reserve Account Letter of Credit/Insurance Policy as applicable, and any corresponding reimbursement or other agreement governing the Reserve Account Letter of Credit/Insurance Policy; provided, however, that if at the time of such deficiency the Reserve Account is only partially funded with a Reserve Account Letter of Credit/Insurance Policy, prior to drawing on the Reserve Account Letter of Credit/Insurance Policy, as applicable, the Trustee shall first apply any cash and securities on deposit in the Reserve Account to remedy the deficiency in accordance with Section 4.05(b) and, if after such application a deficiency still exists, the Trustee shall make up the balance of the deficiency by drawing on the Reserve Account Letter of Credit/Insurance Policy, as provided in this sentence. Amounts drawn on the Reserve Account Letter of Credit/Insurance Policy shall be applied as set forth in Section 4.05(b). Any amounts drawn under a Reserve Account Letter of Credit/Insurance Policy shall be reimbursed by the Governing Board to the provider thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such Reserve Account Letter of Credit/Insurance Policy.

406. Prepayment Accounts.

(a) Except as may be otherwise provided in the Supplemental Trust Agreement authorizing the issuance of a

- 42 -

(b) All moneys held under this Trust Agreement by the Trustee shall be invested in accordance with Section 408 hereof, provided, however, that it shall not be necessary for the Trustee to give or obtain security for the deposit of any moneys held in trust and set aside by it for the payment of the principal portion or Prepayment Price of or interest portion of the Basic Lease Payments represented by any Certificates, or to give security for any moneys which shall be represented by Investment Securities purchased as an investment of such moneys.

(c) All moneys deposited with the Trustee shall be credited to the particular account to which such moneys belong.

408. Investment of Certain Accounts.

(a) Moneys held in each Acquisition Account, Capitalized Interest Account, Lease Payment Account, Reserve Account and Prepayment Account shall be invested and reinvested by the Trustee, solely as directed by an Authorized Governing Board Representative, to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Accounts. The Trustee shall make all such investments of moneys held by it only as directed in accordance with instructions (which may be standing instructions) confirmed in writing, received from an Authorized Governing Board Representative and the Trustee shall have no responsibility for determining whether Investment Securities are legal under State law for investment of the Governing Board's funds.

(b) Subject to the first sentence of Section 409, interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investments and net of amounts deemed Excess Earnings) earned on any moneys or investments in an Acquisition Account shall be either (i) at the direction of an Authorized Governing Board Representative retained in such account until delivery of a Certificate of Acceptance, or (ii) automatically transferred to the related Lease Payment Account without need for any requisition or other direction and, together with interest earnings on investments in such Lease Payment Account (which shall be retained therein), applied on the next occurring Lease Payment Date as a credit against the Basic Lease Payment then due on such date under the related Lease and deemed to be payment of the interest portion thereof. Interest earned on any moneys or investments in each

- 44 -

Series of Certificates, the Trustee shall apply moneys in each Prepayment Account as provided in this Section 406. Amounts in a Prepayment Account shall be applied within 35 days after deposit therein, to the prepayment of Certificates of the related Series.

(b) The Trustee shall deposit in each Prepayment Account as received, all moneys, if any, paid to it for such purpose by the Governing Board pursuant to the provisions of Section 7.2 of the Master Lease. In the event of the occurrence of an event of mandatory prepayment pursuant to an election under Section 5.4(b) of the Master Lease, the Trustee shall deposit in the related Prepayment Account Net Proceeds for such purpose. Also, in the event of the occurrence of an event of mandatory prepayment at the election of a Credit Facility Issuer as a result of termination of all Leases for the reasons referred to in Section 4.1(b) or 4.1(c) of the Master Lease, the Trustee shall deposit in the related Prepayment Account moneys paid by the Governing Board and the related Credit Facility Issuer for such purpose, and shall transfer to the related Prepayment Account moneys on hand in the related Lease payment Account and not needed to pay the principal portion and interest portion due or past due represented by the related Series of Certificates, sufficient to pay the Prepayment Price of such Series of Certificates pursuant to Section 404 hereof. All of said moneys shall be set aside in the corresponding Prepayment Account for the purpose of prepaying a principal amount of the related Series of Certificates corresponding to the principal portion of Basic Lease Payments prepaid or to the principal portion of the Purchase Option Price of all or a portion of the related Facilities, and shall be applied on or after the Prepayment Date to the payment of such principal amount of the related Series of Certificates, together with the accrued interest relating thereto, upon presentation and surrender of such Certificates.

407. Deposits of Money.

(a) All moneys deposited under the provisions of this Trust Agreement with the Trustee shall be held in trust and applied only in accordance with the provisions of this Trust Agreement, and the Project Fund established by this Trust Agreement shall be a trust fund for the purposes thereof.

- 43 -

Cost of Issuance Subaccount shall be deposited in the related Acquisition Account. Interest and other income received by the Trustee from investments of moneys on deposit in each Reserve Account (net of amounts deemed by the Governing Board to be Excess Earnings) and the related Capitalized Interest Account, if any, shall, prior to delivery of a Certificate of Acceptance, be deposited in the Acquisition Account, and after such date, be deposited in the related Lease Payment Account; provided, however, that all interest and other income received by the Trustee on investment of a Reserve Account shall be retained therein in the event that amounts on deposit in such Reserve Account are less than the Reserve Account Requirement applicable thereto. Interest earned on moneys and investments in a Prepayment Account shall be applied on the next ensuing Prepayment Date toward payment of amounts due to the related Certificate Holders, in accordance with the provisions of Article III hereof. The Governing Board shall give written notice to the Trustee after each calculation period of amounts deemed by the Governing Board to be Excess Earnings and the Trustee may rely conclusively on such notice for purposes of determining the Excess Earnings amount hereunder.

(c) Nothing in this Trust Agreement shall prevent any Investment Securities acquired as investments of funds held under this Trust Agreement from being issued or held in book-entry form on the books of the Department of the Treasury of the United States of America.

409. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any Account created under the provisions of this Trust Agreement shall be deemed at all times to be a part of such Account and any profit realized from the liquidation of such investment shall be credited to, and any loss resulting from the liquidation of such investment shall be charged to, the computation of net interest earned on the moneys and investments of such Account.

In computing the amount in any Account created under the provisions of this Trust Agreement for any purpose provided in this Trust Agreement, obligations purchased as an investment of moneys therein shall be valued at the amortized cost of such obligations plus accrued interest. Such computation shall be determined as and when needed. Investments in the Reserve Account shall be valued semi-annually.

- 45 -

Except as otherwise provided in this Trust Agreement, the Trustee shall sell at the best price reasonably obtainable or present for redemption or transfer as provided in the next sentence any obligation so purchased as an investment whenever it shall be requested in writing by the Authorized Governing Board Representative so to do or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Account or subaccount held by it. In lieu of such sale or presentment for redemption, the Trustee may, in making the payment or transfer from any Account mentioned in the preceding sentence, transfer such investment obligations or interest appertaining thereto if such investment obligations shall mature or be collectible at or prior to the time the proceeds thereof shall be needed and such transfer of investment obligations may be made in book-entry form. The Trustee shall not be liable or responsible for making any such investment in the manner provided above or for any loss resulting from such investment.

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- 46 -

respect to any Lease under Section 8.1 of the Master Lease, or upon termination of the Lease Term of all Leases as a result of nonappropriation, the Trustee, with the consent or at the direction of each Credit Facility Issuer insuring a Series of Certificates, shall be entitled to enforce the rights and exercise the remedies provided in the Master Lease, as appropriate and shall pursue one or more of such remedies at the direction of the Holders of a majority in aggregate principal amount of the Certificates of each Series Outstanding which is affected by such remedies, subject to the provisions of Section 707 hereof.

Any amounts collected following an event of default or non-appropriation shall be applied in accordance with the provisions of this Section and if all amounts due on the Certificates or otherwise hereunder have been fully paid (or provision for payment thereof has been made), such amounts shall be paid to the Governing Board.

(a) All such moneys collected in connection with a particular Lease shall be deposited into one or more special accounts established by the Trustee for the Series of Certificates relating thereto and applied:

First: To the payment of the reasonable costs of the Trustee related to such Lease, including counsel fees and expenses, any disbursements of the Trustee and its reasonable compensation;

Second: To the payments related to such Lease, if any, required to be paid to the Treasury Department of the United States under the Code;

Third: To the payment to the persons entitled thereto of all installments of the interest then due represented by all Series of Certificates related to such Lease in the order of such maturity of the installments of such interest portion, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due represented by such installment, to the persons entitled thereto, without any discrimination or preference;

Fourth: To the payment to the persons entitled thereto of the unpaid principal portion or Prepayment Price of

- 48 -

ARTICLE V

COVENANTS, DEFAULT AND LIMITATIONS OF LIABILITY

501. Trustee to Perform each Lease. The Trustee covenants and agrees with the Certificate Holders and each Credit Facility Issuer, if any, to perform or cause to be performed all obligations and duties imposed on it as assignee of the Corporation of each Lease, and to enforce each Lease against the Governing Board.

502. Notice of Nonpayment. In the event of delinquency in the payment when due of Basic Lease Payments by the Governing Board pursuant to a Lease, the Trustee shall give notice to the Governing Board on the Business Day following the day payment was due that such Basic Lease Payments have not been received. In the event of a delinquency in the payment when due of Additional Lease Payments or Supplemental Payments by the Governing Board pursuant to a Lease, the Trustee shall give notice to the Governing Board on the Business Day following the day payment was due (if payment was due to the Trustee) or on the Business Day following the date of receipt of notice of nonpayment from the party to whom such Additional Lease Payment or Supplemental Payment was due (if payment was due to a payee other than the Trustee).

503. Events of Default. Each of the following events is hereby declared to be an event of default hereunder:

(a) Payment of any installment of interest represented by any Certificate shall not be made when the same shall become due and payable; or

(b) Payment of any principal, whether at maturity or upon call for redemption, or any redemption premium with respect to any Certificate shall not be made when the same shall become due and payable; or

(c) An "Event of Default" shall occur and be continuing under Section 8.1 of the Master Lease.

504. Remedies on Default or Non-Appropriation. Upon the occurrence of an event of default by the Governing Board with

- 47 -

all Series of Certificates related to such Lease which shall have become due whether at maturity or by call for prepayment in the order of their due dates and, if the amount available shall not be sufficient to pay in full all Certificates due on any date, then to the payment thereof ratably, according to the amount of principal portion, or Prepayment Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

Fifth: To the payment of any ground rent or other amounts then due and payable under the corresponding Ground Lease, if any.

(b) If, at the election of a Credit Facility Issuer, an Event of Extraordinary Prepayment shall have occurred, the Trustee shall send notice of such extraordinary prepayment as required under Section 314 and shall apply all such moneys in accordance herewith and with the applicable Supplemental Trust Agreement.

Except as otherwise provided in Section 305(a) hereof, in the case of partial payment of Basic Lease Payments, whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be on a Lease Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date.

505. Account and Reports.

(a) The Trustee shall keep a copy of this Trust Agreement and all Supplemental Trust Agreements and proper books of record and account in which complete and correct entries shall be made of its transactions relating to each Project and each Account established under this Trust Agreement, which shall be subject to the inspection of the Corporation and the

- 49 -

Governing Board during normal business hours and upon reasonable notice and which shall be maintained by the Trustee at the expense of the Governing Board for a period of six (6) years following termination of this Trust Agreement.

(b) The Trustee shall advise the Corporation and the Governing Board promptly after the end of each month of its transactions during such month relating to each Account held by it under this Trust Agreement.

506. Liability to Certificate Holders for Payment. Except as otherwise provided in this Trust Agreement, the Trustee shall have no obligation or liability to the Certificate Holders with respect to the Governing Board's obligation to pay Basic Lease Payments when due, or with respect to the performance by the Governing Board of any other covenants made by it in the Master Lease. The Trustee shall not be liable or responsible because of the failure of the Corporation or the Governing Board or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Corporation or the Governing Board or because of the loss of any money arising through the insolvency or the act or default or omission of any depository. The Trustee shall not be responsible for the application of any of the proceeds of Certificates or any other money deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Trust Agreement. The immunities and exemption from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

507. Possession and Enjoyment. With respect to each Project, from and after the acceptance by the Governing Board of the Facilities comprising such Project in accordance with the terms of the Master Lease, the Trustee hereby agrees that it will not interfere with the Lease Terms and that the Governing Board shall, during such Lease Terms, peaceably and quietly have and hold and enjoy such Facilities, without suit, trouble or hindrance from the Trustee, except as expressly set forth in such Leases.

508. Warranties. THE TRUSTEE, BY ACCEPTANCE OF THE TRUST AGREEMENT, AND THE CORPORATION, BY DELIVERY OF THE LEASES, MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESSED OR IMPLIED, AS TO THE TITLE TO, VALUE, DESIGN, CONDITION, HABITABILITY,

- 50 -

ARTICLE VI

CONCERNING THE TRUSTEE

601. Employment of Trustee. In consideration of the recitals hereinabove set forth and for other valuable consideration, the Trustee hereby agrees to receive, hold, invest and disburse the moneys to be paid to it pursuant to the Master Lease for credit to the various funds and accounts established by this Trust Agreement; to prepare, execute, deliver and deal with the Certificates; and to apply and disburse the Trust Estate and other moneys received pursuant to the Master Lease to the Certificate Holders subject to the limitations set forth in this Trust Agreement; and to perform certain other functions, all as expressly provided in and subject to the express terms and conditions of, this Trust Agreement. Prior to the occurrence of any Event of Default hereunder and after the curing of all such Events of Default that may have occurred, the Trustee shall perform only such duties of the Trustee as are specifically set forth in this Trust Agreement.

602. Trustee Acceptance of Duties.

(a) The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Trust Agreement by executing and delivering this Trust Agreement, and by executing such acceptance the Trustee shall be deemed to have accepted such duties and obligations with respect to all the Certificates thereafter to be delivered, but only, however, upon the express terms and conditions set forth herein.

(b) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books, papers and records of the Governing Board pertaining to each Project and each Lease, and to take such memoranda from and with regard thereto as may be desired.

(c) The Trustee shall not be required to give bond or surety in respect of the execution of said trusts powers or otherwise in respect of this Trust Agreement.

- 52 -

MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF ANY OF THE FACILITIES, OR PORTION THEREOF, OR AS TO WHETHER THE QUALITY OR CAPACITY OF THE MATERIAL OR WORKMANSHIP IN SUCH FACILITIES OR ANY WARRANTY THAT SUCH FACILITIES WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATIONS OR CONTRACT WHICH PROVIDES FOR SPECIFIC MACHINERY, OPERATIONS OR SPECIAL METHODS OR ANY OTHER WARRANTY OF ANY KIND WHATSOEVER. In no event shall the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of any Lease or the existence, furnishing, functioning or the Governing Board's use of any Facility or Facility Site provided for in any Lease.

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- 51 -

(d) Before taking any action referred to in Article V, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its failure to comply with the standard of care prescribed by Section 611 hereof or liability which is adjudicated to have resulted from its negligence or willful misconduct. Notwithstanding any other provision contained herein, the Trustee shall be under no obligation to institute any suit or to undertake any remedial proceeding in the Event of a Default under this Trust Agreement or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts hereby created or in the enforcement of any rights and powers hereunder, including its acceptance or possession of the Facilities, until it shall be indemnified to its reasonable satisfaction against any and all reasonable costs, expenses, outlays and reasonable counsel fees and other reasonable disbursements, and against all liability, including any liability in connection with any hazardous waste on any Facility Site.

(e) The Trustee shall not be liable for any error of judgment made in good faith by any officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(f) The recitals, statements and representations in this Trust Agreement or in the Certificates, save only the Trustee's execution of the Certificates, have been made by the Corporation and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof. The Trustee shall not be responsible for the validity, priority, recording or filing of this Trust Agreement, the Master Lease, or the Assignment Agreements, or for insuring the Facilities or collecting any insurance moneys, or for the validity of the execution by the Corporation of this Trust Agreement or of any supplements hereto or instruments of further assurance, or for the sufficiency of the Trust Estate, or for the value or title of the Facilities or as to the maintenance of the security hereof, except as otherwise expressly provided herein.

(g) Except as to the acceptance of the trusts created hereunder, the Trustee shall have no responsibility in respect of the due execution or acknowledgment of this Trust Agreement

- 53 -

by the Corporation, the validity or sufficiency of this Trust Agreement, the validity of the Certificates or the issuance thereof.

603. Evidence on Which Trustee May Act.

(a) The Trustee, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Trust Agreement shall be protected in acting upon any such instrument reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may, but shall not be obligated to, consult with recognized counsel in the field of commercial banking and corporate trust administration, who may or may not be counsel to the Governing Board, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Trust Agreement in good faith and in accordance herewith.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Trust Agreement, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Governing Board Representative, and such certificate shall be full warranty for any action taken or suffered in good faith under the provisions of this Trust Agreement upon the faith thereof. But in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(c) Except as otherwise expressly provided hereunder, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Governing Board to the Trustee shall be sufficiently executed in the name of the Governing Board by an Authorized Governing Board Representative.

(d) The Trustee shall not be deemed to have notice of any Event of Default hereunder except a default in the payment of Lease Payments, unless the Trustee shall have actual

- 54 -

604. Compensation to Trustee. The Governing Board has agreed in the Master Lease to pay to the Trustee reasonable fees and expenses as agreed to between the Governing Board and the Trustee. The Trustee shall have a lien for the foregoing on the Trust Estate.

605. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Trust Agreement by giving not less than 60 days' written notice to the Corporation, the Governing Board and the Holders of all Certificates Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Governing Board or the Certificate Holders as provided in Section 607, in which event such resignation shall take effect immediately on the appointment of such successor provided, however, that in the event no successor has been appointed, the Trustee shall continue to serve until such appointment. The Trustee may petition a court of competent jurisdiction for the appointment of a successor.

606. Removal of Trustee. Prior to the occurrence of an event of default, or termination of the Lease Term of all Leases as a result of nonappropriation, the Trustee may be removed at any time by an instrument or concurrent instruments in writing appointing a successor, filed with the Trustee, and signed by the Corporation and the Governing Board, with cause, or by the Holders of a majority in principal amount of each Series of Certificates then Outstanding or their attorneys-in-fact duly authorized with or without cause, or by the Credit Facility Issuers insuring a majority in principal amount of each Series of Certificates then Outstanding with cause. After the occurrence of an event of default, or termination of the Lease Term of all Leases as a result of nonappropriation, the Trustee may be so removed with or without cause by the Holders of a majority in principal amount of each Series of Certificates then Outstanding or their attorneys-in-fact duly authorized, or by the Credit Facility Issuers insuring a majority in principal amount of each Series of Certificates then Outstanding.

607. Appointment of Successor Trustee.

(a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall

- 56 -

knowledge thereof or be specifically notified thereof in writing.

(e) The Trustee may buy, sell, own, hold and deal in any of the Certificates, and may join in any action which any Certificate Holder may be entitled to take with like effect as if the Trustee were not a party to this Trust Agreement. The Trustee, either as principal or agent, may also engage in or have an interest in any financial or other transaction with the Governing Board or Corporation, and may act as depository, trustee, or agent for any committee or body of Certificate Holders or other obligations of the Governing Board as freely as if it were not Trustee hereunder.

(f) The Trustee shall not be answerable or accountable except for the performance of its duties and obligations as are specifically set forth in this Trust Agreement and except for its own willful misconduct or negligence. The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty.

(g) No provision of this Trust Agreement shall be construed to relieve the Trustee from liability for its own negligent action, willful misconduct or negligent failure to act. However, in no event shall the Trustee be liable to any party: (i) for any losses on investments made in accordance with Section 408 hereof; (ii) for special, indirect or consequential damages including loss of profits or business, arising under or in connection with this Trust Agreement regardless of the form of action; (iii) for the use of the proceeds of sale of any Certificates; (iv) for compliance by the Governing Board with any covenant regarding the yield on investments made in accordance with Section 408 hereof.

(h) The Trustee may exercise any powers hereunder and perform any duties required of it through attorneys, agents, receivers, officers or employees, and shall be entitled to advice of counsel concerning its duties hereunder and all questions hereunder. Except as otherwise provided herein, the Trustee shall not be answerable for the exercise of any discretion or power hereunder nor for any act or failure to act in connection with the trust hereunder, except only its own willful misconduct or negligence.

- 55 -

be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, a successor may be appointed by the Governing Board, as long as the Governing Board is not in default under the Master Lease and the Master Lease is in full force and effect. In the event that no appointment of a successor Trustee shall be made pursuant to the foregoing provisions within 45 days after the Trustee shall have given to the Governing Board written notice as provided in Section 605 or after a vacancy in the office of the Trustee shall have occurred by reason of its removal as provided in Section 606 or by reason of its inability to act, a successor Trustee may be appointed by the Holders of a majority in principal amount of each Series of Certificates then Outstanding, excluding any Certificates held by or for the account of the Governing Board, by an instrument or concurrent instruments in writing signed and acknowledged by such Certificate Holders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Corporation, the Governing Board and the predecessor. For purposes of this Article VI, "appointment" of a successor Trustee shall be deemed to occur upon designation, acceptance and commencement of performance of duties by the successor Trustee.

(b) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national banking association, having capital stock and surplus aggregating at least \$50,000,000 or at least \$500,000,000 in trust assets under management, if there be such bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Trust Agreement.

(c) Each Credit Facility Issuer shall be furnished with written notice of the resignation or removal of the Trustee, Paying Agent and Registrar and of the appointment of, and acceptance of duties by, any successor thereto.

608. Transfer of Rights in Property to Successor Trustee. Any successor Trustee appointed under this Trust Agreement shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Corporation and the Governing Board an instrument

- 57 -

accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Corporation, the Governing Board or the successor Trustee execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Trust Agreement and shall pay over, assign and deliver to the successor Trustee any money or property subject to the trusts and conditions herein set forth together with any paid but unearned fees. Should any deed, conveyance or instrument in writing from the Governing Board and the Corporation be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, power and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and as far as may be authorized by law, be executed, acknowledged and delivered by the Governing Board and the Corporation.

609. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of a state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Trust Agreement, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act.

610. Addition of Authorized Signature. In case any of the Certificates contemplated to be delivered under this Trust Agreement shall have been executed but not delivered, any successor Trustee may adopt the authorized signature of any predecessor Trustee so executing such Certificates and deliver such Certificates so executed; and in case any of the said Certificates shall not have been executed, any successor Trustee

- 58 -

Facility issued by such Credit Facility Issuer is in effect and the Credit Facility Issuer is properly honoring drawings thereunder, it shall be entitled to enforce the obligations to the Credit Facility Issuer hereunder of the Corporation and the Trustee and of the Governing Board to the Credit Facility Issuer under the Master Lease.

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may execute such Certificates in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such Certificates shall have the full force which it is anywhere in said Certificates or in this Trust Agreement provided that the certificate of the Trustee shall have.

611. Indemnification to Trustee. The District has in Section 5.7 of the Master Lease agreed, to the extent permitted by law, including the provisions of Section 768.28 Florida Statutes, to indemnify and save the Trustee harmless from and against all liabilities, including consequential damages and reasonable legal fees and expenses arising out of the administration of the trusts pursuant to this Trust Agreement, and all matters concerning the Trustee's duties and obligations with respect to the Leases and the Assignment Agreements including the issuance of the Certificates, except in the case of liability, obligations and damages arising out of the Trustee's negligence or willful misconduct.

612. Obligation to Act on Defaults. If any Event of Default shall have occurred and be continuing, the Trustee shall, subject to the provisions of Section 501, exercise such of the rights and remedies vested in it by this Trust Agreement and shall use the same degree of care in their exercise as a prudent man would exercise or use in the circumstances in the conduct of his own affairs; provided that if in the opinion of the Trustee such action may tend to involve expense or liability, it shall not be obligated to take such action unless it is furnished with indemnity satisfactory to it.

613. Intervention by Trustee. The Trustee may intervene, and upon the written request of Certificate Holders of a majority in aggregate principal amount of each Series of Certificates then Outstanding and receipt of indemnity shall intervene, on behalf of Certificate Holders or the related Credit Facility Issuer in any judicial proceeding to which the Governing Board or the Corporation is a party and which in the opinion of the Trustee and its attorneys has a substantial bearing on the interests of Certificate Holders. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

614. Third Party Beneficiaries. Each Credit Facility Issuer is hereby expressly recognized as a third party beneficiary to this Trust Agreement and, so long as the Credit

- 59 -

ARTICLE VII

AMENDMENTS

701. Mailing. Any provision in this Article for the mailing of a notice or other paper to Certificate Holders of a Series of Certificates shall be fully complied with if it is mailed postage prepaid only (i) to each Holder of Certificates of such Series then Outstanding at his/her address, if any, appearing upon the registry books of the Trustee, (ii) to the Credit Facility Issuer with respect to such Series of Certificates and (iii) to the Trustee.

702. Power of Amendment. The Trust Agreement and the rights and obligations provided hereby may be modified or amended at any time by a Supplemental Trust Agreement, entered into between the Trustee and the Corporation (with the written consent of the Governing Board so long as the Lease Term of the Master Lease shall remain in effect and no default shall have occurred thereunder) without the consent of any Certificate Holders, but only (1) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Trust Agreement, or (2) to insert such provisions clarifying matters which they deem necessary or desirable and which are not contrary to or inconsistent with this Trust Agreement as theretofore in effect, or (3) to issue one or more Series of Certificates pursuant to Article III hereof, or (4) to permit a Series of Certificates to be issued in book-entry form with or without physical certificates, or (5) to facilitate compliance with modifications to the continuing disclosure requirements currently reflected in the Rule or (6) to make any other modification or amendment that in the judgment of the Trustee (upon the advice of counsel, if requested) will not have a material adverse effect on the interests of any of the Certificate Holders. Any other modification or amendment of this Trust Agreement and of the rights and obligations of the Corporation and of the Holders of the Certificates hereunder, may be made by a Supplemental Trust Agreement, entered into between the Trustee and the Corporation with the written consent given, as provided in Section 703 hereof but subject to Section 707 hereof, of the Holders of at least a majority in principal amount of the Certificates Outstanding of each Series at the time such consent is given, who are affected by such modifications or amendments and the

- 60 -

- 61 -

written consent of the Governing Board so long as the Lease Term of the Master Lease shall remain in effect and no default shall have occurred thereunder; provided, however, that if any such modification or amendment will, by its terms, not take effect so long as any affected Certificates remain Outstanding, the consent of the Holders of such Certificates shall not be required and such Certificates shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Certificates under this Section. No such modification or amendment shall permit a change in the terms of prepayment or maturity of the principal portion of any Outstanding Certificates or of any installment of the interest portion thereon or a reduction in the principal portion or the Prepayment Price thereof or in the interest portion thereon or in the consents required for such modifications or amendments without the consent of the Holders of such Certificates, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto. The Trustee shall be entitled to receive an opinion of counsel as to whether or not, in accordance with the foregoing powers of amendment, Certificates of any particular Series or maturity would be affected by any modification or amendment of this Trust Agreement. Copies of all amendments hereto shall be provided to the Rating Agencies, whether effected pursuant to Section 702 or Section 703 hereof.

703. Consent of Certificate Holders. The Trustee and the Corporation (at the direction of the Governing Board so long as the Lease Term of the Master Lease shall remain in effect and no default shall have occurred thereunder) may at any time enter into a Supplemental Trust Agreement making a modification or amendment permitted by the provisions of Section 702 to take effect when and as provided in this Section but subject to Section 707 hereof. A copy of such Supplemental Trust Agreement (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to affected Certificate Holders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Trustee to such Certificate Holders (but failure to mail such copy and request shall not affect the validity of the Supplemental Trust Agreement when consented to as provided in this Section). Such Supplemental Trust Agreement shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Certificates specified in Section 702 and (b) an Opinion of

- 62 -

mail such notice shall not prevent such Supplemental Trust Agreement from becoming effective and binding as in this Section 703 provided). A record, consisting of the certificates or statements required or permitted by this Section 703 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Trust Agreement making such amendment or modification shall be deemed conclusively binding upon the Governing Board and the Corporation, the Trustee and the Holders of all Certificates affected by such Supplemental Trust Agreement at the expiration of forty (40) days after the filing with the Trustee of the proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Trust Agreement in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that the Trustee, the Governing Board and the Corporation during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Trust Agreement as they may deem expedient.

704. Modifications by Unanimous Consent. The terms and provisions of this Trust Agreement applicable to a Series of Certificates and the rights and obligations of the Trustee and the Corporation and of the Holders of the Certificates of such Series hereunder may be modified or amended, with the written consent of the Governing Board, upon entering into by the parties thereto of a Supplemental Trust Agreement and the consent of the Holders of all the Certificates then Outstanding of such Series, such consent to be given as provided in Section 703, except that no notice to Certificate Holders by mailing shall be required.

705. Exclusion of Certificates. Certificates owned or held by or for the account of the Governing Board shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Certificates provided for in this Article VII, and the Governing Board shall not be entitled with respect to such Certificates to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the Governing Board shall furnish the Trustee a certificate of an Authorized Governing Board Representative, upon which the Trustee may rely, describing all Certificates so to be excluded.

- 64 -

Counsel stating that such Supplemental Trust Agreement has been duly and lawfully entered into by the parties thereto and filed with the Governing Board, the Trustee and the Corporation in accordance with the provisions of this Trust Agreement, is authorized or permitted by this Trust Agreement, and is valid and binding upon the parties thereto in accordance with its terms. Each such consent shall be effective only if accompanied by proof of the Holder, at the date of such consent, of the Certificates with respect to which such consent is given, which proof shall be such as is permitted by Section 802. A certificate or certificates executed by the Trustee and filed with the Governing Board and the Corporation stating that it has examined such proof and that such proof is sufficient in accordance with Section 802 shall be conclusive that the consents have been given by the Holders of the Certificates described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Certificates giving such consent and, anything in Section 802 to the contrary notwithstanding, upon any subsequent Holder of such Certificates and of any Certificates issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Certificates giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 703 provided for is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Governing Board and the Corporation to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages in principal amount of Certificates shall have filed their consents to the Supplemental Trust Agreement, the Trustee shall make and file with the Governing Board and the Corporation a written statement that the Holders of such required percentages in principal amount of Certificates have filed such consent. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Trust Agreement (which may be referred to as a Supplemental Trust Agreement entered into by the parties thereto on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages in principal amount of Certificates and will be effective as provided in this Section 703, may be given to Certificate Holders by the Trustee by mailing such notice to Certificate Holders (but failure to

- 63 -

706. Notation on Certificates. Certificates executed and delivered after the effective date of any action taken as in this Article VII provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Governing Board, the Corporation and the Trustee as to such action, and in that case upon demand of the Holder of any Certificate Outstanding at such effective date and presentation of his/her Certificate for the purpose at the designated corporate trust office of the Trustee or upon any transfer or exchange of any Certificate Outstanding at such effective date, suitable notation shall be made on such Certificate or upon any Certificates issued upon any such transfer or exchange by the Trustee as to any such action. If the Governing Board, the Corporation and the Trustee shall so determine, new Certificates so modified as in the opinion of the Trustee, the Corporation and the Governing Board to conform to such action shall be prepared, executed and delivered, and upon demand of the Holder of any Certificate then Outstanding shall be exchanged, without cost to such Certificate Holder, for Certificates of the same maturity then Outstanding, upon surrender of such Certificates.

707. Credit Facility Issuers Deemed Certificate Holders. Notwithstanding any other provisions of this Trust Agreement, including without limitation this Article VII, whenever the consent of a Certificate Holder shall be required under this Trust Agreement for any purpose except those modifications or amendments effecting a change in the terms of prepayment or maturity of the principal portion of any Outstanding Certificates or of any installment of the interest portion thereon or a reduction in the principal portion thereon or of the requirement that such modifications or amendments not be made without the consent of the Holders of such Certificates, any Certificate insured or guaranteed by a Credit Facility shall be deemed to be owned by the Credit Facility Issuer issuing such Credit Facility, so long as such Credit Facility Issuer has not defaulted on the obligations under its Credit Facility.

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ARTICLE VIII

MISCELLANEOUS

801. Defeasance.

(a) If the principal portion or Prepayment Price of all Certificates, if applicable, and the interest portion due or to become due thereon, shall be paid at the times and in the manner stipulated in such Certificates and in this Trust Agreement, and all amounts owing to the Trustee under this Trust Agreement shall have been paid, then the pledge of the Trust Estate and all covenants, agreements and other obligations of the Governing Board under this Trust Agreement in favor of such Certificates shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause statements for such period or periods as shall be requested by the Governing Board to be prepared and filed with the Governing Board and, upon the request of the Governing Board, shall execute and deliver to the Governing Board all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Governing Board all moneys or securities held by it pursuant to this Trust Agreement which are not required for the payment of the principal portion or Prepayment Price, if applicable, and interest portion due or to become due with respect to such Certificates not theretofore surrendered for such payment or prepayment or for the payment of amounts owing to any Credit Facility Issuer under a Reimbursement Agreement or as ground rent under any Ground Lease.

(b) Certificates for the payment or prepayment of which moneys shall have been set aside sufficient to pay the principal portion, the Prepayment Price, if applicable, and interest portion to become due to maturity or earlier prepayment, shall be held in trust by the Trustee as escrow holder (through deposit by the Governing Board of funds for such payment or prepayment of the Purchase Option Price of one or more Facilities pursuant to Section 7.3 of the Master Lease or otherwise) shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 801 except that the obligation of the Governing Board to make, or cause to be made, Basic Lease Payments from such set-aside amounts shall continue. Any Outstanding Certificates

- 66 -

any date prior to their maturity, apply moneys deposited with the Trustee as escrow holder in respect of such Certificates or sell Defeasance Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Certificates and the Trustee shall immediately thereafter cancel all such Certificates so purchased; provided, however, that the moneys and Defeasance Securities remaining on deposit with the Trustee after the purchase and cancellation of such Certificates shall be sufficient to pay when due the principal or Prepayment Price, if applicable, of, and interest portion due or to become due with respect to all Certificates, in respect of which such moneys and Defeasance Securities are being held by the Trustee on or prior to the Prepayment Date or maturity date thereof, as the case may be. If, at any time (i) prior to the maturity date of Certificates deemed to have been paid in accordance with this Section 801 which are not to be prepaid prior to their maturity date or (ii) prior to the mailing of the notice of prepayment referred to in clause (a) with respect to any Certificates deemed to have been paid in accordance with this Section 801 which are to be prepaid on any date prior to their maturity, the Governing Board shall purchase or otherwise acquire any such Certificates and deliver such Certificates to the Trustee prior to their maturity date or Prepayment Date, as the case may be, the Trustee shall immediately cancel all such Certificates so delivered; such delivery of Certificates to the Trustee shall be accompanied by directions from the Governing Board to the Trustee as to the manner in which such Certificates are to be applied against the obligation to pay or prepay Certificates deemed paid in accordance with this Section 801. The directions given by the Governing Board to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Certificates so purchased or delivered and canceled to be applied against the obligation to pay Certificates deemed paid in accordance with this Section 801 upon their maturity date or dates and the portion, if any, of such Certificates so purchased or delivered and canceled to be applied against the obligation to prepay Certificates deemed paid in accordance with this Section 801 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Certificates as provided in this Section 801, the total amount of moneys and Defeasance Securities remaining on deposit with the Trustee under this Section 801 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Certificates in order to satisfy

- 68 -

shall, prior to the maturity or Prepayment Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 801 if the Trustee shall receive an Opinion of Counsel to that effect and (a) in case any of said Certificates are to be prepaid on any date prior to their maturity, the Governing Board shall have given to the Trustee irrevocable instructions in writing from an Authorized Governing Board Representative to mail as provided in Article III a notice of prepayment of such Certificates (other than Certificates which have been purchased by the Trustee at the direction of the Governing Board or purchased or otherwise acquired by the Governing Board and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of prepayment) on said date, (b) there shall have been deposited with the Trustee as escrow holder moneys consisting of either cash in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee as escrow holder at the same time, shall be sufficient, to pay when due the principal portion or Prepayment Price, if applicable, and interest portion due and to become due with respect to said Certificates on or prior to the prepayment date or maturity date thereof, as the case may be, and (c) in the event said Certificates are not by their terms subject to prepayment within the next succeeding 60 days, the Governing Board shall have given the Trustee in form satisfactory to it, instructions to mail a notice to the Holders of such Certificates that the deposit required by (b) above has been made with the Trustee as escrow holder and that said Certificates are deemed to have been paid in accordance with this Section 801 and stating such maturity or Prepayment Date upon which moneys are expected to be available for the payment of the principal or Prepayment Price, if applicable, of said Certificates, other than Certificates which have been purchased by the Trustee at the direction of the Governing Board or purchased or otherwise acquired by the Governing Board and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of prepayment referred to in clause (a) above. The Trustee shall, if so directed by the Governing Board (i) prior to the maturity date of Certificates deemed to have been paid in accordance with this Section 801 which are not to be prepaid prior to their maturity date or (ii) prior to the mailing of the notice of prepayment referred to in clause (a) above with respect to any Certificates deemed to have been paid in accordance with this Section 801 which are to be prepaid on

- 67 -

subclause (b) of this subsection of Section 801, the Trustee shall, if requested by the Governing Board, pay the amount of such excess to the Governing Board free and clear of any trust, lien, pledge or assignment securing said Certificates or otherwise existing under this Trust Agreement. Except as otherwise provided in this subsection of Section 801, neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section 801 nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal portion or Prepayment Price, if applicable, and interest portion represented by said Certificates; provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, as verified by a certificate delivered to the Trustee by a firm of independent certified public accountants acceptable to the Trustee, shall be paid over to the Governing Board as received by the Trustee, free and clear of any trust, lien or pledge securing said Certificates or otherwise existing under this Trust Agreement, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal or Prepayment Price, if applicable, and interest represented by said Certificates on or prior to such prepayment date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Governing Board, as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing said Certificates or otherwise existing under this Trust Agreement.

(c) Anything in this Trust Agreement to the contrary notwithstanding, any moneys held by the Trustee in trust for the Payment of any of the Certificates which remain unclaimed for six (6) years after the date when such Certificates have become due and Payable, either at their stated maturity dates or by call for prepayment, if such moneys were held by the Trustee at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Trustee after the said date when such certificates became due and payable, shall, at the written request of the Governing Board be repaid by the Trustee to the Governing Board, as its absolute property and free from trust, and the Trustee shall thereupon be released and

- 69 -

discharged with respect thereto and the Certificate Holders shall look only to the Governing Board for the payment of such Certificates; provided, however, that before being required to make any such payment to the Governing Board, the Trustee shall, at the expense of the Governing Board, cause to be published at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than thirty (30) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Governing Board.

802. Evidence of Signatures of Certificate Holders and Ownership of Certificates.

(a) Except as otherwise provided in Section 707 hereof, any request, consent, revocation of consent or other instrument which this Trust Agreement may require or permit to be signed and executed by the Certificate Holders may be in one or more instruments of similar tenor, and shall be signed or executed by such Certificate Holders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Certificates, shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable: the fact and date of the execution by any Certificate Holder or his/her attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a partner of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his/her authority.

- 70 -

sole and exclusive benefit of the Governing Board, the Corporation, the Trustee and the Holders of the Certificates.

806. Severability. If any one or more of the covenants or agreements provided in this Trust Agreement on the part of the Corporation or the Trustee to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Trust Agreement.

807. Recording and Filing. The Governing Board shall be responsible for the recording and filing of instruments or documents of further assurance, if any, as may be required by law in order to effectively convey the interests contemplated by this Trust Agreement.

808. Notices. Unless otherwise specified herein, all notices, requests, demands or other communications (other than payments by the Governing Board) to or upon the respective parties listed below shall be deemed to have been given (i) in the case of notice by letter, when delivered to the addressee by-hand or on the third day after deposit in the mails, by first class mail, postage prepaid, return receipt requested, (ii) in the case of notice by cable, when delivered to the cable company, charges prepaid, (iii) in the case of notice by telex or bank wire, when sent, answer back received, and (iv) if given by telephone, when communicated to the person or to the holder of the office specified as the person or officeholder to whose attention communications are to be given, addressed to them as follows or to such other address as any of the parties may designate by written notice to the other party:

Corporation:

South Florida Water Management Leasing Corp.
3301 Gun Club Road
West Palm Beach, Florida 33406
Attention: President

Governing Board:

South Florida Water Management District
3301 Gun Club Road
West Palm Beach, Florida 33406

(b) The ownership of Certificates and the amount, numbers and other identification, and date of holding the same shall be proved by the register maintained by the Trustee.

(c) Any request or consent by the Holder of any Certificate shall bind all future Holders of such Certificate or any Certificates issued in exchange therefor or in lieu thereof in respect of anything done or suffered to be done by the Governing Board, the Corporation or the Trustee in accordance therewith.

803. Moneys Held for Particular Certificates. Subject to Section 801(c) hereof, the amounts held by the Trustee for the payment of the interest portion, principal portion or Prepayment Price due on any date with respect to particular Certificates shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Certificates entitled thereto.

804. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Trust Agreement shall be retained in its possession and shall be subject during normal business hours and upon reasonable prior notice to the inspection of the Governing Board and the Corporation, and any Certificate Holder and their agents and their representatives, any of whom may at their own expense make copies thereof.

805. Parties Interest Herein. Subject to Section 614, nothing herein, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Corporation, the Trustee and the Holders of the Certificates, remedies or claims under or by reason hereof or any covenant, condition or stipulation thereof; provided that with respect to the provisions hereof which require the Trustee to give notice to the Governing Board, obtain the Governing Board's consent, pay or deliver to the Governing Board any moneys held by the Trustee hereunder or grant to the Governing Board any right or privilege whatsoever, such provisions shall also be for the benefit of the Governing Board and, upon the failure of the Trustee to comply therewith, the Governing Board shall have such rights, remedies and claims as are provided hereunder or by reason hereof or by law. All covenants, stipulations, promises and agreements herein contained by and on behalf of the Corporation shall be for the

- 71 -

Attention: Executive Director

Trustee:

Deutsche Bank National Trust Company
200 South Tryon Street, Suite 550
Charlotte, North Carolina 28202
Attention: Trust and Security Services

Rating Agencies:

Moody's Investors Service Inc.
99 Church Street
New York, New York 10007

Standard & Poor's Ratings Services
55 Water Street
New York, New York 10041

Fitch Ratings
One State Street Plaza
New York, New York 10004

Credit Facility Issuers:

As set forth on the Schedule applicable to the Series of Certificates.

Notice shall also be given by the Governing Board to the Rating Agencies of the occurrence of any one or more of the following: (i) the appointment of a Successor Trustee, (ii) the expiration or termination of a Credit Facility, (iii) the prepayment or defeasance of any of the Outstanding Certificates in accordance with Section 801 or 802 hereof or (iv) a material modification of or amendment to this Trust Agreement, the Master Lease, any Ground Lease, any Assignment Agreement, any Lease Schedule or any Credit Facility.

809. Applicable Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State of Florida.

810. Binding on Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties, the

- 72 -

- 73 -

Certificate Holders and each Credit Facility Issuer and their respective successors and assigns.

811. Captions. Captions preceding the text of the several Articles and Sections hereof, and the table of contents, are solely for convenience of reference and shall not constitute a part of this Trust Agreement or affect its meaning, construction or effect.

812. Legal Holidays. Unless otherwise provided herein if the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Trust Agreement, is not a Business Day such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided herein, and no interest shall accrue on such payments for the period after such date.

813. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[Remainder of Page Intentionally Left Blank]

- 74 -

IN WITNESS WHEREOF, the parties have executed this Master Trust Agreement by their duly authorized officers as of the date and year first written above.

Attest: _____
Carol Ann Wehle
Secretary

(SEAL)

SOUTH FLORIDA WATER MANAGEMENT
DISTRICT LEASING CORP.
By: Kevin McCarty
Kevin McCarty
President

DEUTSCHE BANK NATIONAL TRUST
COMPANY, as Trustee
By: Michael Weber
Michael Weber
Vice-President

(SEAL)

By: J. Douglas McDade
J. Douglas McDade
Vice-President

-75-

IN WITNESS WHEREOF, the parties have executed this Master Trust Agreement by their duly authorized officers as of the date and year first written above.

Attest: Carol Ann Wehle
Carol Ann Wehle
Secretary

(SEAL)

SOUTH FLORIDA WATER MANAGEMENT
DISTRICT LEASING CORP.

By: _____
Kevin McCarty
President

DEUTSCHE BANK NATIONAL TRUST
COMPANY, as Trustee

By: _____
Michael Weber
Vice-President

(SEAL)

By: _____
J. Douglas McDade
Vice-President

COUNTY OF PALM BEACH)
SS:
STATE OF FLORIDA)

I, MARGARET E. CLARK, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Kevin McCarty, personally known to me to be the same person whose name is, as President of SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 14th day of November, 2006.

NOTARY PUBLIC
SEAL OF OFFICE:



Margaret E. Clark
NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or Type as Commissioned.)

☐ Personally known to me, or
☒ Produced identification: DP
☐ DID take an oath, or
☒ DID NOT take an oath

- 75 -

- 76 -

COUNTY OF PALM BEACH)

) SS:
STATE OF FLORIDA)

I, Christine C. Bergeron, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Carol Ann Wehle, personally known to me to be the same person whose name is, as Secretary of SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that she, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 7th day of NOVEMBER, 2006.

NOTARY PUBLIC
SEAL OF OFFICE:

Christine C. Bergeron
NOTARY PUBLIC, STATE OF FLORIDA
Commission # DD549456
My Comm. Expires: 06/21/2010
(Name of Notary Public, Print, Stamp or Type as Commissioned)

☒ Personally known to me, or
☐ Produced identification: _____
☐ DID take an oath, or
☐ DID NOT take an oath

COUNTY OF MECKLENBURG)
) SS:
STATE OF NORTH CAROLINA)

I, Donna V. Kidd, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Michael Weber and J. Douglas McDade, personally known to me to be the same persons whose names are, respectively, as Vice-Presidents of Deutsche Bank National Trust Company, a national banking association, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being hereunto duly authorized, signed, sealed with the seal of said association, and delivered the said instrument as the free and voluntary act of said association and as their own free and voluntary act, for the uses and purposes therein set forth.

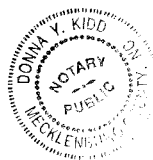
GIVEN under my hand and notarial seal this 9th day of November, 2006.

NOTARY PUBLIC
SEAL OF OFFICE:

Donna V. Kidd
NOTARY PUBLIC, STATE OF NORTH CAROLINA

Donna V. Kidd
(Name of Notary Public, Print, Stamp or Type as Commissioned)

☐ Personally known to me, or
☒ Produced identification: None
☐ DID take an oath, or
☐ DID NOT take an oath



- 77 -

-78-

EXHIBIT A

FORM OF CERTIFICATE OF PARTICIPATION

Front of Certificate

REGISTERED

CERTIFICATE OF PARTICIPATION SERIES _____

Evidencing an Undivided Proportionate Interest of the Owner Hereof in Basic Lease Payments to be Made by THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT, as Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP NO.

REGISTERED OWNER:

PRINCIPAL SUM: _____ DOLLARS

THIS IS TO CERTIFY THAT the registered owner named above is the owner of this Certificate of Participation, Series _____ (this "Certificate"), evidencing an undivided proportionate interest in Basic Lease Payments (as set forth in Schedule No. _____ to the hereinafter mentioned Master Lease Purchase Agreement (collectively, the "Series _____ Lease")) to be made by the Governing Board of the South Florida Water Management District (the "Governing Board") acting as the governing body of the South Florida Water Management District (the "District") pursuant to the Master Lease Purchase Agreement, dated as of November 1, 2006 (the "Master Lease"), between South Florida Water Management District Leasing Corp., a not-for-profit corporation duly organized and existing under the laws of the State of Florida, as lessor (the "Corporation"), and the Governing Board, as lessee. Under a Series _____ Assignment Agreement dated as of _____, _____ (the "Assignment Agreement") entered into by and between the Corporation and

Deutsche Bank National Trust Company, as trustee (such bank and any successor thereto hereinafter called the "Trustee"), the Corporation has transferred to the Trustee, for the benefit of the Certificate Holders, all of its rights under the Series _____ Lease (except for its right to indemnification under Section 5.7 of the Master Lease, its right to hold title to the Series _____ Facilities under Section 6.1 of the Master Lease and its right to receive notices under the Master Lease) including its rights to receive Basic Lease Payments thereunder, with respect to the Series _____ Facilities identified in said Schedule No. _____ (the "Series Facilities").

The registered owner of this Certificate ("Certificate Holder") is entitled to receive, subject to the terms of the Master Lease and the Trust Agreement (hereinafter defined), on the maturity date specified above (the "Maturity Date"), unless prepaid prior thereto as provided herein, the principal sum specified above, representing the portion of the Basic Lease Payments designated as principal and coming due on the Maturity Date, and to receive on April 1 and October 1 of each year, commencing _____, _____, to and including the final Maturity Date or the date of prepayment, whichever is earlier, the interest portion of the Basic Lease Payments payable to Certificate Holders on such dates. Said amounts are payable in lawful money of the United States of America. The amounts representing principal portion and Prepayment Price shall be payable at the designated corporate trust office of the Trustee and the amounts representing interest portion shall be payable by check or draft of the Trustee mailed to the registered owner at the address of the registered owner as it shall appear on the registration books maintained by the Trustee as of the 15th day of the month next preceding the month in which such payment is due. Such interest portion may be paid by wire transfer to the registered owners of \$1,000,000 or more upon their request in writing received at least 15 days prior to any Payment Date.

THE GOVERNING BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONIES TO MAKE BASIC LEASE PAYMENTS. BASIC LEASE PAYMENTS ARE PAYABLE FROM FUNDS APPROPRIATED BY THE GOVERNING BOARD FOR SUCH PURPOSE FROM CURRENT OR OTHER FUNDS AUTHORIZED BY LAW AND REGULATIONS OF THE STATE OF FLORIDA. NEITHER THE DISTRICT, THE GOVERNING BOARD, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS OBLIGATED TO PAY, EXCEPT FROM GOVERNING BOARD APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES _____ LEASE FROM ANY SOURCE OF TAXATION, AND THE FULL

FAITH AND CREDIT OF THE DISTRICT, THE GOVERNING BOARD, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER. SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE GOVERNING BOARD, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE CORPORATION, THE TRUSTEE, NOR THE SERIES _____ CERTIFICATE HOLDERS MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE DISTRICT, THE GOVERNING BOARD, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO PAY ANY SUMS, INCLUDING THE BASIC LEASE PAYMENTS, DUE UNDER THE SERIES _____ LEASE.

THE TRUSTEE HAS NO OBLIGATION OR LIABILITY TO MAKE PAYMENTS WITH RESPECT TO THIS CERTIFICATE EXCEPT FROM FUNDS RECEIVED BY IT PURSUANT TO THE TRUST AGREEMENT REFERRED TO ON THE REVERSE HEREOF.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS CERTIFICATE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HEREIN.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and laws of the State of Florida and the Trust Agreement to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Certificate have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an Authorized Signatory of the Trustee, not in its individual capacity, but solely as Trustee under the Trust Agreement.

DEUTSCHE BANK NATIONAL
TRUST COMPANY,
as Trustee

By: _____
Authorized Signatory

- 3 -

thereto is made for a description of the funds and accounts established under the Trust Agreement for the purpose of securing the Certificates, the agreements and covenants of the Governing Board in the Series _____ Lease with respect to the Series _____ Project and Basic Lease Payments to be made by the Governing Board, the nature, extent and manner of enforcement of such agreements and covenants, the rights and remedies of the Certificate Holders with respect thereto, certain limitations relating to the issuance of additional Series of Certificates under the Trust Agreement, the manner in which the terms of the Trust Agreement may be amended, and the other terms and conditions upon which the Certificates are delivered thereunder.

Reference is hereby made to the Trust Agreement and any and all supplements, modifications or amendments thereof for a description of the pledge of the Trust Estate and assignment and covenants securing the Certificates, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the Holders of the Certificates with respect thereto, the terms and conditions upon which the Holders of the Certificates shall cease to be entitled to any lien, benefit or security under the Trust Agreement and for the other terms and provisions thereof and the pledge of the Trust Estate and the terms and conditions upon which all covenants of the Trustee to the Holders of such Certificates shall thereupon cease, terminate and become void and be discharged and satisfied. All covenants, agreements and obligations of the Governing Board under the Series _____ Lease with respect to the Series _____ Facilities or a portion thereof may be discharged and satisfied prior to the maturity or prepayment of this Certificate if moneys or certain specified securities have been deposited with the Trustee in the manner provided in the Trust Agreement.

This Certificate shall be issued initially pursuant to a book-entry-only system administered by The Depository Trust Company, New York, New York ("DTC"), which shall act as securities depository for the Certificates, with no physical distribution of certificates to be made. Any provisions of the Trust Agreement or this Certificate requiring physical delivery of Certificates shall, under the book-entry-only system, be deemed to be satisfied by a notation on the records maintained by DTC of ownership interests of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). DTC

- 5 -

Back of Certificate

Capitalized terms used herein but not otherwise defined herein shall have the meaning given to such terms in the Trust Agreement.

All amounts payable by the Trustee with respect to this Certificate shall be paid from (i) the Basic Lease Payments received by the Trustee from the Governing Board pursuant to the terms of the Series _____ Lease, (ii) all amounts from time to time deposited in the funds and accounts created under the Master Trust Agreement dated as of November 1, 2006, between the Corporation and the Trustee (as the same may be amended and supplemented from time to time, the "Trust Agreement"), including investment earnings; (iii) any proceeds received by the Trustee upon the sale, re-letting or other disposition of the Series _____ Facilities or the pursuit of any other remedy pursuant to the Master Lease, and (iv) Net Proceeds resulting from any insurance or other financial guaranty claim or payment or any claim or condemnation award payable with respect to the Series _____ Facilities pursuant to the Master Lease and the Trust Agreement, but only to the extent that the Trustee shall have actually received sufficient income or proceeds from the Trust Estate (defined in the Trust Agreement) to make such payments. It is provided in the Master Lease that the cost and expense of the performance by the Governing Board of its obligations thereunder including, without limitation, the payment of all Basic Lease Payments and all other amounts required to be paid by the Governing Board thereunder, shall be subject to and dependent upon appropriations being duly made from time to time by the Governing Board for such purposes or other amounts being lawfully available therefor. The payment of the principal portion and interest portion of the Basic Lease Payments represented by the Certificates is not a liability or charge upon the credit of the Trustee or the Corporation, and neither the Trustee nor the Corporation has any obligation to make such payments, other than the Trustee's obligation to make such payments from the income from and proceeds of the sources described above.

This Certificate has been executed by the Trustee pursuant to the Trust Agreement. Copies of the Trust Agreement and the Series _____ Lease are on file at the principal corporate trust office of the Trustee, and reference to the Trust Agreement and the Series _____ Lease and any and all supplements or amendments

- 4 -

Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Certificates ("Beneficial Owners").

This Certificate shall initially be issued in the name of Cede & Co. as nominee for DTC, and so long as this Certificate is held in book-entry-only form Cede & Co. shall be considered the registered owner for all purposes hereof, including the payment of principal and interest portions of Basic Lease Payments represented by this Certificate. Payment to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Individual Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee, the Corporation or the Governing Board.

This Certificate shall be transferable upon the registration books of the Trustee, which shall be kept at the principal corporate trust office of the Trustee upon payment of any charges required. Except when registration of the Certificates is being maintained pursuant to a book-entry-only system, the Certificate Holder may transfer this Certificate in person or by such Certificate Holder's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Certificate Holder or such Certificate Holder's duly authorized attorney. Upon the transfer of this Certificate, the Trustee shall deliver in the name of the transferee a new Certificate or Certificates of the same aggregate principal amount and maturity as the surrendered Certificate. The Trustee may deem and treat the person in whose name this Certificate is registered upon the register of the Trustee as the absolute owner hereof for all purposes, and all such payments so made to any such Certificate Holder or upon such Certificate Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid, and the Trustee shall not be affected by any notice to the contrary.

The Certificates shall be delivered in registered form in denominations of \$5,000 or any integral multiple of \$5,000. The Certificates, upon surrender thereof at the designated corporate trust office of the Trustee with a written instruction

- 6 -

satisfactory to the Trustee, duly executed by the Certificate Holder or such Certificate Holder's attorney duly authorized in writing, may, at the option of the Certificate Holder and upon payment by such Certificate Holder of any charges which the Trustee may make as provided in the Trust Agreement, be exchanged for an equal aggregate principal amount of registered Certificates of the same maturity of any other authorized denominations.

Optional Prepayment: Certificates maturing on or before _____ 1, _____, shall not be subject to prepayment at the option of the Governing Board.

Certificates maturing after _____ 1, _____, shall be subject to prepayment on or after _____ 1, _____, if the Governing Board elects to prepay the principal portion of Basic Lease Payments due under the Series _____ Lease in whole at any time, or in part on the first day of any calendar month, and if in part, in such order of maturity of Certificates corresponding to the due dates of the principal portion of the Basic Lease Payments under the Series _____ Lease as shall be designated by the Governing Board to be prepaid, and by lot within a maturity in such manner as the Trustee may determine, at the Prepayment Price expressed as a percentage of the principal portion of Basic Lease Payments represented by the Certificates or portions thereof to be prepaid as set forth opposite such period in the following table, plus the interest portion of the Basic Lease Payments represented by the Certificates accrued to the Prepayment Date:

Prepayment Period (Both Dates Inclusive)	Prepayment Price
_____ 1, _____ through _____ 31, _____	%
_____ 1, _____ through _____ 31, _____	
_____ 1, _____ and thereafter	

Extraordinary Prepayment: (i) Certificates shall be subject to prepayment in whole or in part at any time and if in part, in such order of maturity as shall be designated by the Governing Board, and by lot within a maturity in such manner as the Trustee shall determine to be fair and appropriate, in an amount equal to the principal portion of Basic Lease Payments prepaid under the Series _____ Lease(s), at a Prepayment price of par plus the interest accrued to the Prepayment Date, if there are

- 7 -

Interest represented by Certificates so prepaid shall be paid from the amount then available to prepay Certificates.

When prepayment of Certificates is required pursuant to the Trust Agreement, the Trustee shall give notice of the prepayment of such Certificates, which notice shall specify the maturities of the Certificates to be prepaid, the CUSIP numbers (which shall be for informational purposes only and shall not affect the validity of such notice) the Prepayment Date and the place or places where amounts due upon such prepayment will be payable and, if less than all of the Certificates are to be prepaid, the letters and numbers or other distinguishing marks of such Certificates to be prepaid, and, in the case of Certificates to be prepaid in part only, such notice shall also specify the respective portions of the principal amount thereof to be prepaid. Such notice shall further state that on such date there shall become due and payable upon each Certificate to be prepaid the Prepayment Price thereof, or the Prepayment Price of the specified portions of the principal thereof in the case of Certificates to be prepaid in part only, together with interest accrued to the Prepayment Date, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail a copy of such notice, postage prepaid, not less than 30 days before the Prepayment Date in the case of optional prepayment, extraordinary prepayment resulting from damage, destruction or condemnation of Facilities, extraordinary prepayment from amounts in excess of Basic Lease Payments coming due in the next Fiscal Year remaining in the Acquisition Account after completion of the Series _____ Facilities or mandatory sinking fund prepayment for the Certificates to be prepaid and not less than 5 days nor more than 10 days before the Prepayment Date in the case of extraordinary prepayment resulting from termination of all Leases as a result of nonappropriation or default by the Governing Board, to the Certificate Holders of any Certificates or portions thereof which are to be prepaid, at their last addresses appearing upon the registry books, but any defect in the notice to a particular Certificate Holder shall not affect the validity of the proceedings for the prepayment of other Certificates. Notice, to the extent available, of such prepayment shall be provided to any depository not less than two days prior to mailing of such notice.

In the case of an optional prepayment of any Certificate, the notice of prepayment may state that (1) it is conditioned upon the deposit of moneys in the Prepayment Account or with an

- 9 -

Net Proceeds equal to or greater than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to the Series _____ Facilities as a result of damage, destruction or condemnation of any portion of the Series _____ Facilities and an election is made by the Governing Board under Section 5.4(b) of the Master Lease to apply the amount to the prepayment in part of the principal portions of Basic Lease Payments relating to the Series _____ Facilities and represented by the Certificates.

(ii) At the election of the Series _____ Credit Facility Issuer, Certificates shall be subject to prepayment in whole at any time, at a Prepayment Price of par plus the interest accrued to the Prepayment Date, if the Lease Term of all Leases is terminated for the reasons referred to in Section 4.1(b) or 4.1(c) of the Master Lease.

Mandatory Sinking Fund Prepayment: Certificates maturing on _____ 1, _____ are subject to mandatory prepayment prior to maturity in part, from payments of the principal portion of Basic Lease Payments as set forth in the Series _____ Lease, through the operation of a sinking fund on each _____ 1 in the years and in the following amounts set forth below at a Prepayment Price of par plus the interest accrued to the Prepayment Date.

_____ 1 of the Year	Principal Amount
	\$

*

* Final Maturity.

If less than all the Certificates of like maturity shall be called for prepayment, the particular Certificates or portions thereof to be prepaid shall be selected by lot by the Trustee in such manner as the Trustee shall deem fair and appropriate. The portion of any Certificate of a denomination of more than \$5,000 to be prepaid shall be in the principal amount of \$5,000 or an integral multiple thereof, and, in selecting portions of such Certificates for prepayment, the Trustee shall treat each such Certificate as representing that number of Certificates in \$5,000 denominations which is obtained by dividing the principal amount of such Certificate to be prepaid in part by \$5,000.

- 8 -

escrow agent under an escrow deposit agreement, in amounts necessary to effect the prepayment, no later than the Prepayment Date or (2) the Trustee, at the direction of the Governing Board, retains the right to rescind such notice on or prior to the scheduled prepayment date (in either case, a "Conditional Prepayment"), and such notice and optional prepayment shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this subsection. Any such notice of Conditional Prepayment shall be captioned "Conditional Notice of Prepayment." Any Conditional Prepayment may be rescinded at any time prior to the Prepayment Date if the Governing Board delivers a written direction to the Trustee directing the Trustee to rescind the prepayment notice. The Trustee shall give prompt notice of such rescission to the affected Certificate Holders. Certificates subject to Conditional Prepayment where prepayment has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the Governing Board to make such funds available shall constitute an Event of Default. The Trustee shall give immediate notice to the securities information repositories and the affected Certificate Holders that the prepayment did not occur and that the Certificates called for prepayment and not so paid remain Outstanding.

THE OBLIGATION OF THE GOVERNING BOARD TO MAKE BASIC LEASE PAYMENTS UNDER SCHEDULE NO. _____ OF THE MASTER LEASE IS A SPECIAL AND LIMITED OBLIGATION, SUBJECT TO ANNUAL APPROPRIATION BY THE GOVERNING BOARD, AS FURTHER PROVIDED ON THE FRONT OF THIS CERTIFICATE. THE GOVERNING BOARD MAY NOT BUDGET AND APPROPRIATE FUNDS TO MAKE LEASE PAYMENTS SELECTIVELY ON A LEASE BY LEASE BASIS, BUT MUST APPROPRIATE FUNDS FOR ALL LEASES OR NONE OF THEM.

Form of Opinion of Special Tax Counsel

Statement of Insurance

- 10 -

ASSIGNMENT

For value received _____ the undersigned does hereby sell, assign and transfer unto the within-mentioned Certificate and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the Certificate register of the Trustee with full power of substitution in the premises.

Dated: _____
Signature Guaranteed: _____

NOTE: The signature on this Assignment must correspond with the name as written on the face of the within-mentioned Certificate in every particular without alteration or enlargement or any change whatsoever

Social Security or Other
Identifying Number of
Transferee: _____

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

TEN COM - As tenants in common
TEN ENT - As tenants by the entireties
JT TEN - As joint tenants with the rights of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to Minors
Act _____
(State)

- 11 -

TOTAL _____

- 13 -

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

EXHIBIT B

REQUISITION NO. _____
\$ _____

CERTIFICATES OF PARTICIPATION
SERIES _____

Evidencing an Undivided Proportionate Interest of the Owners Thereof in Basic Lease Payments to be Made by THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT,

As Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor

TO: DEUTSCHE BANK NATIONAL TRUST COMPANY, Trustee under the Master Trust Agreement dated as of November 1, 2006, with South Florida Water Management District Leasing Corp., as supplemented by the Series _____ Supplemental Trust Agreement dated as of _____ (collectively, "Trust Agreement").

Capitalized terms used but not hereindefined shall have the meanings ascribed to such terms in the Trust Agreement.

This Requisition is made pursuant to Section 402(c) of the Trust Agreement to pay Costs of the Series _____ Facilities.

The Trustee is hereby directed to pay sums out of the Series _____ Acquisition Account as follows:

Name & Address of Payee	Purpose of Payment	Amount

- 12 -

The undersigned hereby certifies that (a) each obligation, item of cost or expense herein has been properly incurred, (b) each obligation, item of cost or expense herein is an item of the Cost of the Series _____ Facilities and has not been the basis of any previous withdrawal, and (c) such payment will not cause the balance remaining in the Series _____ Acquisition Account after such payment to be less than the amount necessary to pay the remaining estimated Costs to be paid from the Series _____ Acquisition Account, or sufficient other moneys are available therefore.

Dated: _____

Authorized Governing Board
Representative

- 14 -

Authorized Governing Board
Representative

\$

Evidencing an Undivided Proportionate Interest of the
Owners Thereof in Basic Lease Payments to be made by
THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT
DISTRICT,

TO: Deutsche Bank National Trust Company, Trustee, under the Master Trust Agreement dated as of November 1, 2006, with South Florida Water Management District Leasing Corp., as supplemented by the Series _____ Supplemental Trust Agreement dated as of _____ (collectively, "Trust Agreement").

This Requisition is made pursuant to Section 402(d) of the Trust Agreement to pay Costs of Issuance of the Series _____ Certificates.

<u>Payee</u>	<u>Purpose of Payment</u>	<u>Amount</u>

100

Dated: _____

SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT

by and between

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.
a Florida not for profit corporation**

and

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

Dated as of _____ 1, 2026

Relating to

**Refunding Certificates of Participation, Series 2026
Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Lease
Payments to be Made by the Governing Board of the South Florida Water
Management District, as Lessee, Pursuant to a Master Lease Purchase Agreement with
South Florida Water Management District Leasing Corp., as Lessor**

ARTICLE I DEFINITIONS	4
ARTICLE II THE SERIES 2026 CERTIFICATES.....	8
SECTION 2.01. AUTHORIZATION OF SERIES 2026 CERTIFICATES	8
SECTION 2.02. ISSUANCE OF SERIES 2026 CERTIFICATES	11
SECTION 2.03. SECURITY FOR SERIES 2026 CERTIFICATES	11
SECTION 2.04. REFUNDING OF SERIES 2015 REFUNDED CERTIFICATES	11
ARTICLE III ESTABLISHMENT OF ACCOUNTS; APPLICATION OF SERIES 2026 CERTIFICATE PROCEEDS; INVESTMENT OF FUNDS	11
SECTION 3.01. ESTABLISHMENT OF ACCOUNTS.....	11
SECTION 3.02. APPLICATION OF PROCEEDS OF SERIES 2026 CERTIFICATES	12
SECTION 3.03. INVESTMENT OF FUNDS	12
ARTICLE IV MISCELLANEOUS PROVISIONS RELATING TO SERIES 2026 CERTIFICATES.....	12
SECTION 4.01. PROVISIONS OF TRUST AGREEMENT NOT OTHERWISE MODIFIED	12
SECTION 4.02. COUNTERPARTS	12
SECTION 4.03. HEADINGS	12
SECTION 4.04. LAWS	12
SECTION 4.05. PATRIOT ACT OF REQUIREMENTS OF TRUSTEE.....	12
SECTION 4.06. NONRECOURSE OBLIGATION OF CORPORATION.....	13

WHEREAS, the Governing Board and the Corporation agree that a portion of the proceeds of the Series 2026 Certificates, together with other available funds, should be used to refund all or a portion of the outstanding Series 2015 Certificates (as defined herein), maturing on or after October 1, 2026 (the "Series 2015 Refunded Certificates"), pursuant to the terms of the Trust Agreement and the Escrow Deposit Agreement (as defined herein), and shall constitute the payment of prepaid Basic Lease Payments by the Governing Board; and

WHEREAS, in consideration for the deposit of such prepaid Basic Lease Payments to refund the Series 2015 Refunded Certificates, the Governing Board has agreed to enter into the Second Amended and Restated Schedule 2006 with the Corporation, whereby the Governing Board will amend and restate the current Lease Schedule 2006, as heretofore amended in its entirety, thereby continuing to lease the Series 2006 Facilities and agree to make Basic Lease Payments sufficient to pay the principal of and interest on the Series 2026 Certificates; and

WHEREAS, the Governing Board and the Corporation have executed the Second Amended and Restated Schedule 2006, as of the date hereof, for the lease purchase, financing and refinancing of the Series 2006 Facilities (as defined herein); and

WHEREAS, the deposit of such prepaid Basic Lease Payments and other legally available funds in the Escrow Account shall be in an amount sufficient to pay the principal of and interest on the Series 2015 Refunded Certificates from the date of deposit thereof to and including the date of redemption thereof; and

WHEREAS, the Series 2026 Certificates shall be secured by the Second Amended and Restated Schedule 2006 and shall be secured independently from each other Series of Certificates, except as otherwise provided in the Trust Agreement and shall have the terms and provisions contained in this Series 2026 Supplemental Trust Agreement; and

WHEREAS, the Corporation has assigned to the Trustee all of its right, title and interest in and to the Series 2006 Lease (as defined herein) and the Lease Payments and the Series 2006 Ground Lease, other than its rights to indemnification and to receive notices, pursuant to the Series 2006 Lease Assignment (as defined herein); and

WHEREAS, all things necessary to make the Series 2026 Certificates, when executed by the Trustee and issued as provided herein and in the Trust Agreement, the valid, binding and legal obligations according to the terms thereof, have been done and performed, and the creation, execution and delivery of this Series 2026 Supplemental Trust Agreement, and the creation, execution and issuance of the Series 2026 Certificates subject to the terms thereof, have in all respects been duly authorized.

THIS SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT, dated as of _____, 2026 (the "Series 2026 Supplemental Trust Agreement"), supplementing the Master Trust Agreement, dated as of November 1, 2006 (collectively, the "Trust Agreement"), by and between SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a Florida not for profit corporation, duly organized and existing under the laws of the State of Florida (the "Corporation"), as lessor under the Master Lease (as defined in the Trust Agreement), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, authorized to transact business in the State of Florida, with corporate trust powers sufficient to accept trusts of the type set forth in the Trust Agreement, with its designated corporate trust office in Jacksonville, Florida, successor to Deutsche Bank National Trust Company, as trustee (the "Trustee").

WHEREAS, the Governing Board of the South Florida Water Management District (the "Governing Board"), has deemed it to be in its best interest to lease purchase certain real and personal property from time to time and has entered into the Master Lease between the Corporation, as lessor, and the Governing Board, as lessee; and

WHEREAS, pursuant to the Master Lease, the Governing Board may from time to time, by execution of a Schedule to the Master Lease, direct the Corporation to acquire, construct and lease purchase to the Governing Board the items of real or personal property described in such Schedule (which items of property are collectively referred to herein as "Facilities"); and

WHEREAS, provision for the payment of the cost of acquiring, constructing and installing such Facilities may be made by the issuance and sale from time to time of one or more Series (as defined in the Trust Agreement) of Certificates of Participation issued under the Trust Agreement (collectively, the "Certificates"), which shall be secured by and be payable from Basic Lease Payments to be made by the Governing Board pursuant to the Master Lease and related Schedules; and

WHEREAS, the Trustee at the request of the Corporation has agreed to issue a Series of Certificates to provide funds for the lease purchase financing or refinancing of certain Facilities; and

WHEREAS, the Trustee has received an order from an Authorized Corporation Representative (as defined in the Trust Agreement) relating to the issuance of \$_____ aggregate principal amount of Refunding Certificates of Participation, Series 2026 Evidencing Undivided Proportionate Interest of the Owners thereof in Basic Lease Payments to be Made by the Governing Board of the South Florida Water Management District, as Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor (the "Series 2026 Certificates"); and

NOW, THEREFORE, THIS SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT WITNESSETH:

ARTICLE I DEFINITIONS

Words and terms that are defined in the Trust Agreement or the Master Lease shall have the same meanings ascribed to them when used herein, unless the context or use indicates a different meaning or intent. In addition to the words and terms elsewhere defined in this Series 2026 Supplemental Trust Agreement, the following words and terms as used in this Series 2026 Supplemental Trust Agreement shall have the following meaning unless the context or use indicates another or different meaning or intent:

"Defeasance Securities" pertaining to the Series 2026 Certificates shall mean those securities listed in paragraphs (1) and (2) of the definition of Investment Securities herein, if and to the extent the same are at the time legal under State law for investment of the Governing Board's funds.

"Escrow Account" shall mean the account by that name created pursuant to the Escrow Deposit Agreement between the Governing Board and U.S. Bank Trust Company, National Association, as escrow agent, related to the Series 2015 Refunded Certificates.

"First Amendment to Assignment of Series 2006 Lease Agreement" shall mean the First Amendment to Assignment of Series 2006 Lease Agreement, dated as of February 1, 2015, from the Corporation to the Trustee.

"Investment Securities" means the following:

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation),
- (2) Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including, but not limited to:
 - U.S. treasury obligations
 - All direct or fully guaranteed obligations
 - Farmers Home Administration
 - General Services Administration
 - State and Local Government Series
 - Interest STRIPS of the Resolution Funding Corporation

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption

of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

(3) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHAs)
- Federal Housing Administration
- Federal Financing Bank

(4) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
- Principal STRIPS of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System

(5) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(6) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(7) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(8) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

5

"Second Amended and Restated Schedule 2006" shall mean that certain Second Amended and Restated Schedule 2006 to the Lease Agreement between the Corporation and the Governing Board, dated as of _____, 1, 2026.

"Series 2006 Facilities" means the Facilities described in Second Amended and Restated Schedule 2006 to the Master Lease.

"Series 2006 Facility Sites" means the Facility Sites ground leased by the Governing Board to the Corporation pursuant to the Series 2006 Ground Lease, as the same may be amended or supplemented from time to time.

"Series 2006 Ground Lease" means the Series 2006 Ground Lease dated as of November 1, 2006, between the Governing Board and the Corporation, as the same may be amended or supplemented from time to time.

"Series 2006 Lease" means the Master Lease, as amended and supplemented, specifically as amended and supplemented by the Second Amended and Restated Schedule 2006.

"Series 2006 Lease Assignment" means the Series 2006 Assignment Agreement, dated as of November 1, 2006, between the Corporation and the Trustee, as amended and supplemented, particularly, as specifically amended by the First Amendment to Assignment of Series 2006 Lease Agreement.

"Series 2015 Refunded Certificates" shall mean the Series 2015 Certificates maturing on and after October 1, 2026.

"Series 2015 Certificates" shall mean the \$385,425,000 Refunding Certificates of Participation, Series 2015 Evidencing Undivided Proportionate Interests of the Owners Thereof in Basic Lease Payments to be Made by the Governing Board of the South Florida Water Management District, as Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor, that were originally issued on February 9, 2016.

"Series 2026 Cost of Issuance Subaccount" shall mean the Series 2026 Cost of Issuance Subaccount established in Section 3.01 hereof.

"Series 2026 Lease Payment Account" shall mean the Series 2026 Lease Payment Account established in Section 3.01 hereof.

"Series 2026 Prepayment Account" shall mean the Series 2026 Prepayment Account established in Section 3.01 hereof.

7

(A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate; Pre-refunded Municipal Obligations meeting the requirements of subsection (B) hereof may be used as permitted investments.

(9) Municipal Obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by both Moody's and S&P.
The value of the above investments shall be determined as follows:

(1) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch.

(2) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus, accrued interest thereon; and

(3) As to any investment not specified above: the value thereof established by prior agreement among the Issuer and the Trustee.

"Purchaser" shall mean _____.

"Rating Agency" shall mean each of S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, Fitch Ratings and Moody's Ratings. and any other nationally recognized rating services which shall have a rating on any Outstanding Certificates.

6

ARTICLE II THE SERIES 2026 CERTIFICATES

SECTION 2.01. AUTHORIZATION OF SERIES 2026 CERTIFICATES.

(a) There is hereby created a Series of Certificates to be issued under the Trust Agreement to be known as "Refunding Certificates of Participation, Series 2026 Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Lease Payments to be Made by the Governing Board of the South Florida Water Management District, as Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor." The Series 2026 Certificates shall be issued for the purpose of refunding the Series 2015 Refunded Certificates and thereby refinancing the Series 2006 Facilities and paying Costs of Issuance of the Series 2026 Certificates.

(b) The Series 2026 Certificates shall be dated as of the date of delivery and shall show the date of authentication thereof. The Series 2026 Certificates shall be in the aggregate principal amount of \$_____ and shall mature on the dates and in the principal amounts set forth below, and shall represent interest at the annual rates set forth opposite such dates and amounts, respectively.

[Remainder of page intentionally left blank]

8

Maturity (October 1)	Principal Amount	Interest Rate
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		

The principal portion of the Series 2026 Certificates due at maturity or upon prepayment thereof, whichever is earlier, shall represent undivided proportionate interests in the principal portion of the Basic Lease Payments due on each of the dates set forth on Second Amended and Restated Schedule 2006.

(c) The interest portion represented by the Series 2026 Certificates shall be payable semiannually on April 1 and October 1 of each year to and including the date of maturity or prepayment, whichever is earlier, commencing on [October] 1, 2026. Such interest shall represent an undivided proportionate interest in the interest portion of Basic Lease Payments due on March 15 and September 15 of each year, commencing [September] 15, 2026, as set forth on Second Amended and Restated Schedule 2006, to and including the maturity or earlier prepayment date of each Series 2026 Certificates.

(d) The Series 2026 Certificates shall be delivered in the denominations of \$5,000 or any integral multiple of \$5,000, and shall be lettered and numbered from "R 1" and upwards. Subject to the provisions of the Trust Agreement, the forms of the Series 2026 Certificates shall be substantially in the form set forth in Exhibit A of the Trust Agreement.

(e) The Series 2026 Certificates shall be issued initially in book entry registration form, registered to Cede & Co. ("Cede"), as nominee for DTC, and immobilized in the custody of DTC. All payments for the principal of, interest and prepayment premiums, if any, on the Series 2026 Certificates shall be paid by check, draft or wire transfer to Cede, without prior presentation or surrender of any Series 2026 Certificate (except for final payment thereof); and shall constitute payment thereof pursuant to, and for all purposes of the Trust Agreement.

If less than all the outstanding Series 2026 Certificates of a single maturity (and, if applicable, interest rate within a maturity) are to be called for prepayment, the Trustee shall have no responsibility for the selection of the book entry interests in the Series 2026 Certificates to be

9

account designated by the registered owners of \$1,000,000 or more in aggregate principal amount of Series 2026 Certificates upon their request in writing received no later than the record date prior to any Payment Date (such request in writing to remain in effect until rescinded in writing). The Trustee may charge a reasonable fee for the cost of the wire transfer.

(g) Optional Prepayment. The Series 2026 Certificates are not subject to optional prepayment.

(g) Extraordinary Prepayment. The principal portion of Basic Lease Payments due under the Series 2006 Lease represented by the Series 2026 Certificates shall be subject to extraordinary prepayment in whole or in part, at a prepayment price of par plus accrued interest to the Prepayment Date, in the event the Series 2006 Lease terminates prior to payment in full of all the Basic Lease Payments due thereunder, to the extent the Trustee has moneys available for such purpose pursuant to Section 504 or Section 406 of the Master Trust.

SECTION 2.02. ISSUANCE OF SERIES 2026 CERTIFICATES. The Series 2026 Certificates shall be issued upon delivery to the Trustee of the documents specified in Section 304 of the Trust Agreement and payment of the purchase price therefor.

SECTION 2.03. SECURITY FOR SERIES 2026 CERTIFICATES. The Series 2026 Certificates shall be secured in the manner provided in the Trust Agreement and shall receive all the benefits of the Trust Estate created thereunder; provided, such portion of the Trust Estate (i) which is derived from the sale, re-letting or other disposition of the Series 2006 Facilities shall be utilized solely for the benefit of the Series 2026 Certificates; and (ii) any cash, securities and investments in the Series 2026 Pledged Accounts shall be utilized solely for the benefit of the Owners of the Series 2026 Certificates. The Owners of the Series 2026 Certificates shall have no claim against, nor receive any benefits from, any portion of the Trust Estate derived from the sale, re-letting or other disposition of Projects, other than the Series 2006 Facilities, or any cash, securities and investments in the Pledged Accounts, other than the Series 2026 Pledged Accounts.

SECTION 2.04. REFUNDING OF SERIES 2015 REFUNDED CERTIFICATES. Upon the delivery of the Series 2026 Certificates, the Series 2015 Refunded Certificates shall be refunded as provided in the Trust Agreement and the Escrow Deposit Agreement.

ARTICLE III ESTABLISHMENT OF ACCOUNTS; APPLICATION OF SERIES 2026 CERTIFICATE PROCEEDS; INVESTMENT OF FUNDS

SECTION 3.01. ESTABLISHMENT OF ACCOUNTS. There are hereby established within the Project Fund the following accounts and subaccount: (a) the Series 2026 Lease Payment Account, as more particularly described in Section 404 of the Trust Agreement; (b) the Series 2026 Cost of Issuance Subaccount; and (c) the Series 2026 Prepayment Account, as more particularly described in Section 406 of the Trust Agreement.

11

paid pursuant to the prepayment, or for notification of that prepayment or of that payment to, or for payment to, the owners of affected book entry interests; all of which shall be handled by and in accordance with arrangements of DTC and its participants and others working through those participants.

To the extent permitted by the provisions of any book entry system agreement between the Trustee and DTC, the Trustee shall issue Series 2026 Certificates directly to beneficial owners of the Series 2026 Certificates other than DTC, or its nominee, in the event that:

- (i) DTC determines not to continue to act as securities depository for the Series 2026 Certificates; or
- (ii) the Trustee has advised DTC of its determination that DTC is incapable of discharging its duties; or
- (iii) the Trustee determines that it is in the best interest of the Trustee not to continue the book entry system or that the interests of the beneficial owners of the Series 2026 Certificates might be adversely affected if the book entry system is continued.

Upon occurrence of the events described in (i) or (ii) above (the Trustee undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Trustee to make any such determination), the Trustee shall attempt to locate another qualified securities depository, and shall notify holders of the Series 2026 Certificates through DTC if successful. If the Trustee fails to locate another qualified securities depository to replace DTC, the Trustee shall authenticate and deliver replacement Series 2026 Certificates in certificate form.

In the event the Trustee makes the determination noted in (ii) or (iii) above (the Trustee undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Trustee to make any such determination), or if the Trustee fails to locate another qualified securities depository to replace DTC upon occurrence of the events described in (i) or (ii) above, the Trustee shall mail a notice to DTC for distribution to the beneficial owners of the Series 2026 Certificates stating that DTC will no longer serve as securities depository, whether a new securities depository will or can be appointed, the procedures for obtaining such Series 2026 Certificates and the provisions which govern the Series 2026 Certificates including, but not limited to, provisions regarding authorized denominations, transfer and exchange, principal and interest payments and other related matters.

(f) The principal portion or Prepayment Price of the Series 2026 Certificates shall be payable at the designated corporate trust office of the Trustee. The interest portion represented by the Series 2026 Certificates shall be payable by check or draft of the Trustee mailed to the Certificate holder at the address of the Certificate holder shown on the registration records maintained by the Trustee as of the 15th day of the month next preceding the month in which the Payment Date occurs. Such interest portion may be paid by wire transfer to a domestic bank

10

The moneys on deposit in the accounts and subaccount described herein shall be disbursed by the Trustee in the manner and for the purposes described in the Trust Agreement.

SECTION 3.02. APPLICATION OF PROCEEDS OF SERIES 2026 CERTIFICATES. The Trustee shall deposit in the Escrow Account, the amount of \$_____ from the proceeds of the sale of the Series 2026 Certificates and \$_____ from other legally available funds of the Governing Board. The Trustee shall deposit in the Series 2026 Cost of Issuance Subaccount, the amount of \$_____ from the proceeds of the sale of the Series 2026 Certificates. The remainder of the proceeds from the Series 2026 Certificates shall be used as follows: the Purchaser shall retain the Purchaser's Discount of \$_____.

There is no Reserve Requirement for the Series 2026 Certificates.

SECTION 3.03. INVESTMENT OF FUNDS. Moneys held in the Series 2026 Lease Payment Account and the Series 2026 Cost of Issuance Subaccount may be invested and reinvested as directed in writing by the Governing Board (which direction the Trustee may conclusively rely on) in Investment Securities for purposes of the Series 2026 Certificates.

ARTICLE IV MISCELLANEOUS PROVISIONS RELATING TO SERIES 2026 CERTIFICATES

SECTION 4.01. PROVISIONS OF TRUST AGREEMENT NOT OTHERWISE MODIFIED. Except as expressly modified or amended hereby, the Trust Agreement shall remain in full force and effect. To the extent of any conflict between the terms of the Trust Agreement and this Series 2026 Supplemental Trust Agreement, the terms hereof shall control.

SECTION 4.02. COUNTERPARTS. This Series 2026 Supplemental Trust Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 4.03. HEADINGS. Any heading preceding the text of the several Articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Series 2026 Supplemental Trust Agreement, nor shall they affect its meaning, construction or effect.

SECTION 4.04. LAWS. This Series 2026 Supplemental Trust Agreement shall be construed and governed in accordance with the laws of the State of Florida.

SECTION 4.05. PATRIOT ACT OF REQUIREMENTS OF TRUSTEE. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identified each person who

12

opens an account. For a non-individual person such as business entity, a charity, a trust, or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

SECTION 4.06. NONRECOURSE OBLIGATION OF CORPORATION.

Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating hereto or any of the transactions contemplated hereby, the obligations, liabilities and responsibilities, of the Corporation for any damages, expenses, fees, charges or claims with respect to the failure of any obligations hereunder to be performed by the Corporation shall be payable solely out of the proceeds derived by the Corporation from the Project (excluding any indemnities, reimbursement, service fees or other Lease Payments, Additional Lease Payments or Supplemental Payments), and the Corporation (including its directors, officers, members, employees and agents in their personal capacities) shall have no other or further liability hereunder or arising herefrom.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Series 2026 Supplemental Trust Agreement by their duly authorized officers as of the date and year first written above.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.

By: _____
Name: _____
Title: President

The Governing Board of the South Florida Water Management District hereby consents to the execution of this Series 2026 Supplemental Trust Agreement by the parties hereto and agrees to abide by the terms applicable to it herein.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

By: _____
Name: _____
Title: Chairman

(SEAL)

[Signature page to Series 2026 Supplemental Trust Agreement]

13

14

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

By: _____
Name: _____
Title: Vice President

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[Signature page to Series 2026 Supplemental Trust Agreement]

15



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OR BK 21098 PG 0676
RECORDED 11/17/2006 14:57:26
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 0676 - 782; (107pgs)

This instrument was prepared by
Richard J. Miller, Esq.
Edwards Angell Palmer & Dodge LLP
One North Clematis Street, Suite 400
West Palm Beach, Florida 33401

MASTER LEASE PURCHASE AGREEMENT

BETWEEN

SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.,
as Lessor

AND

THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANGEMENT
DISTRICT
acting as the governing body of
The South Florida Water management District
as Lessee

Dated as of November 1, 2006

THIS DOCUMENT IS BEING EXECUTED IN TRIPLICATE ORIGINALS, AND ONE
ORIGINAL WILL BE RECORDED IN EACH OF PALM BEACH, HENDRY AND
MARTIN COUNTIES, FLORIDA.

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This instrument was prepared by
Richard J. Miller, Esq.
Edwards Angell Palmer & Dodge LLP
One North Clematis Street, Suite 400
West Palm Beach, Florida 33401

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Richard J. Miller, Esq.
Edwards Angell Palmer & Dodge LLP
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OR BK 02199 PG 0352
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MAKSHA EWING
CLERK OF MARTIN COUNTY FLORIDA
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MASTER LEASE PURCHASE AGREEMENT

MASTER LEASE PURCHASE AGREEMENT

BETWEEN

BETWEEN

SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.,
as Lessor

SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.,
as Lessor

AND

AND

THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANGEMENT
DISTRICT
acting as the governing body of
The South Florida Water management District
as Lessee

THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANGEMENT
DISTRICT
acting as the governing body of
The South Florida Water management District
as Lessee

Dated as of November 1, 2006

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Page 1 of 107

TABLE OF CONTENTS

ARTICLE I	4
DEFINITIONS AND EXHIBITS	4
SECTION 1.1. Definitions	4
SECTION 1.2. Rules of Construction	4
SECTION 1.3. Exhibits	19
ARTICLE II	20
LEASE AND SUBLEASE OF FACILITIES AND FACILITY SITES	20
SECTION 2.1. Lease and Sublease of Facilities and Facility Sites	20
SECTION 2.2. Lease Term	20
SECTION 2.3. Acquisition of Facilities	20
SECTION 2.4. Governing Board's Liability	22
SECTION 2.5. Possession and Enjoyment	22
SECTION 2.6. Trustee Access to Facilities	22
SECTION 2.7. Disclaimer of Warranties	23
SECTION 2.8. Warranties of the Facilities	23
SECTION 2.9. Compliance with Law	23
SECTION 2.10. Representations, Covenants and Warranties of the Governing Board	23
SECTION 2.11. Representations, Covenants and Warranties of Corporation	26
ARTICLE III	26
LEASE PAYMENTS	26
SECTION 3.1. Payment of Lease Payments	26
SECTION 3.2. Credits to Lease Payments	29
SECTION 3.3. Basic Lease Payment Components	30
SECTION 3.4. Lease Payments to be Unconditional	30
SECTION 3.5. Non-Appropriation	30
SECTION 3.6. Surrender of Facilities	32
ARTICLE IV	33
TERMINATION	33
SECTION 4.1. Termination of Lease Term	33
SECTION 4.2. Effect of Termination	34
ARTICLE V	34
COVENANTS OF GOVERNING BOARD	34
SECTION 5.1. Maintenance of the Facilities by the Governing Board	35
SECTION 5.2. Taxes, Other Governmental Charges and Utility Charges	35
SECTION 5.3. Provisions Regarding Insurance	35
SECTION 5.4. Damage, Destruction or Condemnation	38
SECTION 5.5. Insufficiency of Net Proceeds	39
SECTION 5.6. Advances	39
SECTION 5.7. Release and Indemnification	40
SECTION 5.8. Payment and Performance Bonds and other Guaranty	40
SECTION 5.9. Essential Governmental Functions	40
SECTION 5.10. Tax Exemption; Rebates	40
SECTION 5.11. Budget and Tax Levy	41
SECTION 5.12. Compliance with Law, Regulations, Etc.	42
SECTION 5.13. Environmental Compliance	44
SECTION 5.14. Prosecution and Defense of Suits	46
SECTION 5.15. Waiver of Laws	47
ARTICLE VI	47

TITLE	47
SECTION 6.1. Title to Facility Sites and Facilities	47
SECTION 6.2. Liens	49
SECTION 6.3. Use of the Facilities and Facility Sites	50
SECTION 6.4. Substitution of Facilities	50
ARTICLE VII	51
ASSIGNMENT, OPTION TO PURCHASE, AND PREPAYMENT	51
SECTION 7.1. Assignments; Subleasing	51
SECTION 7.2. Prepayments	52
SECTION 7.3. Prepayment Deposit	54
SECTION 7.4. Refunding Certificates	54
ARTICLE VIII	55
WARRANTY OF DEFAULT AND REMEDIES	55
SECTION 8.1. Events of Default Defined	55
SECTION 8.2. Remedies on Default	57
SECTION 8.3. No Remedy Exclusive	57
ARTICLE IX	57
MISCELLANEOUS	57
SECTION 9.1. Notices	57
SECTION 9.2. Binding Effect	58
SECTION 9.3. Severability	58
SECTION 9.4. Amendments	58
SECTION 9.5. Execution in Counterparts	59
SECTION 9.6. Captions	59
SECTION 9.7. Interest	59
SECTION 9.8. Compliance with Trust Agreement	59
SECTION 9.9. Memorandum of Lease	59
SECTION 9.10. Applicable Law	60
SECTION 9.11. Waiver of Choice of Remedies	60

EXHIBIT A - ACCELER8 PROJECT
EXHIBIT B - FORM OF SCHEDULE TO MASTER LEASE PURCHASE AGREEMENT
EXHIBIT C - GOVERNING BOARD'S CERTIFICATE

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- ii -

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MASTER LEASE PURCHASE AGREEMENT

THIS MASTER LEASE PURCHASE AGREEMENT dated as of November 1, 2006 (this "Master Lease"), between the Governing Board of the South Florida Water Management District, acting as the governing body of the South Florida Water Management District (the "District"), an agency of the State of Florida and a water management district, which is organized, exists and operates pursuant to the Florida Water Resources Act of 1972, Chapter 373, Florida Statutes, as amended, as lessee (the "Governing Board"), and South Florida Water Management District Leasing Corp., a not-for-profit corporation organized and existing under and pursuant to Chapter 617, Florida Statutes, as amended, as lessor (the "Corporation").

W I T N E S S E T H

WHEREAS, the Comprehensive Everglades Restoration Plan (the "CERP") was authorized by the United States Congress by the Water Resources Development Act of 1996 (Public Law 104-303), the Water Resources Development Act of 1999 (Public Law 106-53), and the Water Resources Development Act of 2000 (Public Law 106-541) (collectively, the "Water Resources Development Act") as a framework and guide for the restoration, protection and preservation of the Everglades ecosystem; and

WHEREAS, the CERP contemplates the funding, management and implementation of various projects, including but not limited to, surface water storage reservoirs, water preserve areas, underground water storage, improved water conservation, reuse of wastewater and pilot projects within the Everglades ecosystem through a joint partnership between federal and state governments; and

WHEREAS, the Florida Legislature, by virtue of its enactment of Section 373.4592, Florida Statutes, mandated the District to proceed with the expedited restoration and cleanup of the Everglades ecosystem through the implementation of comprehensive management solutions with respect to issues of water quality, water quantity, hydroperiod and maintenance of flood protection consistent with the policy and program implementation set forth in the CERP; and

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and certain related documents thereto for the purpose of lease-purchasing certain improvements, and the equipment, fixtures and structures, to be built, installed or established on the Facility Sites (the "Facilities") from the Corporation from time to time, which Facilities are included within the Acceler8 Project list approved and authorized under the Memorandum; and

WHEREAS, Facilities may be lease-purchased from time to time pursuant to Schedules substantially in the form of Exhibit B hereto (individually, a "Schedule"), each such Schedule upon execution and delivery by the Governing Board and the Corporation, together with the provisions of the Master Lease, to constitute a separate lease agreement (a "Lease"); and

WHEREAS, the Governing Board as lessor (or sub-lessor, as the case may be) and the Corporation as lessee may enter into one or more ground leases from time to time with respect to one or more Facility Sites (individually, a "Ground Lease"); and

WHEREAS, the ground leasing or subleasing of a Facility Site, the subleasing of a Facility Site back to the Governing Board and the lease-purchase financing or refinancing of the Facilities set forth on a particular Schedule, are herein collectively referred to as a "Project"; and

WHEREAS, at the direction of the Governing Board, the Corporation will provide for the payment of the cost of acquiring, constructing and installing Facilities from time to time by entering into a Master Trust Agreement dated as of November 1, 2006 (as the same may be amended or supplemented from time to time, the "Trust Agreement") with Deutsche Bank National Trust Company, as Trustee (the "Trustee") pursuant to which the Corporation shall (a) establish a trust and assign to the Trustee all of said Corporation's right, title and interest in and to this Master Lease and all Schedules hereto, (b) direct the Trustee to execute and deliver to the public from time to time, Series of Certificates of Participation representing undivided proportionate interests in the right to receive the Basic Lease Payments to be made by the Governing Board pursuant to each Lease relating thereto and (c) deposit the proceeds of each Series of Certificates with the Trustee and direct the Trustee to hold the proceeds of the sale of such Certificates in trust subject to application only to pay the costs of acquisition, construction and installation of the Facilities to be financed under the Lease relating thereto and identified on a Schedule and related costs including, without limitation, capitalized interest, accrued interest and costs of issuance and to make lease payments; and

WHEREAS, in May 2000, the District and the United States Army Corps of Engineers (the "Corps") executed a Design Agreement relating to the planning, engineering and design of CERP implementation, including the development of the Master Program Management Plan and establishing the formula for cost sharing between the District and the Corps for all projects sponsored by the District; and

WHEREAS, on October 14, 2004, the Governor of the State of Florida and the District entered into a Memorandum of Agreement Regarding Acceleration of the Comprehensive Everglades Restoration Plan (the "Memorandum") to accelerate the funding, design and construction of several of the CERP projects over the next seven years (the "Acceler8 Project"); and

WHEREAS, the Memorandum contemplates the funding of the Acceler8 Project through the issuance of certificates of participation; and

WHEREAS, the Governing Board has the power under Section 373.093, Florida Statutes, to lease or sublease any lands or interest in land, including but not limited to oil and mineral rights, to which the District has acquired title, or to which it may acquire title or leasehold interest, as long as the lease or sublease is consistent with the purposes for which the lands or any interest in land was acquired, in accordance with the provisions of Chapter 373, Florida Statutes (the "Act"); and

WHEREAS, the Governing Board is or shall be the owner of or shall have a leasehold interest in certain real property located in Glades, Lee, Hendry, Broward, Miami-Dade, Palm Beach, Collier and Martin Counties and any other counties within the District in which Acceler8 Projects are located (which, together with all structures and improvements now or hereafter erected or situated thereon, any easements or other rights or privileges in adjoining property inuring to the fee simple owner of or leasehold interest in such land by reason of ownership of such land, and all fixtures, additions, extensions, alterations or replacements thereto, now or hereafter located on, or used in connection with or attached or made to such land, to the extent title thereto may vest in the Governing Board, is hereinafter referred to as the "Facility Sites"); and

WHEREAS, pursuant to a resolution duly adopted by the Governing Board on October 12, 2005, the Governing Board has determined that it is in the best interest of the District for the Governing Board to enter into and execute this Master Lease

WHEREAS, each Certificate of a Series shall represent an undivided proportionate interest in the principal portion of the Basic Lease Payments due and payable under one or more particular Leases relating to such Series on the maturity date or earlier prepayment date of such Certificate and in the interest portion of such Basic Lease Payments due and payable semiannually, to and including such maturity date or earlier prepayment date; and

WHEREAS, the relationship between the Corporation and the Governing Board under this Master Lease shall be a continuing one and Facilities may, from time to time, be added to or deleted from this Master Lease in accordance with the terms hereof and of the schedule describing such Facilities; and

WHEREAS, the Governing Board intends for this Master Lease to remain in full force and effect until the last Lease Payment Date for any Project, unless sooner terminated in accordance with the terms provided herein; and

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained and for other valuable consideration, the parties hereto mutually agree as follows:

ARTICLE I.

DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions. The terms set forth in this Section shall have the meanings ascribed to them for all purposes of this Master Lease unless the context clearly indicates some other meaning, or unless otherwise provided in a particular Schedule. Terms used herein and not otherwise defined shall have the meaning given to them in the Trust Agreement.

"Acquisition Account" shall mean any Acquisition Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Additional Lease Payment" shall mean any amounts payable by the Governing Board under the terms of this Master Lease other than a Basic Lease Payment or a Supplemental Payment, as set forth in a Schedule to this Master Lease and so designated and shall include Termination Payments in connection with a Hedge Agreement.

"Assignment Agreement" shall mean any assignment agreement pursuant to which the Corporation shall have assigned to the Trustee all of its right, title and interest in and to a Ground Lease and the Lease or Leases created by one or more particular Schedules, including its right to receive Lease Payments under such Lease or Leases.

"Authorized Corporation Representative" shall mean the President of the Corporation and any person or persons designated by the Corporation and authorized to act on behalf of the Corporation by a written certificate delivered to the Trustee signed on behalf of the Corporation by the Chair of the Board of Directors containing the specimen signature of each such person.

"Authorized Governing Board Representative" shall mean the Chair and any person or persons designated by the Chair and authorized to act on behalf of the Governing Board by a written certificate delivered to the Trustee signed on behalf of the Governing Board by the Chair containing the specimen signature of each such person.

"Basic Lease Payment" shall mean, with respect to each Lease, or each Facility financed under such Lease, as of each Lease Payment Date, the amount set forth in a Schedule to this Master Lease corresponding to such Lease Payment Date and designated as a Basic Lease Payment in such Schedule, and including Hedge Obligations due under a Hedge Agreement entered into by the Governing Board in connection with a Series of Certificates.

"Business Day" shall mean a day other than Saturday, Sunday or day on which banks in the State of New York or State of Florida are authorized or required to be closed, or a day on which the New York Stock Exchange is closed.

"Certificate" or "Certificates" shall mean the Certificates of Participation executed and delivered from time to time by the Trustee pursuant to the Trust Agreement and any Supplemental Trust Agreement. Each Series of Certificates issued under the Trust Agreement and any Supplemental Trust Agreement shall bear a Series designation to identify such Series of Certificates to a particular Schedule to this Master Lease.

"Certificate Holder" or "Holder of Certificates" shall mean a registered owner of any Certificate or Certificates.

- 5 -

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described herein, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders, materialmen and vendors, for the acquisition, construction and installation of the Facilities, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be advisable or necessary prior to completion of any of the Facilities which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction and installation of Facilities, (v) costs and expenses required for the acquisition and installation of equipment or machinery that comprise part of the Facilities, (vi) all costs which the Governing Board shall be required to pay for or in connection with additions to, and expansions of Facilities, (vii) all costs which the Governing Board shall be required to pay to provide improvements, including offsite improvements, necessary for the use and occupancy of Facilities, including roads, walkways, water, sewer, electric, fire alarms and other utilities, (viii) any sums required to reimburse the Governing Board for advances made by it for any of the above items or for other costs incurred and for work done by it in connection with Facilities, (ix) deposits into any Reserve Account established pursuant to Section 401 of the Trust Agreement and any Supplemental Trust Agreement and any recurring amounts payable to a provider of a Reserve Account Letter of Credit/Insurance Policy, (x) fees, expenses and liabilities of the Governing Board, if any, incurred in connection with the acquisition, construction and installation of Facilities, (xi) Costs of Issuance, and (xii) interest during construction.

"Costs of Issuance" shall mean the items of expense incurred in connection with the authorization, sale and delivery of each Series of Certificates, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee, any Credit Facility Issuer and any provider of a Reserve Account Letter of Credit/Insurance Policy, legal fees and charges, professional consultants' fees, fees and charges for execution, delivery, transportation and safekeeping of Certificates, premiums, costs and expenses of refunding Certificates and other costs, charges and fees, including those of the Corporation, in connection with the foregoing.

- 7 -

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"Certificate of Acceptance" shall mean the certificate of the Governing Board substantially in the form of Exhibit C to this Master Lease to be delivered pursuant to the provisions of Section 2.3 hereof.

"Chair" shall mean the Chair of the Governing Board and any person or persons designated by the Governing Board and authorized to act on behalf of the Chair.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder and under the Internal Revenue Code of 1954.

"Commencement Date" shall mean the date set forth in each Schedule hereto which is the effective date of such Schedule.

"Completion Date" shall mean, with respect to the Facilities described in a particular Schedule, the date specified by the Governing Board in a Certificate of Acceptance as the date of completion of acquisition, construction and installation of such Facilities.

"Continuing Disclosure Certificate" shall mean any Continuing Disclosure Certificate executed and delivered by the Governing Board in connection with the issuance of a Series of Certificates, in order to comply with the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule").

"Contractor" shall mean the person, firm, corporation or joint venture authorized to do business in Florida with whom a contract has been made directly with the Governing Board for the performance of the work with respect to any Facilities described by the Instructions to Bidders and General Conditions.

"Corporation" shall mean South Florida Water Management District Leasing Corp., a Florida not-for-profit corporation, its successors and assigns.

"Cost" shall mean costs and expenses related to the acquisition, construction and installation of any Facilities including, but not limited to (1) costs and expenses of the acquisition of the title to or other interest in real property, including leasehold interests, easements, rights-of-way and licenses, including, without limitation, lease payments to be made by the Corporation under the terms of a Ground Lease until the expected acceptance of the Facilities related thereto as

- 6 -

PMB_265159_12.DOC

"Costs of Issuance Subaccount" shall mean a Costs of Issuance Subaccount within an Acquisition Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement in connection with the issuance of a Series of Certificates.

"Counterparty" shall mean any corporation, partnership, association, joint venture, trust or other entity or organization who enters into a Hedge Agreement with the Governing Board whose senior long-term debt obligations or claims-paying ability, or whose payment obligations, under a Hedge Agreement are guaranteed by an entity whose senior long-term debt obligations or who has provided collateral such that its claims-paying ability is rated (at the time the Hedge Agreement is entered into) at least as high as Aa3 by Moody's, AA- by S&P or AA- by Fitch.

"Credit Facility" shall mean, with respect to a Series of Certificates, the letter of credit, insurance policy, guaranty, surety bond or other irrevocable security device, if any, supporting the obligations of the Governing Board to make Basic Lease Payments relating to such Series of Certificates.

"Credit Facility Issuer" shall mean, with respect to a Series of Certificates, the issuer of the Credit Facility, if any, for such Series of Certificates.

"District" shall mean the South Florida Water Management District, an agency of the State of Florida and a water management district, which is organized, exists and operates pursuant to the Florida Water Resources Act of 1972, Chapter 373, Florida Statutes, as amended.

"Event of Extraordinary Propayment" shall mean one or more of events so designated in Section 7.2 hereof.

"Excess Earnings" shall mean, with respect to each Series of Certificates, the amount by which the earnings on the Gross Proceeds of such Certificates exceeds the amount which would have been earned thereon if such Gross Proceeds were invested at a yield equal to the yield on the interest portion of the Basic Lease Payments represented by such Certificates, as such yield is determined in accordance with the Code and amounts earned on the investment of earnings on the Gross Proceeds of such Certificates.

- 8 -

PMB_265159_12.DOC

"Facility" or "Facilities" shall mean a project included within the District's Everglades Restoration Acceler8 Project pursuant to the Memorandum of Agreement Regarding Acceleration of the Comprehensive Everglades Restoration Plan entered into by the Governor of the State of Florida and the District, to be acquired and/or constructed from the proceeds of a Series of Certificates, as summarized in Exhibit A attached hereto, and consisting of real property, if any, structures, fixtures, equipment and improvements, and additions, extensions, alterations or replacements which are to be built, installed or established on such real property, if any, structures, fixtures, equipment or improvements, and all appurtenances thereto and interests therein, all as set forth on a Schedule or Schedules from time to time.

"Facility Site" shall mean the real property (together with all structures, fixtures and improvements erected or situated thereon, any easements or other rights or privileges in adjoining property inuring to the fee simple owner of such land by reason of ownership of such land, and all fixtures, additions, alterations or replacements located on, or used in connection with, or attached or made to, such land) either (i) owned by the Governing Board at the time of the issuance of a Series of Certificates to finance facilities relating thereto, (ii) to be acquired by the Governing Board subsequent thereto but not paid for out of the proceeds of such Series of Certificates, upon which a Facility is to be located within the District and more particularly described in a Ground Lease, or (iii) owned by or co-owned with another governmental entity.

"Fiscal Year" shall mean the twelve month fiscal period of the Governing Board which under current law commences on October 1 in every year and ends on September 30 of the succeeding year.

"Governing Board" shall mean The Governing Board of the South Florida Water Management District, a body corporate and the governing body of the District.

"Government Obligations" shall mean any obligations which as to both principal and interest constitute non-callable direct obligations of, or non-callable obligations fully and unconditionally guaranteed by, the full faith and credit of the United States of America, including bonds or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of

America to the extent unconditionally guaranteed by the full faith and credit of the United States of America.

"Gross Proceeds" shall mean, with respect to each Series of Certificates, unless inconsistent with the provisions of the Code, in which case as provided in the Code, (i) amounts received by or on behalf of the Corporation from the sale of such Certificates; (ii) amounts received as a result of investments of amounts described in (i); (iii) amounts treated as transferred proceeds of such Certificates in accordance with the Code; (iv) amounts treated as proceeds under the provisions of the Code relating to invested sinking funds; (v) securities or obligations pledged, if any, as security for payment of Basic Lease Payments under the Master Lease; (vi) amounts received with respect to obligations acquired with Gross Proceeds; (vii) amounts used to pay the principal and interest portions of Basic Lease Payments represented by such Certificates; (viii) amounts in any Reserve Account established pursuant to the Trust Agreement and a Supplemental Trust Agreement; and (ix) amounts received as a result of the investment of Gross Proceeds not described in (i) above.

"Ground Lease" shall mean one or more ground leases or sub-ground leases, between the Governing Board and the Corporation, as amended and supplemented from time to time, pursuant to which the Governing Board shall ground lease one or more Facility Sites to the Corporation.

"Hedge Agreement" shall mean an interest rate exchange agreement, an interest rate swap agreement, a forward purchase contract, a put option contract, a call option contract or another financial product which is used by the Governing Board as a hedging device with respect to its obligation to pay the interest portion of Basic Lease Payments, represented by Series of Certificates, entered into between the Governing Board and a Counterparty.

"Hedge Obligations" shall mean net payments, excluding non-periodic Termination Payments or similar fees or penalties, required to be made by the Governing Board under a Hedge Agreement from time to time as a result of fluctuation in hedged interest rates, or fluctuation in the value of any index of payment.

"Hedge Receipts" shall mean net payments received by the Governing Board from a Counterparty under a Hedge Agreement.

"Instructions to Bidders and the General Conditions" shall mean the Instructions to Bidders and the General Conditions of the Governing Board as in effect from time to time.

"Insurance Consultant" shall mean a nationally recognized independent insurance company or broker, selected by the Governing Board, that has actuarial personnel experienced in the area of insurance for which the Governing Board is to be self-insured.

"Investment Securities" except as otherwise provided in a Supplemental Trust Agreement, shall mean any of the following Securities, if and to the extent the same are at the time legal under State law for investment of the Governing Board's funds:

(a) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (b) below).

(b) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

(c) Obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including:

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Farmers Home Administration
- General Services Administration - U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration
- Federal National Mortgage Association
- Federal Home Loan Bank
- Federal Home Loan Mortgage Corporation
- Student Loan Marketing Association

(d) Senior debt obligations rated in the highest rating category by either S&P, Moody's or Fitch issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, and other senior debt obligations of other government-sponsored agencies approved by the Credit Facility

Issuer insuring the Series of Certificates relating to the moneys invested.

(e) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks (including the Trustee and any of its affiliates) which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's Ratings Services and "P-1" by Moody's Investors Service, Inc. and maturing no more than 360 days after the date of purchase.

(f) Commercial paper which at the time of purchase is rated in the highest rating category by either S&P, Moody's or Fitch.

(g) Investments in a money market fund rated "AAA" or "AAM-G" or better by Standard & Poor's Ratings Services.

(h) Direct and general obligations of any state of the United States, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, if at the time of their purchase such obligations are rated in either of the two highest rating categories by either S&P, Moody's or Fitch.

(i) Unsecured investment agreements from banks, registered broker/dealers, or other financial institutions, who have a long term debt ratings, or whose parent has a long term debt rating, without regard to qualifier, in the two highest rating categories by a major rating service provided however that in the event the provider of the agreement is downgraded to below the "A" category by all the rating services, the provider must within 14 business days from the downgrade either: collateralize the agreement as outlined in (j), obtain a guaranty from a financial institution whose rating is at least "A" by a major rating agency, and assign the agreement to a financial institution whose rating is at least "A" by a major agency.

(j) Collateralized investment agreements (including repurchase agreements), provided by registered broker/dealer, subject to SIPC, collateralized by obligations described in (c) and (h) such that value of the collateral pledged in not less than 102% of the principal balance, marked to market not less frequently than weekly. Collateral must be held by an independent third party custodian.

(k) Obligations or funds permitted under the Laws of the State for investing by the Governing Board in trust with the State Board of Administration pursuant to Chapter 215, Florida Statutes.

(l) Forward purchase agreements by a financial institution who have a long term debt rating, or whose parent has a long term debt rating, of not less than A by a major rating agency. Securities eligible for delivery under the agreement will include those described in (c), (f), (h) and (j). Any forward purchase agreement must be accompanied by a bankruptcy opinion that the securities delivered will not be considered a part of the bankruptcy estate in the event of a declaration of bankruptcy or insolvency by the provider.

(m) Any other investment agreed to in writing by the Credit Facility Issuer insuring the Series of Certificates relating to the moneys invested.

"Lease" shall mean each separate Schedule to this Master Lease executed and delivered by the Governing Board and the Corporation, together with the terms and provisions of this Master Lease.

"Lease Payment Account" shall mean any Lease Payment Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Lease Payment Date" shall mean, with respect to a Lease, each date set forth on the corresponding Schedule designated as a Lease Payment Date for such Lease.

"Lease Payments" shall mean, with respect to each Lease, all amounts payable by the Governing Board pursuant to the terms of a Lease, including Basic Lease Payments, Additional Lease Payments and Supplemental Payments.

"Lease Term" shall mean, with respect to each Lease, the period from the date of the Lease through the end of the then current Fiscal Year, plus each annual or lesser renewal period thereafter during which such Lease is maintained in effect in accordance therewith, with the maximum number of renewals being specified in the Schedule corresponding to such Lease.

"Master Lease" shall mean this Master Lease Purchase Agreement dated as of November 1, 2006, between the Corporation

and the Governing Board and any and all modifications, alterations, amendments and supplements hereto.

"Net Proceeds" shall mean, with respect to one or more Facilities financed under a Lease, proceeds from any insurance, condemnation, performance bond, Federal or State flood disaster assistance, or any other financial guaranty (other than a Credit Facility Issuer) paid with respect to such Facilities remaining after payment therefrom of all expenses, including attorneys' fees, incurred in the collection thereof; and, with respect to insurance, to the extent that the Governing Board elects to self-insure under Section 5.3 hereof, any moneys payable from any appropriation made by the Governing Board in connection with such self-insurance.

"Opinion of Counsel" shall mean an opinion signed by an attorney or firm of attorneys of recognized standing and who are qualified to pass on the legality of the particular matter (who may be counsel to the Governing Board or Special Tax Counsel) selected by the Governing Board.

"Outstanding" when used with reference to the Certificates, shall mean, as of any date, Certificates theretofore or thereupon being authenticated and delivered under the Trust Agreement except:

(i) Certificates canceled by, or duly surrendered for cancellation to, the Trustee at or prior to such date;

(ii) Certificates (or portions of Certificates) for the payment or prepayment of which moneys, equal to the principal portion or Prepayment Price thereof, as the case may be, with interest to the date of maturity or Prepayment Date, shall be held in trust under the Trust Agreement and set aside for such payment or prepayment, (whether at or prior to the maturity or Prepayment Date), provided that if such Certificates (or portions of Certificates) are to be prepaid, notice of such prepayment shall have been given as provided in Article III of the Trust Agreement;

(iii) Certificates in lieu of or in substitution for which other Certificates shall have been executed and delivered pursuant to Article III of the Trust Agreement; and

(iv) Certificates deemed to have been paid as provided in subsection (b) of Section 801 of the Trust Agreement.

- 13 -

PMB_265159_12.DOC

Book2199/Page367 CFN#1974919

Page 16 of 107

"Payment Date" shall mean a date on which the principal portion or the interest portion of Basic Lease Payments is payable to Certificate Holders pursuant to the terms of such Certificates.

"Permitted Encumbrances" shall mean in regard to a Facility Site:

(i) the Lease relating thereto and any liens and encumbrances created or permitted thereby;

(ii) the Assignment Agreement relating thereto and any liens and encumbrances created or permitted thereby;

(iii) the Trust Agreement and liens and encumbrances created or permitted thereby;

(iv) any Ground Lease applicable thereto and any liens and encumbrances created or permitted thereby;

(v) subject to the provisions of Section 6.2 of the Master Lease, any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in accordance with the provisions of the Master Lease.

(vi) (a) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law; (b) any liens for taxes, assessments, levies, fees, water and sewer rents or charges and other government and similar charges, which are not due and payable or which are not delinquent or the amount or validity of which are being contested and execution thereon is stayed; (c) easements, rights-of-way, servitudes, restrictions, oil, gas or other mineral reservations and other minor defects, encumbrances and irregularities in the title to any property which, in the opinion of the Governing Board, do not materially impair the use of such property or materially and adversely affect the value thereof; (d) rights reserved to or vested in any municipality or public authority to control or regulate any property or to use such property in any manner that do not in the Opinion of Counsel, materially affect the use of the Facility Site or the benefits enjoyed by any Permitted Transferee in the Facility Site under the Ground Lease, the Assignment Agreement and the Trust Agreement; and (e) land use

- 15 -

PMB_265159_12.DOC

Book2199/Page369 CFN#1974919

Page 18 of 107

B-37

and the Governing Board and any and all modifications, alterations, amendments and supplements hereto.

"Net Proceeds" shall mean, with respect to one or more Facilities financed under a Lease, proceeds from any insurance, condemnation, performance bond, Federal or State flood disaster assistance, or any other financial guaranty (other than a Credit Facility Issuer) paid with respect to such Facilities remaining after payment therefrom of all expenses, including attorneys' fees, incurred in the collection thereof; and, with respect to insurance, to the extent that the Governing Board elects to self-insure under Section 5.3 hereof, any moneys payable from any appropriation made by the Governing Board in connection with such self-insurance.

"Opinion of Counsel" shall mean an opinion signed by an attorney or firm of attorneys of recognized standing and who are qualified to pass on the legality of the particular matter (who may be counsel to the Governing Board or Special Tax Counsel) selected by the Governing Board.

"Outstanding" when used with reference to the Certificates, shall mean, as of any date, Certificates theretofore or thereupon being authenticated and delivered under the Trust Agreement except:

(i) Certificates canceled by, or duly surrendered for cancellation to, the Trustee at or prior to such date;

(ii) Certificates (or portions of Certificates) for the payment or prepayment of which moneys, equal to the principal portion or Prepayment Price thereof, as the case may be, with interest to the date of maturity or Prepayment Date, shall be held in trust under the Trust Agreement and set aside for such payment or prepayment, (whether at or prior to the maturity or Prepayment Date), provided that if such Certificates (or portions of Certificates) are to be prepaid, notice of such prepayment shall have been given as provided in Article III of the Trust Agreement;

(iii) Certificates in lieu of or in substitution for which other Certificates shall have been executed and delivered pursuant to Article III of the Trust Agreement; and

(iv) Certificates deemed to have been paid as provided in subsection (b) of Section 801 of the Trust Agreement.

- 14 -

PMB_265159_12.DOC

Book2199/Page368 CFN#1974919

Page 17 of 107

restrictions set forth in grant agreements entered into by the District and governmental agencies of the United States; and

(vii) any other liens or encumbrances permitted by the Schedule relating to such Facility Site, provided such lien or encumbrance shall not, as expressed in an Opinion of Counsel, materially adversely affect the intended use of such Facility Site by the Governing Board for purposes of the Acceler8 Project or the benefits enjoyed by any Permitted Transferee in the Facility Site under the Ground Lease, the Assignment Agreement and the Trust Agreement, and such liens and encumbrances are approved by any Credit Facility Issuer for the Series of Certificates relating to such Facility Site.

"Prepayment Account" shall mean any Prepayment Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Prepayment Date" shall mean the date on which optional prepayment, extraordinary prepayment or mandatory sinking fund prepayment of Basic Lease Payments represented by a Series of Certificates Outstanding shall be made pursuant to the Trust Agreement and any Supplemental Trust Agreement.

"Prepayment Price" shall mean, with respect to any Certificate, the principal amount thereof together with the premium, if any, applicable upon an optional prepayment, payable upon prepayment thereof pursuant to such Certificate and the Trust Agreement or any Supplemental Trust Agreement, together with accrued interest represented by such Certificate to the Prepayment Date.

"Project" shall mean the lease-purchase financing and construction or refinancing of the Facilities set forth on a particular Schedule and, if all or a portion of such Facilities shall be comprised of real property, the ground leasing of the related Facility Site by the Governing Board to the Corporation and the subleasing of such Facility Site back to the Governing Board.

"Project Fund" shall mean the trust fund designated as the "Project Fund" created and established in Section 401 of the Trust Agreement.

"Purchase Option Price" shall mean, with respect to any Facility financed under a Lease, as of each Lease Payment Date, the Basic Lease Payment then due plus the amount so designated

- 16 -

PMB_265159_12.DOC

Book2199/Page370 CFN#1974919

Page 19 of 107

and set forth on the Schedule for such Facility as the remaining principal portion of the Purchase Option Price, minus any credits pursuant to the provisions of Section 3.2 hereof, plus, an amount equal to the interest to accrue with respect to the Certificates to be prepaid as a result of the release of such Facility from the Lease, from such Lease Payment Date to the next available date for prepaying such Certificates unless such prepayment shall occur on such Lease Payment Date, plus an amount equal to a pro rata portion of any Lease Payments and Supplemental Payments then due and owing under the Lease relating to such Facility, including any prepayment premiums payable on the Certificates prepaid.

"Qualified Financial Institution" shall mean a bank, trust company, national banking association or a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or the Federal National Mortgage Association or any insurance company or other corporation (i) whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating by a Rating Agency which is not lower than AA/Aa, or which has issued a letter of credit, contract, agreement or surety bond in support of debt obligations which have been so rated; or (ii) which collateralizes its obligations at all times at levels in compliance with the requirements of the Rating Agencies for ratings not lower than AA/Aa.

"Rating Agency" shall mean each of Standard & Poor's Ratings Services ("S&P"), Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings ("Fitch") and any other nationally recognized rating service acceptable to the Credit Facility Issuer insuring the related series of Certificates which shall have provided a rating on any Outstanding Certificates.

"Reimbursement Agreement" shall mean, with respect to each Lease, any reimbursement agreement among the Corporation, the Governing Board and any Credit Facility Issuer.

"Reserve Account" shall mean any Reserve Account established pursuant to Section 405 of the Trust Agreement and in any Supplemental Trust Agreement.

"Reserve Account Letter of Credit/Insurance Policy" shall mean any irrevocable letter or line of credit, insurance policy, surety bond or guarantee agreement issued by a Qualified Financial Institution in favor of the Trustee which is to be

- 17 -

PMB_265150_12.DOC

Book2199/Page371 CFN#1974919

Page 20 of 107

deposited into a Reserve Account in order to fulfill the Reserve Account Requirement relating thereto.

"Reserve Account Requirement" shall mean, in regard to a Reserve Account to secure a Series of Certificates, such amounts, if any, as shall be provided in the Supplemental Trust Agreement authorizing the issuance of such Series and in the Schedule relating thereto, provided such Reserve Account Requirement shall not exceed the least of (i) the maximum annual amount of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Year, (ii) 125% of the average annual amount of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Years, and (iii) 10% of the stated principal amount (or issue price net of accrued interest if the issue has more than a de minimis part of original issue discount or premium) of such Series of Certificates.

"Schedule" shall mean a schedule, as amended and supplemented from time to time, to this Master Lease to be executed and delivered by the Governing Board and the Corporation for each Project, substantially in the form of Exhibit B hereto.

"Series" or "Series of Certificates" shall mean the aggregate amount of each Series of Certificates evidencing an undivided proportionate interest of the owners thereof in a particular Lease and the Basic Lease Payments thereunder, issued pursuant to the Trust Agreement or a Supplemental Trust Agreement.

"Special Tax Counsel" shall mean Edwards Angell Palmer & Dodge LLP, West Palm Beach, Florida, or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of the interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"State" shall mean the State of Florida.

"Supplemental Payments" shall mean all amounts due under a Lease other than Basic Lease Payments and Additional Lease Payments.

- 18 -

PMB_265150_12.DOC

Book2199/Page372 CFN#1974919

Page 21 of 107

"Supplemental Trust Agreement" shall mean any agreement supplemental or amendatory of the Trust Agreement.

"Termination Payments" shall mean all non-periodic payments or penalties or fees in connection with a Hedge Agreement and shall not include Hedge Obligations.

"Trust Agreement" shall mean the Master Trust Agreement dated as of November 1, 2006 entered into by and between the Corporation and the Trustee, and any Supplemental Trust Agreement.

"Trustee" shall mean Deutsche Bank National Trust Company and its successors or assigns which may at any time be substituted in its place pursuant to the provisions of the Trust Agreement.

SECTION 1.2. Rules of Construction. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms, as used in this Master Lease, refer to this Master Lease.

SECTION 1.3. Exhibits. The following Exhibits are attached hereto and by this reference made a part of this Master Lease:

Exhibit A.	ACCELERB PROJECT
Exhibit B.	FORM OF SCHEDULE TO MASTER LEASE PURCHASE AGREEMENT
Exhibit C.	GOVERNING BOARD'S CERTIFICATE

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- 19 -

PMB_265150_12.DOC

Book2199/Page373 CFN#1974919

Page 22 of 107

B-38

ARTICLE II.

LEASE AND SUBLEASE OF FACILITIES AND FACILITY SITES

SECTION 2.1. Lease and Sublease of Facilities and Facility Sites. The Corporation hereby agrees to demise, lease and sublease to the Governing Board, and the Governing Board hereby agrees to hire, take, lease and sublease from the Corporation, the right, title and interest of the Corporation in and to the Facilities and Facility Sites, listed on each Schedule hereto, on the terms and conditions set forth in this Master Lease. For purposes of each Lease, all materials and services in respect of which amounts are paid by the Trustee for the acquisition, construction and installation of a Facility (including monies disbursed for Costs of Issuance) shall be deemed accepted by the Governing Board hereunder upon execution of a requisition by the Governing Board directing payment therefor under Section 402 of the Trust Agreement. The Governing Board hereby agrees that it has received valuable consideration for the portion of Basic Lease Payments representing Costs of Issuance and will pay Lease Payments with respect to same, subject to the provisions hereof.

SECTION 2.2. Lease Term. This Master Lease shall be for an original Term commencing on November 1, 2006 through and including September 30, 2007, and automatically renewable annually thereafter (as described in any Schedule hereto) through the last date set forth on any Schedule hereto unless sooner terminated in accordance with the provisions hereof, including in particular Sections 3.5 and 4.1 hereof. Upon expiration or termination of the Lease Term, other than pursuant to Section 4.1(b) or (c) hereof, the Trustee, the Governing Board and the Corporation, at the expense of the Governing Board, shall execute and deliver such documents, if any, as shall be necessary to evidence such termination. The expected useful life of the Facilities shall extend beyond the last date set forth on the particular Schedule relating to such Facilities.

SECTION 2.3. Acquisition of Facilities. The Governing Board shall be responsible for acquisition, construction and installation of the Facilities, as agent for the Corporation, pursuant to the specifications of the Governing Board, including the letting of all contracts for the acquisition, construction and installation of the Facilities and for supervising the acquisition, construction and installation of the Facilities.

- 20 -

PMB_265150_12.DOC

Book2199/Page374 CFN#1974919

Page 23 of 107

Contracts in connection with the acquisition, construction and installation of the Facilities shall be let in accordance with the competitive bidding policies of the Governing Board, and regulations promulgated by the District and State law, and in accordance with the Instructions to Bidders and General Conditions.

Moneys deposited in the Acquisition Account established with respect to particular Facilities shall be disbursed from time to time to pay the Costs of such Facilities, all as provided in Section 402 of the Trust Agreement and the applicable provisions of a Supplemental Trust Agreement. The Governing Board agrees that it will deliver to the Trustee completed requisitions in the form attached to the Trust Agreement as Exhibit B, and upon completion of acquisition, construction and installation of the Facilities, the Governing Board will deliver a Certificate of Acceptance in the form attached hereto as Exhibit C in order for the Trustee to make the final advances therefor in accordance with the provisions of the Trust Agreement. The Governing Board further agrees to deliver the items described in Section 402 of the Trust Agreement with respect to the acquisition of each portion of a Facility constituting land or an interest therein, to be financed hereunder.

The Governing Board shall be responsible for, and shall use its best efforts to effect the completion of acquisition, construction and installation of the Facilities, whether or not amounts in the Acquisition Account relating to such Facilities are sufficient to pay the Costs thereof. If monies are improperly drawn from the Acquisition Account, the Governing Board upon proper notification thereof shall deposit an amount sufficient to restore the balance therein with the Trustee, no later than thirty (30) days following receipt of such notification.

Upon determination by the Governing Board prior to delivery of a Certificate of Acceptance that amounts on deposit in the Acquisition Account for particular Facilities will exceed the actual costs of such Facilities, the Governing Board may amend the related Lease and Ground Lease for the purpose of financing additional Facilities or portions of Facilities from such funds on deposit in such Acquisition Account.

The Governing Board may determine not to acquire, construct or install one or more of the Facilities relating to a

- 21 -

PMB_265159_12.DOC

have the right during the Governing Board's normal working hours on the Governing Board's normal working days to examine and inspect the Facilities for the purpose of assuring that the Facilities are being properly maintained, preserved, and kept in good repair and condition.

SECTION 2.7. Disclaimer of Warranties. The Governing Board acknowledges that each of the Corporation, the Trustee, the Certificate Holders, any Credit Facility Issuer and any issuer of a Reserve Account Letter of Credit/Insurance Policy MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE TITLE TO, VALUE, DESIGN, CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF ANY FACILITIES OR ANY PORTION THEREOF, OR AS TO THE QUALITY OR CAPACITY OF THE MATERIAL OR WORKMANSHIP IN SUCH FACILITIES OR ANY WARRANTY THAT SUCH FACILITIES WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATIONS OR CONTRACT WHICH PROVIDES FOR SPECIFIC MACHINERY, OPERATIONS OR SPECIAL METHODS OR ANY OTHER WARRANTY OF ANY KIND WHATSOEVER. In no event shall the Corporation, the Trustee, the Certificate Holders, any Credit Facility Issuer or any issuer of a Reserve Account Letter of Credit/Insurance Policy be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Master Lease or the existence, furnishing, functioning or Governing Board's use of the Facilities, or any item, product or service provided for in this Master Lease or any Schedule hereto.

SECTION 2.8. Warranties of the Facilities. The Corporation hereby appoints the Governing Board its agent and attorney-in-fact during the Lease Term of each Lease to assert from time to time whatever claims and rights, including warranties of the Facilities, which the Corporation or the Governing Board may have against the contractor, manufacturer or supplier of any Facilities or portion thereof.

SECTION 2.9. Compliance with Law. The Governing Board and the Corporation each represents, warrants and covenants that it has complied and will comply throughout the Lease Term of each Lease with the requirements of Section 286.011, as well as Chapter 119, Florida Statutes relating to public access to its records and the openness of its meetings to the public.

SECTION 2.10. Representations, Covenants and Warranties of the Governing Board. The Governing Board represents, covenants and warrants as follows:

- 23 -

PMB_265159_12.DOC

particular Lease, or may determine to substitute one or more of the Facilities relating to a particular Lease for other approved Facilities. Upon determination by the Governing Board not to acquire, construct or install one or more of the Facilities relating to a particular Lease, or to substitute one or more of the Facilities relating to a particular Lease, the Governing Board may amend the related Lease and Ground Lease for the purpose of deleting or substituting such Facilities.

SECTION 2.4. Governing Board's Liability. As between the Corporation and the Governing Board, the Governing Board assumes liability for all risks of loss with respect to the Facilities. The Governing Board shall maintain in force during the entire acquisition, construction and installation period of any Facilities, property damage insurance as required by Section 5.3 hereof and (for the benefit of Certificate Holders), as assignee of the Corporation, the Trustee shall be named as an additional insured and loss payee thereon. In the event the Governing Board or Corporation receives any damages or other moneys from any contractor, manufacturer or supplier of any portion of the Facilities or its surety pursuant to this Section 2.4 or Section 5.3, such moneys shall be paid to the Trustee for disposition in accordance with Section 5.4 hereof.

SECTION 2.5. Possession and Enjoyment. From and after the acceptance by the Governing Board of any Facilities in accordance with the terms of this Master Lease, the Corporation agrees that it will not interfere with the quiet use and enjoyment of the Facilities by the Governing Board during the Lease Term of each Lease relating to such Facilities and that the Governing Board shall during such Lease Term peaceably and quietly have and hold and enjoy such Facilities, without hindrance or molestation from the Corporation, except as expressly set forth herein. At the request of the Governing Board and at the Governing Board's cost, the Corporation shall join in any legal action in which the Governing Board asserts its right to such possession and enjoyment to the extent the Corporation lawfully may do so. Upon expiration or termination of the Lease Term other than as a result of non-appropriation or default, the Governing Board shall enjoy full right, title and interest in and to the Facilities, unless the Facilities are otherwise disposed of in accordance with the terms of this Master Lease.

SECTION 2.6. Trustee Access to Facilities. During the Lease Term of each Lease the Governing Board agrees that the Trustee, as assignee of the Corporation or its agents, shall

- 22 -

PMB_265159_12.DOC

(a) The Governing Board is the governing body of the District, an agency of the State of Florida and a water management district created by the Florida Water Resources Act of 1972, Chapter 373, Florida Statutes, has power to enter into this Master Lease and each Schedule hereto and has duly authorized and taken the necessary acts required prior to (including all required approvals) the execution and delivery of this Master Lease and any Schedule executed or to be executed hereunder. The Governing Board warrants that this Master Lease, upon the execution and delivery hereof, is a valid, legal and binding limited obligation of the Governing Board, payable from current or other funds authorized by law and appropriated for such purpose as provided in Section 3.1 hereof.

(b) Neither the execution and delivery of this Master Lease nor of any Schedule, nor the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms and conditions hereof and thereof conflicts with or results in a breach of the terms, conditions, or provisions of any restriction or any agreement or instrument to which the Governing Board is now a party or by which the Governing Board is bound or constitutes a default under any of the foregoing, nor conflicts with or results in a violation of any provision of law governing the Governing Board and no representation, covenant and warranty herein is false, misleading or erroneous in any material respect.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Governing Board nor to the best of the knowledge of the Governing Board is there any basis therefor, wherein an unfavorable decision, ruling, or finding would materially and adversely affect the transactions contemplated by the Governing Board or which would adversely affect, in any way, the validity or enforceability of this Master Lease or of any Schedule, or any material agreement or instrument to which the Governing Board is a party, used or contemplated for use in the consummation of the transactions contemplated hereby.

(d) The estimated Cost of the Facilities shall not be less than the amount set forth on each Schedule relating to such Facilities (as such Schedule may be amended prior to the delivery by the Governing Board of a Certificate of Acceptance). The Facilities will be designed and constructed so as to comply with all applicable building and zoning ordinances and

- 24 -

PMB_265159_12.DOC

regulations, if any, and any and all applicable judicial and state standards and requirements relating to the Facilities and Facility Sites.

(e) The moneys in each Acquisition Account and any investment earnings thereon will be used only for payment of Cost of the Facilities and Facility Sites, including payment of Basic Lease Payments.

(f) The Governing Board shall have fee simple title to all Facility Sites, subject only to Permitted Encumbrances, prior to entering into any Ground Lease with respect to such Facility Sites or amending any Ground Lease to add Facility Sites.

(g) In its use of the Facilities and Facility Sites, the Governing Board shall comply with all applicable Federal, State and local governmental laws, regulations, ordinances, rules, orders, standards and codes and with all hazard insurance underwriters' standards applicable to the Facilities and Facility Sites.

(h) Adequate water, sanitary sewer and storm sewer utilities, electric power, telephone and other utilities are available to the Facilities and Facility Sites.

(i) The Governing Board intends, and will intend upon execution and delivery of each Schedule that this Master Lease shall remain in full force and effect until the last Lease Payment Date for any Facility hereunder.

(j) The Governing Board shall comply with all continuing disclosure requirements under the Rule which may be applicable to it from time to time.

(k) To the extent required by law, each of the Facilities set forth on a Schedule will have been approved for lease purchase by the Governing Board.

(l) The Governing Board shall comply with the requirements of Section 373.45924, Florida Statutes with respect to the publication of an "Everglades Truth in Borrowing Statement" in connection with the issuance of each Series of Certificates.

SECTION 2.11. Representations, Covenants and Warranties of Corporation. The Corporation represents, covenants and warrants as follows:

(a) The Corporation is a Florida not-for-profit corporation duly created, existing and in good standing under the laws of the State, is duly qualified to do business in the State, has all necessary power to enter into this Master Lease and each Schedule hereto, is possessed of full power to own, lease and hold real and personal property and to lease and sell the same as lessor, and has duly authorized the execution and delivery of this Master Lease and this Master Lease, upon execution and delivery hereof, is a valid, legal and binding non-recourse obligation of the Corporation.

(b) Neither the execution and delivery hereof nor of any Schedule hereto, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitutes a default under any of the foregoing.

(c) To the knowledge of the Corporation, there is no litigation or proceeding pending or threatened against the Corporation or any other person affecting the right of the Corporation to execute or deliver this Master Lease or of any Schedule hereto or to comply with its obligations under this Master Lease or of any Schedule hereto. Neither the execution and delivery of this Master Lease by the Corporation, nor compliance by the Corporation with its obligations under this Master Lease, require the approval of any regulatory body, any parent company, or any other entity, which approval has not been obtained.

ARTICLE III.

LEASE PAYMENTS

SECTION 3.1. Payment of Lease Payments. Subject to the conditions stated herein, the Governing Board agrees to pay the Basic Lease Payments stated on each particular Schedule hereto and agrees to pay and discharge Additional Lease Payments, including all other amounts, liabilities and obligations which the Governing Board assumes or agrees to pay to the Corporation

- 25 -

PMB_265110_12.DOC

or to others as provided herein and on each Schedule hereto, together with interest on any overdue amount, PROVIDED HOWEVER, THAT NEITHER THE GOVERNING BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, SHALL BE OBLIGATED TO PAY, EXCEPT FROM GOVERNING BOARD APPROPRIATED FUNDS, ANY SUMS DUE HEREUNDER FROM ANY SOURCE OF TAXATION AND THE FULL FAITH AND CREDIT OF THE GOVERNING BOARD AND THE DISTRICT IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE HEREUNDER AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE GOVERNING BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE CORPORATION, THE TRUSTEE, NOR ANY CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE GOVERNING BOARD TO PAY THE LEASE PAYMENTS HEREUNDER. All Basic Lease Payments, Additional Lease Payments and all Supplemental Payments due hereunder and under any Schedule hereto shall be made from current or other funds authorized by law and appropriated for such purpose by the Governing Board.

THE GOVERNING BOARD MAY NOT BUDGET AND APPROPRIATE FUNDS TO MAKE LEASE PAYMENTS SELECTIVELY ON A LEASE BY LEASE BASIS, BUT MUST APPROPRIATE FUNDS FOR ALL LEASES OR NONE OF THEM.

On each Lease Payment Date, the Governing Board shall pay to the Trustee, in lawful money of the United States of America, the Basic Lease Payments for such Lease Payment Date, less any credits as contemplated by Section 3.2 hereof, and less any reductions as contemplated by Section 4.2 hereof. The Governing Board agrees to deposit such amounts with the Trustee on each Lease Payment Date in order to assure that sufficient moneys will be available to the Trustee to make timely distribution thereof to the Certificate Holders, or to reimburse any Credit Facility Issuer as provided in the following paragraph, all in accordance with the Trust Agreement. In the event that the Trustee has not received such Basic Lease Payments on such Lease Payment Date, the Trustee shall notify the Governing Board on the Business Day following the day payment was due that such Basic Lease Payments have not been received; provided, however, that such notice is for the purpose of convenience only and the Governing Board's obligation to make such payments shall in no way be conditioned by the giving or receipt of such notice. Once established under the initial Schedule, Lease Payment Dates shall be the same under all future Lease Schedules.

The Governing Board shall also pay, when due, directly to the party entitled thereto, Additional Lease Payments and

- 27 -

PMB_265110_12.DOC

SECTION 2.11. Representations, Covenants and Warranties of Corporation. The Corporation represents, covenants and warrants as follows:

(a) The Corporation is a Florida not-for-profit corporation duly created, existing and in good standing under the laws of the State, is duly qualified to do business in the State, has all necessary power to enter into this Master Lease and each Schedule hereto, is possessed of full power to own, lease and hold real and personal property and to lease and sell the same as lessor, and has duly authorized the execution and delivery of this Master Lease and this Master Lease, upon execution and delivery hereof, is a valid, legal and binding non-recourse obligation of the Corporation.

(b) Neither the execution and delivery hereof nor of any Schedule hereto, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitutes a default under any of the foregoing.

(c) To the knowledge of the Corporation, there is no litigation or proceeding pending or threatened against the Corporation or any other person affecting the right of the Corporation to execute or deliver this Master Lease or of any Schedule hereto or to comply with its obligations under this Master Lease or of any Schedule hereto. Neither the execution and delivery of this Master Lease by the Corporation, nor compliance by the Corporation with its obligations under this Master Lease, require the approval of any regulatory body, any parent company, or any other entity, which approval has not been obtained.

ARTICLE III.

LEASE PAYMENTS

SECTION 3.1. Payment of Lease Payments. Subject to the conditions stated herein, the Governing Board agrees to pay the Basic Lease Payments stated on each particular Schedule hereto and agrees to pay and discharge Additional Lease Payments, including all other amounts, liabilities and obligations which the Governing Board assumes or agrees to pay to the Corporation

- 26 -

PMB_265110_12.DOC

Supplemental Payments in accordance with the terms of this Master Lease and each Schedule hereto and the Trust Agreement. Additional Lease Payments for each separate Lease entered into under this Master Lease include, without limitation, optional prepayment premiums, Trustee fees and expenses, Corporation expenses, Credit Facility Issuer fees and expenses, any payments made pursuant to the provisions of a Hedge Agreement relating to the Basic Lease Payments, if any, and all other amounts due the Trustee under the Trust Agreement or this Master Lease and a Credit Facility Issuer under any Reimbursement Agreement, all as set forth on a particular Schedule hereto. Supplemental Payments for each separate Lease hereunder include, without limitation, amounts required to be paid under Sections 5.1, 5.2, 5.6, 5.10 and 6.2 hereof, and amounts necessary to restore the balance in the Reserve Account for a particular Series of Certificates to the Reserve Account Requirement for such Series as provided in Section 405(b) of the Trust Agreement, or recurring amounts payable to the issuer or provider of a Reserve Account Letter of Credit/Insurance Policy.

The Governing Board hereby authorizes the Trustee, as assignee of the Corporation, (i) to create a Reserve Account to be held by the Trustee under the Trust Agreement for each Series of Certificates unless otherwise provided by the Schedule relating thereto, (ii) to deposit in each Reserve Account a portion of the proceeds from the sale of the Series of Certificates relating thereto, or in lieu thereof, or in substitution for the full amounts then on deposit therein or in an amount equal to the difference between the amount required to be deposited and the sum, if any, on deposit in a Reserve Account, to provide a Reserve Account Letter of Credit/Insurance Policy equal to the Reserve Account Requirement relating to such Series, or combination of a portion of the proceeds from the sale of a Series of Certificates and a Reserve Account Letter of Credit/Insurance Policy, and (iii) to use such amounts or amounts drawn on the Reserve Account Letter of Credit/Insurance Policy deposited in each sub-account of the Reserve Account as set forth in Section 405 of the Trust Agreement. In the event the aggregate amount of any cash, the value of any Investment Securities and the stated amount of any Reserve Account Letter of Credit/Insurance Policy in a Reserve Account shall be less than the Reserve Account Requirement provided therefore, the Governing Board shall pay to the Trustee from moneys budgeted and appropriated for Basic Lease Payments during the current Fiscal Year as Supplemental Payments an amount equal to such deficiency within thirty (30) days of receipt of notice of the deficiency from the Trustee. In the event the Trustee makes a

- 28 -

PMB_265110_12.DOC

draw on a Reserve Account Letter of Credit/Insurance Policy to pay amounts equal to Basic Lease Payments represented by a Series of Certificates, the Governing Board shall cause the amount which the Trustee can draw upon such Reserve Account Letter of Credit/Insurance Policy (or its original stated amount, if the Governing Board shall have deposited into the related Reserve Account a Letter of Credit/Insurance Policy pursuant to this Section) to be reinstated. In the event a Reserve Account Letter of Credit/Insurance policy on deposit in a Reserve Account expires or is terminated, the Governing Board shall, simultaneously with such expiration or termination, either replace such Letter of Credit/Insurance Policy with a subsequent Reserve Account Letter of Credit/Insurance Policy with a stated amount equal to the Reserve Account Requirement or transfer to the Trustee, for deposit in such Reserve Account in which such Letter of Credit/Insurance Policy had been deposited, an amount of cash equal to the Reserve Account Requirement.

SECTION 3.2. Credits to Lease Payments. The Lease Payments due hereunder shall be reduced when applicable by the following amounts:

(a) The Trustee shall deposit into the Lease Payment Account established with respect to each Lease, interest income in accordance with the Trust Agreement, amounts in excess of the Reserve Account Requirement transferred to the Lease Payment Account pursuant to Section 405(d) of the Trust Agreement and amounts transferred from the Capitalized Interest Account to the Lease Payment Account pursuant to Section 403 of the Trust Agreement, and apply such amounts as provided therein.

(b) Unless otherwise provided in the Schedule related thereto, upon the completion of acquisition and construction of the Facilities and Facility Sites financed under a particular Lease and payment of all costs of such Facilities and Facility Sites or upon the termination of the Lease Term of a particular Lease pursuant to Section 4.1 hereof, the amounts, if any, on deposit in the Acquisition Account for the related Series of Certificates shall be transferred to the Lease Payment Account for such Series, to be applied to Basic Lease Payments next coming due under the Lease; provided, however, that if, upon delivery by the Governing Board of a Certificate of Acceptance indicating completion of the acquisition, construction, installation and payment of all costs of the Facilities financed under a particular Lease (including the failure of the Governing Board to acquire any component of such Facilities), there shall remain in the related Acquisition Account an amount greater than

the amount of Basic Lease Payments coming due in the immediately following fiscal year under such Lease, the entire remaining amount shall be transferred to the related Prepayment Account and utilized to purchase the related Series of Certificates at a price of par plus interest accrued to the date of purchase, in the manner provided in the related Supplemental Trust Agreement and at the direction of the District.

(c) There shall be deposited in the Lease Payment Account or the Prepayment Account for a Series of Certificates, as the case may be, Net Proceeds realized in the event of damage, destruction or condemnation to be applied to Basic Lease Payments under the related Lease, or to the Prepayment Price of such Series of Certificates, all as provided for in Section 5.4(b) hereof.

SECTION 3.3. Basic Lease Payment Components. A portion of each Basic Lease Payment is paid as and represents the payment of interest and the balance of each Basic Lease Payment is paid as and represents the payment of principal. Each Schedule hereto shall set forth such components of each Basic Lease Payment for each Facility or Facilities financed hereunder. The interest portion of Basic Lease Payments shall be calculated on the basis of a 360 day year consisting of twelve 30 day months.

SECTION 3.4. Lease Payments to be Unconditional. Subject to Sections 3.1 and 3.5 hereof the obligations of the Governing Board to make Lease Payments and to pay all other amounts provided for herein and in each Schedule and to perform its obligations under this Master Lease and each Schedule, shall be absolute and unconditional, and such Lease Payments and other amounts shall be payable without abatement or any rights of set-off, recoupment or counterclaim the Governing Board might have against any supplier, contractor, the Corporation, the Trustee or any other person and whether or not the Facilities are accepted for use or used by the Governing Board or available for use by the Governing Board, whether as a result of damage, destruction, condemnation, defect in title or failure of consideration or otherwise. This Master Lease shall be deemed and construed to be a "net lease".

SECTION 3.5. Non-Appropriation. Notwithstanding anything in this Master Lease to the contrary, the cost and expense of the performance by the Governing Board of its obligations under this Master Lease and each Schedule hereto and the incurrence of any liabilities of the Governing Board hereunder and under each

Schedule hereto including, without limitation, the payment of all Lease Payments and all other amounts required to be paid by the Governing Board under this Master Lease and each Schedule hereto, shall be subject to and dependent upon appropriations being duly made from time to time by the Governing Board for such purposes. Under no circumstances shall the failure of the Governing Board to appropriate sufficient funds constitute a default or require payment of a penalty, or in any way limit the right of the Governing Board to purchase or utilize facilities similar in function to those leased hereunder.

Unless the Governing Board, at a public meeting held prior to the end of the then current Fiscal Year, shall give notice of its intent not to appropriate the funds necessary to make all Lease Payments coming due in the following Fiscal Year under this Master Lease and each Schedule hereto, the Chief Financial Officer of the District shall include in the tentative budget proposal the funds necessary to make such Lease Payments, and the Lease Term of all Leases shall be automatically renewed on September 30 of the current Fiscal Year, for the following Fiscal Year, subject to appropriation being made by the Governing Board in the final official budget. If Lease Payments are due hereunder during the period prior to the adoption of the Governing Board's final official budget for an ensuing Fiscal Year, the Lease Term of all Leases shall be deemed extended only if the tentative budget or extension of the prior budget (whether by Board action or operation of law) makes available to the Governing Board monies which may be legally used to make the Lease Payments due hereunder during such period. If no such appropriation is made in the final official budget, or if no official budget is adopted as of the last day upon which a final budget is required to have been adopted under Section 373.536, Florida Statutes and applicable regulations thereunder, the Lease Term of all Leases shall terminate as of the date of adoption of the final official budget, or such last day, whichever is earlier.

If the Governing Board declares its intent at such public meeting prior to the end of the then current Fiscal Year not to appropriate funds, the Lease Term of all Leases shall not be automatically renewed for the following Fiscal Year, but shall terminate on September 30 of the current Fiscal Year. The final Lease Term may be for a period which is less than a full Fiscal Year.

The Governing Board shall provide written notice of any non-appropriation of funds described herein to the Trustee, any

the amount of Basic Lease Payments coming due in the immediately following fiscal year under such Lease, the entire remaining amount shall be transferred to the related Prepayment Account and utilized to purchase the related Series of Certificates at a price of par plus interest accrued to the date of purchase, in the manner provided in the related Supplemental Trust Agreement and at the direction of the District.

(c) There shall be deposited in the Lease Payment Account or the Prepayment Account for a Series of Certificates, as the case may be, Net Proceeds realized in the event of damage, destruction or condemnation to be applied to Basic Lease Payments under the related Lease, or to the Prepayment Price of such Series of Certificates, all as provided for in Section 5.4(b) hereof.

SECTION 3.3. Basic Lease Payment Components. A portion of each Basic Lease Payment is paid as and represents the payment of interest and the balance of each Basic Lease Payment is paid as and represents the payment of principal. Each Schedule hereto shall set forth such components of each Basic Lease Payment for each Facility or Facilities financed hereunder. The interest portion of Basic Lease Payments shall be calculated on the basis of a 360 day year consisting of twelve 30 day months.

SECTION 3.4. Lease Payments to be Unconditional. Subject to Sections 3.1 and 3.5 hereof the obligations of the Governing Board to make Lease Payments and to pay all other amounts provided for herein and in each Schedule and to perform its obligations under this Master Lease and each Schedule, shall be absolute and unconditional, and such Lease Payments and other amounts shall be payable without abatement or any rights of set-off, recoupment or counterclaim the Governing Board might have against any supplier, contractor, the Corporation, the Trustee or any other person and whether or not the Facilities are accepted for use or used by the Governing Board or available for use by the Governing Board, whether as a result of damage, destruction, condemnation, defect in title or failure of consideration or otherwise. This Master Lease shall be deemed and construed to be a "net lease".

SECTION 3.5. Non-Appropriation. Notwithstanding anything in this Master Lease to the contrary, the cost and expense of the performance by the Governing Board of its obligations under this Master Lease and each Schedule hereto and the incurrence of any liabilities of the Governing Board hereunder and under each

Credit Facility Issuer and any issuer of a Reserve Account Letter of Credit/Insurance Policy within three (3) Business Days thereafter.

THE GOVERNING BOARD MAY NOT BUDGET AND APPROPRIATE FUNDS TO MAKE LEASE PAYMENTS SELECTIVELY ON A LEASE BY LEASE BASIS, BUT MUST APPROPRIATE FUNDS FOR ALL LEASES OR NONE OF THEM.

SECTION 3.6. Surrender of Facilities. (A) Upon the termination of the Lease Term of all Leases prior to the payment of all Payments scheduled therefor or without the payment of the then applicable Purchase Option Price of the Facilities financed under such Lease, or (B) as provided in Section 8.7 hereof upon the occurrence of an event of default, the Governing Board shall immediately surrender and deliver possession of all the Facilities financed under this Master Lease and all Schedules hereto to the Trustee as assignee of the Corporation or any person designated by it in the condition, state of repair and appearance required under this Master Lease, in accordance with the instructions of the Corporation. Upon such surrender, the transferee shall sell or lease the Facilities if then practicable in such manner and to such person or persons for any lawful purpose or purposes, as it shall, in its sole discretion, determine to be appropriate. The proceeds derived by such transferee from any such sale or lease of Facilities shall be applied first to the payment in full of the Series of Certificates relating to such Facilities (including all amounts owing under the applicable Lease) and then to the payment of any accrued but unpaid obligations of the Corporation under Section 3 of the Ground Lease relating to such Facilities. Any excess after all such payments shall be paid to the Governing Board.

If the Governing Board shall refuse or fail to voluntarily deliver possession of the Facilities to the Corporation or its assignee as above provided, the Corporation or its assignee may enter into and upon the Facilities, or any part thereof, and repossess the same and thereby restore the Corporation or its assignee to its former possessory estate as lessee under the related Ground Lease and lessor hereunder and expel the Governing Board and remove its effects forcefully, if necessary, without being taken or deemed to be guilty in any manner of trespass in order that the Corporation or its assignee may sell or re-let the leasehold interest in the Facilities, subject to Permitted Encumbrances, for any lawful purpose or purposes, for the remainder of the term of the related Ground Lease, if applicable, and the Governing Board shall have no further

possessory right whatsoever in the facilities, for the remainder of the term of the respective Ground Lease; the Corporation or its assignee may exercise all available remedies at law or in equity to evict the Governing Board and to enjoy its possessory rights to all Facility Sites under one or more Ground Leases; and the Governing Board shall be responsible for the payment of damages in an amount equal to the Lease Payments which would have accrued hereunder, calculated on a daily basis, for any period during which the Governing Board fails to surrender the Facilities or for any other loss suffered by the Corporation or its assignee as a result of the Governing Board's failure to surrender the Facilities, all without prejudice to any remedy which might otherwise be available to the Corporation or its assignee for arrears of lease Payments or for any breach of the Governing Board's covenants herein contained.

Upon the termination of the Lease Term of all Leases as a result of a default by the Governing Board, the Corporation or its assignee shall have, in addition to the rights and remedies described above, the right to sue for compensatory damages, including upon failure of the Governing Board to surrender possession of the Facilities to the Corporation or its assignee, damages for any loss suffered by the Corporation or its assignee as a result of the Governing Board's failure to take such actions as required, including reasonable legal fees.

The Governing Board, as owner of the Facility Sites, may voluntarily and in cooperation with the Corporation or its assignee as owner of the Facilities, sell the Facility Sites and the Facilities, the proceeds of such sale to be applied by the Trustee in the manner described above in this section. The sale of any particular Facility Site and Facility thereon shall require the consent of the Credit Facility Issuer, if any, insuring the Series of Certificates relating to such Facility Site and Facility thereon. If applicable, such sale shall be conducted in accordance with the requirements of Section 373.089, Florida Statutes.

ARTICLE IV.

TERMINATION

SECTION 4.1. Termination of Lease Term. The Lease Term will terminate upon the earliest of any of the following events:

- 33 -

PMB_261109_12.DOC

Book2199/Page387 CFN#1974919

Page 36 of 107

SECTION 5.1. Maintenance of the Facilities by the Governing Board. The Governing Board agrees that at all times during each Lease Term, the Governing Board will, at the Governing Board's own cost and expense, maintain, preserve and keep the Facilities in good repair and condition, and that the Governing Board will from time to time make or cause to be made necessary and proper repairs, replacements and renewals thereto. The Corporation shall have no obligation in any of these matters, or for the making of repairs or improvements to the Facilities. If the Governing Board fails to perform such obligations the Trustee may perform the Governing Board's obligations or perform work resulting from the Governing Board's actions or omissions and the cost thereof (together with interest until reimbursed) shall be immediately due and payable as Supplemental Payments.

SECTION 5.2. Taxes, Other Governmental Charges and Utility Charges. In the event that the ownership, leasing, use, possession or acquisition of the Facilities or Facility Sites are found to be subject to taxation in any form, the Governing Board will pay during each Lease Term, as the same come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Facilities or the Facility Sites and any Facilities or other property acquired by the Governing Board as permitted under this Master Lease in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Facilities or Facility Sites, as well as all utility and other charges incurred in the operation, maintenance, occupancy and upkeep of the Facilities and Facility Sites; provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, the Governing Board shall be obligated to pay only such installments as have accrued during the time the Lease Term is in effect. If the Governing Board fails to perform such obligations the Trustee may perform the Governing Board's obligations and the cost thereof (together with interest until reimbursed) shall be immediately due and payable as Supplemental Payments.

SECTION 5.3. Provisions Regarding Insurance. During acquisition, construction and installation of the Facilities the Governing Board shall require any contractor to provide Workers' Compensation, Comprehensive General Liability Insurance, Property Insurance, Property coverage for contractor's equipment, Professional Liability Insurance, Builders Risk Insurance, Automobile Liability Insurance, and other insurance

- 35 -

PMB_261109_12.DOC

Book2199/Page389 CFN#1974919

Page 38 of 107

B-42

(a) with respect to all Leases, on the latest Lease Payment Date set forth in any Schedule attached to this Master Lease;

(b) with respect to all Leases, in the event of non-appropriation of funds for payment of Lease Payments as provided in Sections 3.1, 3.4 and 3.5 of this Master Lease;

(c) with respect to all Leases, upon a default by the Governing Board with respect to any Lease and the termination of the Lease Term of all Leases by the Trustee pursuant to Section 8.2(i) of this Master Lease;

(d) with respect to a particular Lease, upon payment by the Governing Board of the Purchase Option Price of the particular Facilities leased under such Lease, or upon provision for such payment pursuant to Section 7.3 hereof, provided, however, that upon such provision for payment the obligation to make Lease Payments under such Lease shall continue to be payable solely from such provision for payment.

SECTION 4.2. Effect of Termination.

(a) Upon the termination of the Lease Term for the reason referred to in Section 4.1(b) or (c) hereof, the provisions of Section 3.6 shall be applicable. Upon such termination for the reason referred to in Section 4.1(c) hereof, the provisions of Sections 8.2 and 8.3 shall also be applicable.

(b) In the event of the termination of the Lease Term for the reason referred to in Section 4.1(d) hereof, there shall be applied solely from the amounts deposited pursuant to Section 7.3 hereof as a reduction against such Basic Lease Payments to become due after such termination an amount equal to the Basic Lease Payments applicable to the Facilities.

(c) Notwithstanding the termination of the Lease Term pursuant to Section 4.1 hereof, the representations of the Governing Board set forth in Section 2.10 hereof and the provisions of Sections 5.7 and 5.10 hereof shall survive such termination.

ARTICLE V.

COVENANTS OF GOVERNING BOARD

- 34 -

PMB_261109_12.DOC

Book2199/Page388 CFN#1974919

Page 37 of 107

pursuant to the terms of the Instructions to Bidders and the General Conditions of the Governing Board. Contractors shall be required to provide builders all risk property damage insurance in an amount not less than the full value of all work in place and materials and equipment provided or delivered by each supplier. The Trustee and the Corporation shall be named as additional insureds and loss payees wherever the Governing Board is to be so named, and shall be entitled to written notice of cancellation to the same extent as the Governing Board.

The Governing Board shall, during the Lease Term, purchase and maintain property insurance coverage in an amount not less than \$50,000,000 per occurrence, to the extent such insurance is available at commercially reasonable costs, covering the replacement cost of its property including the Facilities insuring against the perils of FIRE, FLOOD, LIGHTNING, WINDSTORM, HAIL, HURRICANE, WINDBLOWN RAIN, DAMAGE FROM WATER, EXPLOSION, AIRCRAFT, VEHICLES, SMOKE, VANDALISM AND MALICIOUS MISCHIEF, TRANSPORTATION HAZARDS, THEFT AND BURGLARY. The Governing Board shall maintain a self-insurance program for its combined general and automobile liability insurance coverage in an amount not less than \$150,000 per occurrence pursuant to the provisions contained within Section 768.28, Florida Statutes.

The adequacy of the Governing Board's property insurance coverage shall be reviewed annually by the Insurance Consultant, and the Governing Board shall follow the recommendations of the Insurance Consultant so long as the recommended insurance is available at commercially reasonable costs and otherwise satisfies the criteria set forth herein. The Governing Board shall maintain eligibility for assistance by the Federal Emergency Management Agency.

The Governing Board may elect to self-insure for any such damage or liability, as provided above, upon the following terms and conditions:

(a) the self-insurance program shall be approved by the Insurance Consultant;

(b) The self-insurance program shall include a sound claims reserve fund out of which each self-insured claim shall be paid; the adequacy of such fund shall be evaluated at least annually by the Insurance Consultant; and any deficiencies in the fund shall be remedied in accordance with the recommendations of the Insurance Consultant;

- 36 -

PMB_261109_12.DOC

Book2199/Page390 CFN#1974919

Page 39 of 107

(c) The self-insurance claims reserve fund shall be held in a bank account created for the purpose of maintaining such self-insurance funds, which bank account may be under the control of the Governing Board and may not be commingled with other Governing Board moneys; and

(d) In the event the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund shall be maintained.

The Governing Board may also self-insure for the amount of the deductible portion of the above described insurance coverage. The Governing Board's present maximum self-insured limits are \$100,000 per occurrence for property coverage not including wind, and a maximum of two percent (2%) and a minimum of \$500,000 per occurrence resulting from wind damage; and \$150,000 per occurrence for combined general and automobile liability coverage. If the Governing Board revises such limits such that its self-insured retention exceeds 10% of the amount of property insurance recommended by the Insurance Consultant, the Governing Board will cause the adequacy of self-insurance reserve fund to be reviewed by the Insurance Consultant on an annual basis.

Any insurance policy issued pursuant to this Section 5.3 shall provide that the Corporation and the Trustee shall be notified of any proposed cancellation of such policy thirty (30) days prior to the date set for cancellation. Any policy of all risk property insurance must be obtained from a commercial insurance company or companies rated A by A.M. Best Company or in one of the two highest rating categories of Moody's and S&P, or otherwise approved by the Credit Facility Issuer. The Governing Board and the Trustee shall be named as insureds and loss payees.

If required by Florida law, the Governing Board shall carry or cause to be carried worker's compensation insurance covering all employees on, in, near or about the Facilities, and upon request, shall furnish or cause to be furnished to the Corporation and the Trustee certificates evidencing such coverage.

In the event of any loss, damage, injury, accident, theft or condemnation involving the Facilities, the Governing Board shall promptly provide or cause to be provided to the Corporation and the Trustee written notice thereof, and make available or cause

to be made available to the Corporation and the Trustee all information and documentation relating thereto.

Any insurance policy maintained pursuant to this Section 5.3 shall be so written or endorsed to provide that the Trustee (on behalf of the Certificate Holders), and the Corporation are named additional insureds, and the Trustee, the Corporation and the Governing Board are named as loss payees as their interests may appear and the Net Proceeds of any appropriation made in connection with a self-insurance election shall be payable to the Governing Board, the Corporation and the Trustee (on behalf of the Certificate Holders) as their respective interests may appear. The Net Proceeds of the insurance required in this Section 5.3 or the Net Proceeds of any appropriation in connection with a self-insurance election shall be applied as provided in Section 5.4 (a) and Section 5.4 (b) hereof.

SECTION 5.4. Damage, Destruction or Condemnation. If prior to the termination of the Lease Term under a particular Lease, the Facilities financed under such Lease or any portion thereof are destroyed or are damaged by fire or other casualty, or title to, or the temporary use of such Facilities or any portion thereof shall be taken under the exercise of the power of eminent domain, the Governing Board shall, within sixty (60) days after such damage, destruction or condemnation elect one of the following two options by written notice from an Authorized Governing Board Representative of such election to the Corporation and the Trustee:

(a) **Option A - Repair, Restoration or Replacement.** Except as provided below, the Governing Board will cause the Net Proceeds of any insurance or the Net Proceeds of any appropriation made in connection with a self-insurance election, or the Net Proceeds of any claim or condemnation award to be applied to the prompt repair, restoration, or replacement (in which case such replacement shall become subject to the provisions of the related Lease as fully as if it were the originally leased Facilities) of such Facilities. Any such Net Proceeds received by the Trustee shall be deposited in the related Acquisition Account and be applied by the Trustee toward the payment of the Cost of such repair, restoration or replacement, utilizing the same requisition process set forth in the Trust Agreement for the payment of the Cost of the Facilities from such Acquisition Account.

(b) **Option B - Partial Prepayment.** If the Governing Board has determined that its operations have not been

materially affected and that it is not in the best interest of the Governing Board to repair, restore or replace that portion of the Facilities so damaged, destroyed or condemned, then the Governing Board shall not be required to comply with the provisions of subparagraph (a) set forth above. If the Net Proceeds are equal to less than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to such Facilities, such Net Proceeds shall be deposited in the Lease Payment Account for the Series of Certificates relating to such Facilities to be credited against Basic Lease Payments next coming due in accordance with Section 3.2 (C) hereof. If the Net Proceeds are equal to or greater than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to such Facilities, such Net Proceeds shall be deposited in the Prepayment Account for the Series of Certificates relating to such Facilities to be applied to the prepayment in part of the principal portion and accrued interest portion of Basic Lease Payments relating to such Facilities represented by the Certificates in accordance with Section 7.2 hereof.

SECTION 5.5. Insufficiency of Net Proceeds. If the Governing Board elects to repair, restore or replace the Facilities under the terms of Section 5.4 (a) hereof and the Net Proceeds therefor are insufficient to pay in full the Cost of such repair, restoration or replacement, the Governing Board shall complete the work and pay any cost in excess of the amount of the Net Proceeds, and the Governing Board agrees that, if by reason of any such insufficiency of the Net Proceeds the Governing Board shall make any payments pursuant to the provisions of this Section, the Governing Board shall not be entitled to any reimbursement therefor from the Corporation or the Trustee nor shall the Governing Board be entitled to any diminution of the amounts payable under the related Lease.

SECTION 5.6. Advances. In the event the Governing Board shall not elect to self-insure any risk that would otherwise require the maintenance of insurance coverage hereunder, and shall fail to maintain the full insurance coverage required hereunder, the Corporation may, but shall be under no obligation to, purchase the required policies of insurance and pay the premiums on the same, or if the Governing Board shall fail to keep the Facilities in good repair and operating condition, the Corporation may, but shall be under no obligation to, make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Corporation shall become immediately due and payable as a Supplemental Payment under the Lease relating to such Facilities which

amounts, together with interest thereon (at an annual interest rate equal to the interest portion of the Basic Lease Payments, expressed as an annual interest rate) until paid, the Governing Board agrees to pay.

SECTION 5.7. Release and Indemnification. To the extent permitted by Florida law, including the provisions of Section 768.28 Florida Statutes, the District shall indemnify and save the Corporation and the Trustee harmless from and against any and all liability, obligations, claims and damages, including consequential damages and reasonable legal fees and expenses, arising out of, or in connection with the transactions contemplated by this Master Lease, all Schedules hereto, any Ground Lease, any Assignment Agreement and the Trust Agreement including, without limitation, the issuance of Certificates, except in the case of liability, obligations, claims and damages arising out of their own negligence or willful misconduct.

SECTION 5.8. Payment and Performance Bonds and other Guaranty. The Governing Board shall obtain itself or cause any contractor to provide performance, payment and guarantee and any additional bonds or surety bonds, if and when required pursuant to the Instructions to Bidders and the General Conditions and the provisions of Section 255.05, Florida Statutes, and other applicable provisions of Florida Law. Such bonds or other surety shall be in dual obligee form naming the Governing Board and the Trustee as dual obligees.

SECTION 5.9. Essential Governmental Functions. The Governing Board represents and warrants that the services to be provided by or from the Facilities are essential to the delivery of the Governing Board's essential governmental services, and covenants that during the Lease Term it will use the Facilities to perform essential governmental functions relating to its statutory responsibility of providing for preservation of the Everglades ecosystem throughout the District. The Governing Board represents and covenants that it has an immediate need for the Facilities, that it does not expect such need to diminish during the Lease Term and that it intends to use the Facilities for purposes of Everglades ecosystem improvement and management, pursuant to Section 373.4592, Florida Statutes, throughout each Lease Term.

SECTION 5.10. Tax Exemption: Rebates. In order to maintain the exclusion from gross income for federal income tax purposes of the interest portion of the Basic Lease Payments paid to the Certificate Holders, the Governing Board shall comply with the

provisions of the Code applicable to this Master Lease and each Schedule thereto and each Series of Certificates issued under the Trust Agreement, including without limitation the provisions of the Code relating to the computation of the yield on investments of the Gross Proceeds of each Series of Certificates, reporting of earnings on the Gross Proceeds of each Series of Certificates, and rebating Excess Earnings to the Department of the Treasury of the United States of America. In furtherance of the foregoing, the Governing Board shall comply with the letter of instructions as to compliance with the Code with respect to each Lease and each Series of Certificates, to be delivered by Special Tax Counsel at the time each Series of Certificates is issued, as such letter may be amended from time to time, as a source of guidance for achieving compliance with the Code.

The Governing Board shall not take any action or fail to take any action which would cause a Lease and the Series of Certificates relating thereto to be "arbitrage bonds" within the meaning of Section 148(a) of the Code or which would otherwise cause the portion of Basic Lease Payments under such Lease representing the payment of interest as set forth in Section 3.3 hereof to be includable in the gross income of the Certificate Holders.

In the event that the Governing Board shall fail to rebate such Excess Earnings when due, the Corporation or its assignee may, but shall be under no obligation to, pay amounts due to the Treasury; and all amounts so advanced by the Corporation or its assignee shall become immediately due and payable as a Supplemental Payment under the Lease relating to such Series of Certificates which amounts, together with interest thereon (at an annual interest rate equal to the interest portion of the Basic Lease Payments relating hereto expressed as an annual interest rate) until paid, the Governing Board agrees to pay.

SECTION 5.11. Budget and Tax Levy. The Governing Board covenants that it shall cause the Chief Financial Officer to prepare and submit the budget recommendation in accordance with Section 3.5 hereof and that the Governing Board will act on such recommendation, will hold public hearings, will adopt tentative and final official budgets, and will submit such budgets to the Executive Office of the Governor for approval, all pursuant to the requirements of the laws of Florida.

Subject to the right of non-appropriation set forth in Sections 3.1 and 3.5 hereof the Governing Board expects that its

- 41 -

PMB_265150_12.DOC

legally available revenues will be sufficient to meet its lease Payment obligations under the Master Lease in each Fiscal Year.

SECTION 5.12. Compliance with Law, Regulations, Etc.

(a) The Governing Board has, after due inquiry, no knowledge and has not given or received any written notice indicating that its Facilities and Facility Sites or the past or present use thereof or any practice, procedure or policy employed by it in the conduct of its business materially violates any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Facilities and Facility Sites (collectively, "Laws and Regulations"). Without limiting the generality of the foregoing, neither the Governing Board nor to the best of its knowledge, after due inquiry, any prior or present owner, tenant or subtenant of any of the Facilities and Facility Sites has, other than as set forth in subsections (a) and (b) of this Section or as may have been remediated in accordance with Laws and Regulations, (i) used, treated, stored, transported or disposed of any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA, TSCA, FRPA and Title III (as such terms are defined in subsection (e)), and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the Governing Board, any of the Facilities or Facility Sites or the business operations conducted by the Governing Board thereon (collectively, "Hazardous Materials") on, from or beneath its Facilities or Facility Sites, (ii) pumped, spilled, leaked, disposed of, emptied, discharged or released (hereinafter collectively referred to as "Release") any material amount of Hazardous Materials on, from or beneath its Facilities or Facility Sites, or (iii) stored any material amount of petroleum products at its Facility Sites in underground storage tanks.

- 42 -

PMB_265150_12.DOC

(b) Excluded from the representations and warranties in subsection (a) hereof with respect to Hazardous Materials are those amounts found in the inventory of or used in the maintenance of water district conservation sites and related facilities, the use, treatment, storage, transportation and disposal of which has been and shall be in compliance with all Laws and Regulations.

(c) No Facilities or Facility Sites located in an area of high potential incidence of radon has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the support of the improvements to the Facilities.

(d) The Governing Board has not received any notice from any insurance company which has issued a policy with respect to the Facilities or Facility Sites, or from the applicable state or local government agency responsible for insurance standards (or any other body exercising similar functions), requiring the performance of any repairs, alterations or other work, which repairs, alterations or other work have not been completed at the Facilities or Facility Sites. The Governing Board has not received any notice of default or breach which has not been cured under any covenant, condition, restriction, right-of-way, reciprocal easement agreement or other easement affecting its Facilities or Facility Sites which is to be performed or complied with by it.

(e) For purposes of this Section and Section 5.13 hereafter, the following terms shall have the following meanings:

"Asbestos Containing Materials" shall mean material in friable form containing more than one percent (1%) of the asbestosiform varieties of (a) chrysotile (serpentine); (b) crocidolite (riebeckite); (c) amosite (cummingtonite-grunerite); (d) anthophyllite; (e) tremolite; and (f) actinolite.

"Environmental Regulations" shall mean all Laws and Regulations now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, "CERCLA"), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the

- 43 -

PMB_265150_12.DOC

regulations promulgated thereunder, "RCRA"), The Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, "Title III"), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, "CWA"), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, "CAA"), the Florida Radiation Protection Act, as amended (Fla. Stat. Chapter 404) (together with all regulations promulgated thereunder, "FRPA") and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601 et seq.) (together with regulations promulgated thereunder, "TSCA"), and any state or similar laws and regulations and any so-called local, state or federal "superfund" or "superlien" law.

SECTION 5.13. Environmental Compliance.

(a) The Governing Board shall not use or permit the Facilities or Facility Sites or any part thereof to be used to generate, manufacture, produce, store or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Facilities or Facility Sites and then, only in compliance with all Environmental Regulations, and any state or local equivalent laws and regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the Release or threat of Release of Hazardous Materials on, from or beneath the Facilities or Facility Sites or onto any other property. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the Governing Board shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Corporation all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so released, on, from or beneath the Facilities, Facility Sites or other property, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (d) of this Section and only to the extent necessary to maintain the improvements on the Facilities or Facility Sites.

(b) The Governing Board shall comply with, and shall cause its tenants, subtenants, licensees, guests, invitees,

- 44 -

PMB_265150_12.DOC

contractors, employees and agents to comply with, all Environmental Regulations, and shall keep the Facilities and Facility Sites free and clear of any liens imposed pursuant thereto (provided, however, that any such liens, if not discharged, may be bonded). The Governing Board shall cause each tenant under any lease, and use its best efforts to cause all of such tenant's subtenants, agents, licensees, employees, contractors, guests and invitees and the guests and invitees of all of the foregoing to comply with all Environmental Regulations and state and local equivalent with respect to the Facilities and Facility Sites; provided, however, that notwithstanding that a portion of this covenant is limited to the Governing Board's use of its best efforts, the Governing Board shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the Governing Board's obligations contained in subsection (c) hereof. Upon receipt of any notice from any Person with regard to the Release of Hazardous Materials on, from or beneath the Facilities and Facility Sites, the Governing Board shall give prompt written notice thereof to the Trustee, the Corporation and the Credit Facility Issuer (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulations).

(c) Irrespective of whether any representation or warranty contained in Section 5.12 is not true or correct, the Governing Board shall defend, indemnify and hold harmless the Corporation, the Trustee and the Credit Facility Issuer, their respective partners, depositories, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in this Section 5.13), consultants' fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days' prior notice of which the Corporation, the Trustee or the Credit Facility Issuer, as appropriate, shall have delivered to the Governing Board), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise related to, (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Facilities or Facility Sites, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five (5) Business Days' prior notice of which the Corporation, the Trustee or Credit Facility Issuer, as appropriate, shall have

delivered to the Governing Board) or governmental order relating to Hazardous Materials on, from or beneath any of the Facilities or Facility Sites, (iv) any violation of Environmental Regulations or subsection (a) or (b) hereof by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the Governing Board is strictly liable under any Environmental Regulation, its obligation to the Corporation, the Trustee and the Credit Facility Issuer and the other indemnitees under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. The Governing Board's obligations and liabilities under this Section 5.13(c) shall survive the termination of this Master Lease.

(d) The Governing Board shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair, and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

SECTION 5.14. Prosecution and Defense of Suits.

(a) The Governing Board shall promptly from time to time take or cause to be taken such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to any Facility Site or Facilities comprising a Project, or any portion thereof, and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall, to the extent permitted and limited by applicable law and only from moneys legally available for such purpose, indemnify or cause to be indemnified the Corporation for all loss, cost, damage and expense, which the Corporation may incur by reason of any such defect, cloud, suit, action or proceeding.

(b) The Governing Board shall defend, or cause to be defended against every suit, action or proceeding at any time brought against the Corporation, or its directors, officers and employees upon any claim arising out of the receipt, application or disbursement of any moneys held by the Trustee or arising out of the construction of Facilities comprising any Project and involving the rights of the Corporation, or its directors, officers and employees done or omitted to be done within the

- 45 -

PMB_261190_12.DOC

- 46 -

PMB_261190_12.DOC

scope of their respective office or employment, other than an act or omission which is the result of willful or intentional misconduct or negligence by such parties; provided, that the Corporation, at its election, may appear in and defend any such suit, action or proceeding. To the extent permitted and limited by applicable law and only from moneys legally available for such purpose, the Governing Board shall indemnify or cause to be indemnified the Corporation, against any and all claims, demands, costs or liability claimed or asserted by any person, arising out of such receipt, application or disbursement.

SECTION 5.15. Waiver of Laws. The Governing Board shall not at any time insist upon or plead in any manner whatsoever, or claim or suffer or take the benefit or advantage of any stay or extension law now or at any time hereafter in force which may adversely affect the covenants and agreements contained in this Master Lease and the benefit and advantage of any such law or laws is hereby expressly waived by the Governing Board to the extent that the Governing Board may legally make such waiver.

ARTICLE VI.

TITLE

SECTION 6.1. Title to Facility Sites and Facilities. Throughout the term of each Ground Lease, fee title to the Facility Sites described therein shall be in the name of the Governing Board, subject to Permitted Encumbrances. Until the earlier of the date on which payment in full, or provision for payment of all Lease Payments under a particular Lease or payment of the then applicable Purchase Option Price of one or more Facilities financed under such Lease, as provided in Sections 7.2 or 7.3 hereof, has been made, or until substitution of comparable Facilities for Facilities financed under a Lease as provided in Section 6.4 hereof, title to such Facilities shall remain vested in the Corporation (except as otherwise provided in the related Schedule), subject to Permitted Encumbrances. At such time as payment, or provision for payment as provided in Section 7.2 or 7.3 hereof, of all Lease Payments or the then applicable Purchase Option Price of one or more Facilities has been made in full, the Governing Board shall be deemed to have exercised an option to purchase such Facilities and fee simple title to such Facilities free and clear of all encumbrances, except Permitted Encumbrances. The Corporation hereby appoints the Governing Board as its agent to prepare and file or record in appropriate offices such documents as may be

- 47 -

PMB_261190_12.DOC

- 48 -

PMB_261190_12.DOC

merger of the fee estate of the Governing Board in the Facility Sites with the leasehold estates created therein by a Ground Lease or this Master Lease, notwithstanding the fact that the same person may hold one or more leasehold estates and such fee estate.

SECTION 6.2. Liens. Except as permitted under this Master Lease, during the Lease Term each of the Corporation and the Governing Board shall not, directly or indirectly, create, incur, assume or suffer to exist any security interest, pledge, lien, charge, encumbrance or claim on any of the Facilities or Facility Sites or leasehold interests therein, other than the respective rights of the Trustee, the Corporation and the Governing Board as herein provided. If any security interest, pledge, lien, charge, encumbrance or claim on any of the Facilities or Facility Sites or leasehold interests therein shall exist, or in the future arises, it shall be the duty of the Governing Board, within ninety (90) days after the Governing Board shall have been given written notice of such security interest, pledge, lien, charge, encumbrance, or claim being filed, to cause the Facilities or Facility Sites to be released from such security interest, pledge, lien, charge, encumbrance, or claim either by payment or by posting of a bond or by the payment into a court of competent jurisdiction of the amount necessary to relieve and release the Facilities or Facility Sites from such security interest, pledge, lien, charge, encumbrance, or claim or in any other manner which, as a matter of law, will result within such period of ninety (90) days in releasing the Facilities or Facility Sites from such security interest, pledge, lien, charge, encumbrance or claim; provided, however, that if such security interest, pledge, lien, charge, encumbrance or claim cannot, with due diligence, be discharged or removed within such ninety (90) day period and the Governing Board has diligently commenced to discharge or remove such security interest, pledge, lien, charge, encumbrance or claim within such period, the Governing Board shall have a reasonable period of time to discharge or remove such security interest, pledge, lien, charge, encumbrance or claim. The Governing Board shall reimburse the Corporation or the Trustee for any expense incurred by the Corporation or the Trustee in order to discharge or remove any such security interest, pledge, lien, charge, encumbrance or claim, provided, however, that neither the Corporation nor the Trustee is under any obligation to incur such expense without having been provided, in advance, with any amounts needed to pay such expense.

- 49 -

PMB_265119_12.DOC

Book2199/Page403 CFN#1974919

Page 52 of 107

appropriately amended, and the related Ground Lease shall be amended or canceled and replaced, to reflect such substitution.

There shall also be delivered at the time of substitution an Opinion of Counsel addressed to the Governing Board, the Corporation, the Trustee and any Credit Facility Issuer as to the legality and validity of such substitution under the laws of the State and that such substitution will not adversely affect the exclusion from gross income for federal income tax purposes of the interest portion of the Basic Lease Payments paid to the related Certificate Holders, a policy of title insurance (if required by the applicable Credit Facility Issuer) and an opinion of Counsel as described in Section 6.1 hereof with respect to the substitute Facility Site.

For purposes hereof, "fair market value" shall be determined on the basis of an MAI appraisal performed by an appraiser jointly selected by the Governing Board and the Trustee.

ARTICLE VII.

ASSIGNMENT, OPTION TO PURCHASE, AND PREPAYMENT

SECTION 7.1. Assignments; Subleasing.

(A) It is understood that substantially all right, title and interest of the Corporation in and to each Lease including the right to receive Basic Lease Payments thereunder, is to be assigned by the Corporation to the Trustee for the benefit of the holders of the Series of Certificates relating thereto, pursuant to the Assignment Agreement relating to such Lease. The Governing Board consents to such assignment and agrees that upon such assignment the Trustee shall have all of the rights of the Corporation thereunder, and shall be deemed to be the Corporation for all purposes of such Lease and the Governing Board agrees to pay to the Trustee at its principal corporate trust office all payments payable by the Governing Board to the Corporation pursuant to such Lease, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of the Lease or otherwise) that the Governing Board may from time to time have against the Corporation or any person or entity associated or affiliated therewith.

(B) This Master Lease and each Schedule hereto may not be assigned by the Governing Board for any reason. However,

- 51 -

PMB_265119_12.DOC

Book2199/Page405 CFN#1974919

Page 54 of 107

B-46

SECTION 6.3. Use of the Facilities and Facility Sites. The Governing Board will not use, or maintain the Facilities or Facility Sites improperly, carelessly, in violation of any applicable law or in a manner contrary to their use as contemplated by this Master Lease. The Governing Board shall provide all permits and licenses, if any, necessary for the acquisition, construction and installation of the Facilities and Facility Sites. In addition, the Governing Board agrees to comply in all respects (including, without limitation, with respect to the use and maintenance of the Facilities and Facility Sites) with all applicable laws of the jurisdictions in which the Facilities and Facility Sites are located and with all applicable regulations, orders and decrees of any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Facilities and Facility Sites; provided, however, that the Governing Board may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not adversely affect the interest or rights of the Corporation or the Trustee under this Master Lease.

SECTION 6.4. Substitution of Facilities. To the extent permitted by law, the Governing Board may substitute for any Facilities other facilities owned by the Governing Board, provided such substituted facilities (a) have the same or a greater remaining useful life, (b) have a fair market value equal to or greater than the Facilities for which they are substituted, (c) are of substantially equal utility as the Facilities to be replaced and meet the requirements of Section 5.9 hereof, (d) are free and clear of all liens and encumbrances, except Permitted Encumbrances, and (e) any necessary approval or consent for substitution has been obtained from the applicable Credit Facility Issuer. To the extent that the facilities to be substituted serve a different function from the Facilities for which they are to be substituted, such substitution must also be approved by the Credit Facility Issuer, if any, for the Series of Certificates from which the Facilities to be replaced were originally financed. In order to effect such substitution, the Facilities to be replaced shall be released from the encumbrance of the related Lease and Ground Lease by appropriate instrument executed by the Governing Board and the Corporation (or Trustee as assignee of the Corporation) in form sufficient to leave good and marketable fee simple title to such Facilities in the Governing Board subject only to Permitted Encumbrances, and the Facilities to be substituted shall likewise be incorporated in the appropriate Lease and Ground Lease modifications. The related Schedule shall be

- 50 -

PMB_265119_12.DOC

Book2199/Page404 CFN#1974919

Page 53 of 107

Facilities and Facility Sites may be subleased, as a whole or in part, by the Governing Board, without the necessity of obtaining the consent of the Corporation or its assignee, subject, however, to each of the following conditions:

(i) Such Facilities may be subleased for purposes of Everglades ecosystem improvement and management, in whole or in part, subject to the rules and regulations of the District, only to an agency or department or political subdivision of the State, or to another entity or entities if, in the opinion of Special Tax Counsel, such sublease will not impair the exclusion from federal income tax of the designated interest component of Basic Lease Payments payable by the Governing Board under the Lease relating to such Facilities;

(ii) This Master Lease, and the obligations of the Governing Board hereunder and under each Schedule hereto, shall, at all times during each Lease Term, remain obligations of the Governing Board, and the Governing Board shall maintain its direct relationships with the Corporation and its assignee, notwithstanding any sublease;

(iii) The Governing Board shall furnish or cause to be furnished to the Corporation and its assignee a copy of any sublease agreement;

(iv) No sublease by the Governing Board shall cause the Facilities to be used for any purpose which would adversely affect the exclusion from federal income taxation of the designated interest component of the Basic Lease Payments payable to the Governing Board under the Lease relating to such Facilities, or which would violate the Constitution, statutes or laws of the State; and

(v) The term of any sublease cannot extend beyond the end of the then current Lease Term, and shall be subject to immediate cancellation upon the occurrence of a nonappropriation or event of default hereunder.

SECTION 7.2. PREPAYMENT

(A) **Optional.** The principal portion of the Basic Lease Payments due under a particular Lease represented by a Series of Certificates shall be subject to prepayment at the option of the Governing Board, in the manner and at the times set forth in the Schedule to this Master Lease relating to such Series.

- 52 -

PMB_265119_12.DOC

Book2199/Page406 CFN#1974919

Page 55 of 107

(B) Extraordinary. In the event that:

(a) there are Net proceeds equal to or greater than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to Facilities financed under a particular lease, as a result of damage to or destruction or condemnation of any portion of such Facilities, and an election is made by the Governing Board in accordance with Section 5.4(b) hereof to apply the amount to the prepayment in part of the principal portions of Basic Lease Payments relating to such facilities, or

(b) the Lease Term is terminated for the reasons referred to in Sections 4.1(b) or 4.1(c) hereof;

then, in each case, same shall constitute an "Event of Extraordinary Prepayment".

Each Event of Extraordinary Prepayment shall result in the following action, respectively:

(i) With respect to (a) and (b) above, the Corporation and the Governing Board shall pay such remaining Acquisition Account monies and Net Proceeds to the Trustee, and the Trustee shall deposit such funds in the respective Prepayment Accounts applicable to each Series of Certificates to be used to prepay such Series of Certificates in the manner provided in the Trust Agreement; and

(ii) With respect to (c) above, at the election of a Credit Facility Issuer the Purchase Option Price of all Facilities shall become immediately due and payable, and the Trustee shall credit the balance remaining in all Funds and Accounts for each Series of Certificates to the Prepayment Account for such Series, and upon receipt of the Purchase Option Price of all Facilities, shall deposit such moneys to the credit of the related Prepayment Account for the Series relating to each such Facilities, to be used to prepay such Series of Certificates in the manner provided in the Trust Agreement.

In the event of prepayment in part under a particular Lease, the Governing Board will provide the Trustee a revised Schedule of Lease Payments reflecting said partial prepayment.

In the event of a payment in full of the Purchase Option Price of all Facilities financed hereunder, all covenants, agreements and other obligations of the Governing Board under

this Master Lease shall cease, terminate and become void and be discharged and satisfied except as otherwise provided in Section 4.1(d) hereof or elsewhere herein. In such event the Trustee and the Corporation shall execute and deliver to the Governing Board all such instruments in recordable form at the Governing Board's expense as may be desirable to evidence such discharge and satisfaction.

SECTION 7.3. Prepayment Deposit. Notwithstanding any other provision of this Master Lease, the Governing Board may on any date secure the payment of all or a portion of the Purchase Option Price of all Facilities under a particular Schedule hereto and the related Series of Certificates, or with the prior consent of the Credit Facility Issuer, if any, for the Series of Certificates from which the Facilities in question were originally financed, the Purchase Option Price under a Schedule relating to all or a portion of one or more particular Facilities set forth on such Schedule and a corresponding amount of Certificates of the Series relating thereto, by a deposit with the Trustee as escrow holder under an escrow deposit agreement of amounts as set forth in Section 801 of the Trust Agreement.

In such event all covenants, agreements and other obligations of the Governing Board under the related Lease, or with respect to a portion of the Purchase Option Price of all Facilities financed under such Lease, or with respect to one or more particular Facilities financed under such Lease, shall cease, terminate and become void and be discharged and satisfied in accordance with the provisions of Section 4.1(d) hereof (or, in the case of a deposit for a portion of a Facility, modified accordingly), except the obligation of the Governing Board to make or cause to be made, Basic Lease Payments, any Additional Lease Payments and any Supplemental Lease Payments under such Lease from the deposit made by the Governing Board pursuant to this Section, and except as provided in Section 4.2(c) hereof. In such event, the Trustee shall provide statements for such period or periods as shall be requested by the Governing Board to be prepared and filed with the Governing Board and, upon the request of the Governing Board, the Corporation or the Trustee, as appropriate, shall execute and deliver to the Governing Board all such instruments in recordable form at the Governing Board's expense as may be desirable to evidence such discharge and satisfaction.

SECTION 7.4. Refunding Certificates. The Corporation shall direct the Trustee, when directed to do so by the

- 53 -

PMB_26159_12.DOC

Governing Board, to issue one or more Series of refunding Certificates under a Supplemental Trust Agreement for the purpose of providing for the payment of all or a portion of Outstanding Series of Certificates, the funding of a Reserve Account, if any, and the payment of the Costs of Issuance in connection with such Series of refunding Certificates. Simultaneously with the issuance and delivery of such Series of refunding Certificates the applicable proceeds thereof shall be deposited with the Trustee as escrow holder under an escrow deposit agreement in such amount as set forth in Section 801 of the Trust Agreement. Upon the deposit as aforesaid, the Trustee and the Governing Board shall enter into an amendment to the related Lease Schedule at the Governing Board's expense, in order to adjust the Lease Payments to be made under such Lease to an amount sufficient to pay, as and when the same mature and become due, the principal and interest portions of the Basic Lease Payments represented by the Series of refunding Certificates and by the original Series of Certificates to the extent that such Series has not been refunded (except to such extent as the same may be payable out of moneys or Government Obligations deposited pursuant to Section 7.3 hereof).

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 9.1. Events of Default Defined. The following shall be "events of default" under this Master Lease and the terms "event of default" and "default" shall mean, whenever they are used in this Master Lease, any one or more of the following events:

(a) Failure by the Governing Board to pay in full any Basic Lease Payment with respect to any Lease at the time and in the manner specified herein;

(b) Failure by the Governing Board to pay in full any Additional Lease Payment or Supplemental Payment with respect to any Lease at the time and in the manner specified herein, and such failure shall continue for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the Governing Board by the Corporation, the Trustee or the related Credit Facility Issuer, if any, provided, however, that if the Authorized Governing Board Representative certifies to the Corporation, the Trustee or the related Credit Facility Issuer, if any, in writing that

- 55 -

PMB_26159_12.DOC

- 54 -

PMB_26159_12.DOC

such default cannot with due diligence be cured within such thirty (30) day period and that the Governing Board has diligently commenced to cure such default within such period, the Governing Board shall have a reasonable period not exceeding sixty (60) days after written notice (unless further extended by the Credit Facility Issuer, or if there be none, the Trustee) to cure such default;

(c) Failure by the Governing Board to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in Section 8.1(a) or (b) for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied is given to the Governing Board by the Corporation, the Trustee or the related Credit Facility Issuer, or any representation of the Governing Board in this Lease Purchase Agreement shall have been untrue when made; provided, however, that if the Authorized Governing Board Representative certifies to the Corporation, the Trustee or the related Credit Facility Issuer, in writing that such default cannot with due diligence be cured within such sixty (60) day period and that the Governing Board has diligently commenced to cure such default within such period, the Governing Board shall have a reasonable period to cure such default; or

(d) the filing of a petition in bankruptcy (or any other commencement of a bankruptcy or similar proceeding by or against the Governing Board under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect, and, in the case of involuntary proceedings, the failure of the same to be dismissed within one hundred eighty (180) days of the filing thereof.

If by reason of force majeure the Governing Board is unable in whole or in part to carry out the agreements on its part herein contained, other than the obligations on the part of the Governing Board contained in Article III hereof, the Governing Board shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies, orders or restraints of any kind of the government of the United States of America or any of its departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; hurricanes; fires; storms; droughts; floods; or explosions.

- 56 -

PMB_26159_12.DOC

Notwithstanding anything contained in this Section 8.1 to the contrary, a failure by the Governing Board to pay when due any payment required to be made under this Master Lease and any Schedule hereto or a failure by the Governing Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Master Lease, resulting from a failure by the Governing Board to appropriate moneys as contemplated by Sections 3.5 and 5.11 hereof, shall not constitute an event of default under this Section 8.1.

Section 8.2. Remedies on Default. Whenever any event of default referred to in Section 8.1 shall have happened and be continuing, the Corporation shall have the right, without any further demand or notice except as hereinafter provided, to take one or any combination of the following remedial steps:

(1) upon written notice to the Governing Board, terminate the Lease Term of all Leases and, whether or not the Lease Term is terminated, exercise all available remedies at law or in equity as described in Section 3.6 hereof; or

(2) take whatever action at law or in equity as may appear necessary or desirable to collect all Lease Payments or other payments then due and thereafter to become due for the remainder of the then current Lease Term, or the Purchase Option Price then due, or to enforce performance and observance of any obligation, agreement or covenant of the Governing Board under this Master Lease.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Master Lease or now or hereafter existing at law or in equity, subject to any limitations set forth in Section 3.6 hereof.

ARTICLE IX.

MISCELLANEOUS

SECTION 9.1. Notices. All notices, certificates, requests or other communications (other than payments by the Governing Board) hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered or three (3) Business Days after being mailed by first class mail, postage prepaid, to the parties at their respective places of

- 57 -

PMR_265150_12.DOC

Book2199/Page411 CFN#1974919

Page 60 of 107

Copies of amendments shall be provided to the Rating Agencies. Notwithstanding the foregoing, a Schedule may be amended without obtaining written consent of the Credit Facility Issuer for the purpose of adding or correcting a legal description and/or the Permitted Encumbrances for a Facility Site which has already been designated in such Schedule, in accordance with Section 6.1.

SECTION 9.5. Execution in Counterparts. This Master Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.6. Captions. The captions or headings in this Master Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of the Master Lease.

SECTION 9.7. Interest. All interest calculations hereunder shall be made on the basis of a 360-day year consisting of twelve 30-day months (unless otherwise provided with respect to Additional Lease Payments on a Schedule hereto).

SECTION 9.8. Compliance with Trust Agreement. The Governing Board hereby approves and agrees to the provisions of the Trust Agreement. The Corporation hereby agrees not to amend or modify the Trust Agreement in any way without the written consent of the Governing Board so long as this Master Lease shall be in effect. The Governing Board agrees to do all things within its power in order to enable the Corporation to comply with all requirements and to fulfill all covenants of the Trust Agreement which require the Corporation to comply with requests or obligations so that the Corporation will not be in default in the performance of any covenant, condition, agreement or provision of the Trust Agreement, and the Governing Board further agrees to comply with and perform any obligations to be complied with or performed by the Governing Board pursuant to the Trust Agreement.

SECTION 9.9. Memorandum of Lease. Simultaneously with the execution of this Master Lease and each Schedule hereto, and thereafter simultaneously with the execution of any Schedule, the Governing Board and the Corporation shall each execute, acknowledge and deliver a Memorandum of Lease with respect to the Master Lease and such Schedule. Said Memorandum of Lease shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of this Master Lease.

- 59 -

PMR_265150_12.DOC

Book2199/Page413 CFN#1974919

Page 62 of 107

business as follows (or to such other address as shall be designated by any party in writing to all other parties):

Corporation: 3301 Gun Club Road
West Palm Beach, Florida 33406
Attention: President

Governing Board: 3301 Gun Club Road
West Palm Beach, Florida 33406
Attention: Executive Director

Trustee: Deutsche Bank National Trust Company
200 South Tryon Street, Suite 550
Charlotte, NC 28262
Attention: Trust and Security Services

Copies of any notices shall be provided to all Credit Facility Issuers at the addresses provided in one or more Schedules.

Notice shall also be given by the Governing Board to the Rating Agencies of the occurrence of any one or more of the following: (i) the appointment of a Successor Trustee, (ii) the expiration or termination of a Credit Facility, (iii) the prepayment or defeasance of any of the Outstanding Certificates in accordance with Section 801 or 802 of the Trust Agreement or (iv) a material modification of or amendment to the Trust Agreement, this Master Lease, any Ground Lease, any Assignment Agreement, any Schedule or any Credit Facility.

SECTION 9.2. Binding Effect. This Master Lease shall inure to the benefit of and shall be binding upon the Corporation and the Governing Board and their respective successors and assigns, including without limitation the Trustee pursuant to the Assignment Agreement.

SECTION 9.3. Severability. In the event any provision of this Master Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 9.4. Amendments. The terms of this Master Lease and any Schedule shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the Corporation and the Governing Board and, if required under the terms of the Trust Agreement, by the Trustee, consented to by each Credit Facility Issuer.

- 58 -

PMR_265150_12.DOC

Book2199/Page412 CFN#1974919

Page 61 of 107

SECTION 9.10. Applicable Law. This Master Lease shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 9.11. Waiver of Choice of Remedies. The Governing Board hereby waives any right it may have to cause the Corporation to pursue any remedy and pursue such remedy to fruition, and agrees and consents that the Corporation may simultaneously and contemporaneously pursue two or more remedies available to the Corporation, all of which are agreed to be concurrent and not alternative in any way, to the end that the Corporation may exercise any self help remedy under this Master Lease as to any Lease and may file and pursue to final judgment and final collection, actions (i) to eject the Governing Board and reclaim possession of any and all of the Facilities and/or Facility Sites, and (ii) against the Governing Board for money damages and (iii) against the Governing Board for performance of covenants, all at the same time, in any combination, in one action or in several actions, and any of them, all at the Corporation's sole discretion, provided only that the Corporation may not ultimately recover more than the total amount provided herein plus expenses and reimbursements as provided herein for preserving, maintaining and realizing on this Master Lease and the Leases.

- 60 -

PMR_265150_12.DOC

Book2199/Page414 CFN#1974919

Page 63 of 107

IN WITNESS WHEREOF, the Corporation has caused this Master Lease to be executed in its corporate name by its duly authorized officers, and the Governing Board has caused this Master Lease to be executed in its name by its duly authorized members and officers on the date set forth below their respective signatures and all as of the day and year first written above.

[SEAL]

SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.

By: Carol Ann Wehle
Carol Ann Wehle
Secretary

By: Kevin McCarty
Kevin McCarty
President

Date: November 1, 2006

Date: November 1, 2006

[SEAL]

THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT

By: Jacqueline McGorty
Jacqueline McGorty
Secretary

By: Kevin McCarty
Kevin McCarty
Chair

Date: November 1, 2006

Date: November 1, 2006

PMB_265150_12

Book2199/Page415 CFN#1974919

Page 64 of 107

COUNTY OF PALM BEACH)
STATE OF FLORIDA) SS:

I, MARGARET E. CLARK, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Kevin McCarty, personally known to me to be the same person whose name is, as President of SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 14th day of November, 2006.

NOTARY PUBLIC
SEAL OF OFFICE:



Margaret E. Clark
NOTARY PUBLIC, STATE OF FLORIDA
Margaret E. Clark

(Name of Notary Public, Print, Stamp or Type as Commissioned.)

- ☐ Personally known to me, or
☒ Produced identification: Dr. Wehle
☐ DID take an oath, or
☐ DID NOT take an oath

PMB_265150_12

Book2199/Page416 CFN#1974919

Page 65 of 107

STATE OF FLORIDA)
COUNTY OF PALM BEACH) SS:

I, MARGARET E. CLARK, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Kevin McCarty and Jacqueline McGorty, personally known to me to be the same persons whose names are, respectively, as Chair and Secretary, respectively of THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto authorized, signed, sealed with the seal of said Governing Board, delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 14th day of November, 2006.

NOTARY PUBLIC
SEAL OF OFFICE:



Margaret E. Clark
NOTARY PUBLIC, STATE OF FLORIDA
Margaret E. Clark

(Name of Notary Public, Print, Stamp or Type as Commissioned.)

- ☐ Personally known to me, or
☒ Produced identification: Dr. Wehle
☐ DID take an oath, or ☒ DID NOT take an oath

PMB_265150_12

Book2199/Page417 CFN#1974919

Page 66 of 107

B-49

COUNTY OF PALM BEACH)
STATE OF FLORIDA) SS:

I, CHRISTINE C. BERGERON, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Carol Ann Wehle, personally known to me to be the same person whose name is, as Secretary of SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that she, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 7th day of November, 2006.

NOTARY PUBLIC
SEAL OF OFFICE:

Christine C. Bergeron
NOTARY PUBLIC, STATE OF FLORIDA
Christine C. Bergeron
Commission # D0549456
Expires 06/21/2010

(Name of Notary Public, Print, Stamp or Type as Commissioned.)

- ☒ Personally known to me, or
☐ Produced identification: _____
☐ DID take an oath, or
☐ DID NOT take an oath

PMB_265150_12

Book2199/Page418 CFN#1974919

Page 67 of 107

EXHIBIT A
Acceler8 Project

Everglades Agricultural Area ("EAA") Reservoir - Phase 1A With
Bolles & Cross Canals Improvements

This project is a component of the larger EAA Reservoir Project and is designed to provide significant additional water storage in the southern region of the Everglades Agricultural Area. The Phase 1A project is an above-ground reservoir for water storage, with a capacity of 190,000 acre-feet at a maximum depth of 12 feet. The EAA Reservoir will be constructed on a 16,700-acre parcel of land situated north of Stormwater Treatment Area ("STA") 3/4 and between the Miami and North New River Canals. This project also includes conveyance capacity increases for the Bolles and Cross Canals in order to provide improved flood protection and water flow capabilities for moving water to and from the EAA Reservoir and STAs.

C-44 (St. Lucie Canal) Reservoir / Stormwater Treatment Area

This project consists of a 4,000-acre, 10-foot-deep above-ground reservoir that will provide additional water storage for the C-44 basin. The project also includes a 4,000-acre STA to capture and treat excess stormwater runoff before it enters the St. Lucie Canal and, ultimately, the St. Lucie Estuary and Indian River Lagoon. The project includes an option for expansion of an additional 4,000-acre reservoir that would be capable of reducing the impact of Lake Okeechobee regulatory releases to the estuary.

C-43 (Caloosahatchee River Canal) West Reservoir

This project consists of an above-ground reservoir located along the Caloosahatchee River Canal. Maximum storage capacity is 160,000 acre-feet. The reservoir will be constructed on an 11,000-acre parcel owned by the District in Hendry County, west of LaBelle.

A-1

PMR 265150_12

Book2199/Page419 CFN#1974919

Page 68 of 107

Everglades Agricultural Area Stormwater Treatment Areas
Expansion

This project will expand the size and enhance the performance of existing STAs created as part of the ECP. These constructed wetlands naturally reduce stormwater runoff pollution levels flowing from the Everglades Agricultural Area before entering the Everglades. This project will expand STA-2 by an additional 2,000 acres; and expand STA-5 by an additional 2,560 acres.

Water Preserve Areas

The Water Preserve Areas consist of a series of five project components located adjacent to the Everglades Water Conservation Areas ("WCA") in Palm Beach, Broward and Miami-Dade counties. This project includes the construction of above-ground impoundments, a wetland buffer strip, pump stations, culverts, canals, water control structures and seepage control systems. The five components that comprise the Water Preserve Areas are: Site 1 Impoundment, C-9 Impoundment, C-11 Impoundment, Acme Basin B Discharge project, and WCA-3A/3B Seepage Management.

Picayune Strand (Southern Golden Gate Estates) Restoration

This project involves the restoration of natural water flow across 85 square miles in western Collier County, drained in the early 1960s with the intention of extensive residential development. This development dramatically altered the natural landscape, changing a healthy wetland ecosystem into a distressed environment. The project includes 83 miles of canal plugs, 227 miles of road removal, and the addition of pump stations and spreader swales to aid in rehydration of wetlands and maintenance of flood protection for the Northern Golden Gate Estates residential area.

Biscayne Bay Coastal Wetlands - Phase 1

This project is a component of a larger project that will expand and restore the wetlands adjacent to Biscayne Bay in Miami-Dade County, enhancing the ecological health of Biscayne National Park. This project consists of the design and construction of two essential flow-ways, located at Deering Estate and Cutler Ridge.

A-2

PMR 265150_12

Book2199/Page420 CFN#1974919

Page 69 of 107

C-111 Spreader Canal

This project is a multi-purpose project that provides for ecosystem restoration of freshwater wetlands, tidal wetlands and near-shore habitat, maintenance of flood protection, and recreation opportunities. Located in south Miami-Dade County, project works include pump stations, culverts, spreader canal, water control structures and a STA. In addition, an existing canal and levee will be degraded to enhance sheetflow across the restored area.

A-3

PMR 265150_12

Book2199/Page421 CFN#1974919

Page 70 of 107

EXHIBIT B

FORM OF SCHEDULE TO MASTER LEASE
PURCHASE AGREEMENT

SCHEDULE _____

dated _____

to _____

Master Lease Purchase Agreement dated as of
November 1, 2006 between

South Florida Water Management District Leasing Corp.,
as Lessor (the "Corporation")

and

The Governing Board of the South Florida Water Management
District
as Lessee (the "Governing Board")

THIS SCHEDULE _____ (the "Schedule _____") is hereby entered into under and pursuant to that certain Master Lease Purchase Agreement dated as of November 1, 2006 (the "Master Lease"), pursuant to which the Corporation has agreed to lease-purchase unto the Governing Board and the Governing Board has agreed to lease-purchase from the Corporation, subject to the terms and conditions of the Master Lease incorporated herein, the Series _____ Facilities herein described (the "Series _____ Facilities"). The Corporation hereby demises, leases and subleases to the Governing Board, and the Governing Board hereby hires, takes, leases and subleases from the Corporation, the Series _____ Facilities and the Series _____ Facility Sites described herein. The Master Lease with respect to this Schedule and as amended, modified and supplemented hereby, is referred to herein as the "Series _____ Lease". All terms not otherwise defined herein shall have the respective meanings set forth in the Master Lease, or in the Trust Agreement, including the Series _____ Supplemental Trust Agreement. All terms and conditions contained in the Master Lease unless otherwise amended or superseded hereby are incorporated herein by reference.

SECTION 1. Definitions. For purposes of the Series _____ Lease the following terms have the meaning set forth below.

B-1

PMR 265150_12

Book2199/Page422 CFN#1974919

Page 71 of 107

"Assignment Agreement" shall mean the Series _____ Assignment Agreement dated as of _____, _____, between the Corporation and the Trustee.

"Certificate" or "Series of Certificates" shall mean the \$ _____ Certificates of Participation, Series _____ dated as of _____, issued under the Trust Agreement, as amended and supplemented, and evidencing undivided proportionate interests of the owners thereof in Basic Lease Payments to be made by the Governing Board pursuant to the Master Lease.

"Commencement Date" for the Series _____ Lease is _____.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate, dated _____, executed and delivered by the Governing Board in connection with the issuance of the Series _____ Certificates.

"Participating Underwriter" shall mean any of the original underwriters of the Series _____ Certificates required to comply with the Rule in connection with the offering of the Series _____ Certificates.

"Rating Agency" shall mean each of Standard & Poor's Ratings Services, Fitch Ratings and Moody's Investors Service, Inc. and any other nationally recognized rating services not unacceptable to the Series _____ Credit Facility Issuer which shall have provided a rating on any Outstanding Certificates.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Series _____ Credit Facility" shall mean _____.

"Series _____ Credit Facility Issuer" shall mean _____.

"Series _____ Facilities" shall mean the Facilities described in this Schedule No. _____.

"Series _____ Facility Sites" shall mean the Facility Sites described in this Schedule No. _____, to be ground leased by the Governing Board to the Corporation, as the same may be amended or supplemented from time to time.

B-2

PMB 265150_12

Book2199/Page423 CFN#1974919

Page 72 of 107

SECTION 5. Application of Certain Proceeds of Series _____ Certificates. The Trustee shall deposit the following sums in the following accounts from the proceeds of the Series _____ Certificates:

Amount	Account
\$ _____	Series _____ Acquisition Amount
\$ _____	Series _____ Cost of Issuance Subaccount
\$ _____	Series _____ Reserve Account
\$ _____ *	Series _____ Lease Payment Account

*Represents accrued interest.

SECTION 6. Basic Lease Payments. The principal portion and the interest portion of the Basic Lease Payments, the Lease Payment Dates and the remaining principal portion with respect to the Series _____ Facilities to be lease-purchased and the Series _____ Certificates attributable to such Facilities are set forth below. If, upon delivery of the Certificate of Acceptance indicating completion of the acquisition, construction, installation and payment of all costs of the Series _____ Facilities, or if the Governing Board determines not to acquire, construct or install one or more components of the Series _____ Facilities, it is determined that the cost of, and consequently the actual amount of Basic Lease Payments for a Series _____ Facility is different from the amount set forth herein, this Section shall be revised as necessary to reflect the adjusted Schedule of Basic Lease Payments for all Series _____ Facilities to be lease-purchased, and for each individual Series _____ Facility or group of Series _____ Facilities. The Composite Schedule of Basic Lease Payments set forth on the following page shall be no less than the principal and interest payments represented by the Series _____ Certificates and shall only be amended in the event of a prepayment or a prepayment deposit of the principal portion of Basic Lease Payments represented by the Series _____ Certificates pursuant to Section 7.2 or 7.3 of the Master Lease, and prepayment or defeasance of Series _____ Certificates pursuant to Section 201 of the Series _____ Supplemental Trust Agreement or Section 801 of the Master Trust Agreement.

The interest portion of the Basic Lease Payments represented by the Series _____ Certificates, expressed as an annual interest rate, is exempt from the limitations on interest rates set forth in Section 215.84, Florida Statutes, since the

B-4

PMB 265150_12

Book2199/Page425 CFN#1974919

Page 74 of 107

B-51

"Series _____ Ground Lease" shall mean the Series _____ Ground Lease dated as of _____, _____ between the Governing Board as Lessor and the Corporation as Lessee, as amended or supplemented from time to time.

"Series _____ Supplemental Trust Agreement" shall mean the Series _____ Supplemental Trust Agreement dated as of _____, _____ between the Corporation and the Trustee.

SECTION 2. Lease Term. The total of all Lease Terms of the Lease are expected to be approximately _____ years consisting of an "Original Term" of approximately _____ () months from _____, through and including _____ 30, _____ and _____ () Renewal Terms of twelve (12) months, each from _____ 1 through and including _____ 30 of the next succeeding calendar year, commencing _____ 1, _____, and ending on _____ 30, _____. Each Lease Term shall be subject to annual renewal pursuant to the provisions of Article III of the Master Lease.

SECTION 3. Series _____ Facilities to be Lease Purchased. The Series _____ Facilities to be lease purchased under the Series _____ Lease are described as follows:

A. General Description of the Series _____ Facilities:

B. Estimated Costs of the Series _____ Facilities:

Facility	Facility Site	Acquisition/ Construction	Project Cost

SECTION 4. Series _____ Facility Site(s) to be Ground Leased to the Corporation and Permitted Encumbrances. The legal description of the Series _____ Facility Site(s) to be Ground Leased to the Corporation and Permitted Encumbrances in addition to those specified in the Master Lease is (are) as follows:

B-3

PMB 265150_12

Book2199/Page424 CFN#1974919

Page 73 of 107

Series _____ Certificates are rated within the three highest rating categories by a nationally recognized rating service.

SERIES _____ FACILITIES (COMPOSITE)

PAYMENT DATE	BASIC LEASE PAYMENT	PRINCIPAL PORTION	INTEREST PORTION	REMAINING PRINCIPAL

Provide Basic Lease Payment Schedule for each Facility or group of Facilities financed hereunder

SECTION 7. Additional Lease Payments. Additional Lease Payments with respect to the Series _____ Certificates consist of the following:

1. Trustee Fees:
2. Trustee Expenses:

SECTION 8. Prepayment Provisions. In addition to [or in lieu of] the prepayment provisions of Section 7.2 of the Master Lease, the principal portion of the Basic Lease Payments due as provided in Section 6 of this Schedule are subject to the following prepayment provisions:

A. Optional Prepayment

B. Extraordinary Prepayment

B-5

PMB 265150_12

Book2199/Page426 CFN#1974919

Page 75 of 107

SECTION 9. Other Special Provisions.

A. **Representations.** (1) The Governing Board hereby represents, covenants and warrants that adequate water, sanitary sewer and storm sewer utilities, electric power, telephone and other utilities are available to the Series _____ Facility Sites, or the cost of making them available is included in the Governing Board's acquisition and construction budget for the Series _____ Facility Sites.

(2) The Governing Board hereby confirms its representations, covenants and warranties set forth in Section 2.10 of the Master Lease, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule _____, and except as otherwise provided below. The Corporation hereby confirms its representations, covenants and warranties set forth in Section 2.11 of the Master Lease, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule _____, and except as otherwise provided below.

(3) The Corporation hereby represents that the Master Lease is in effect and that to its knowledge there are no defaults on the date of execution of this Schedule _____ under any Lease, Ground Lease or the Trust Agreement.

B. **Notices.** Copies of all matters required to be given to the Credit Facility Issuer pursuant to the Master Lease shall be given to the Series _____ Credit Facility Issuer at the following address:

C. **Continuing Disclosure.** For purposes of the Series _____ Lease, the Governing Board hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Series _____ Lease, failure of the Governing Board to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Series _____ Certificates, shall) or any Holder of the Series _____ Certificates or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Governing Board to comply with its obligations under this Section 9.C. For purposes of this Section, "Beneficial Owner" means any person

B-6

FMB_265159_12

Book2199/Page427 CFN#1974919

Page 76 of 107

who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series _____ Certificates (including persons holding Series _____ Certificates through nominees, depositories, or other intermediaries), or (b) is treated as the owner of any Series _____ Certificates for federal income tax purposes.

IN WITNESS WHEREOF, the Corporation has caused this Schedule No. _____ to be executed in its corporate name by its duly authorized officers, and the Governing Board has caused this Schedule No. _____ to be executed in its name by its duly authorized members or officers on the date set forth below their respective signatures and all of the day and year first written above.

[SEAL] **SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.**

Attest:

By: _____ By: _____
Secretary President

[SEAL] **THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

Attest:

By: _____ By: _____
Secretary Chair

B-7

FMB_265159_12

Book2199/Page428 CFN#1974919

Page 77 of 107

**EXHIBIT C
GOVERNING BOARD'S CERTIFICATE**

I, the undersigned Chair of The Governing Board of the South Florida Water Management District (the "Governing Board"), do hereby certify pursuant to the terms of the Master Lease Purchase Agreement between the Governing Board and South Florida Water Management District Leasing Corp. (the "Corporation") dated as of _____, 2006 and Schedule No. _____ thereto dated _____ (collectively, the "Lease"), as follows:

1. The Governing Board has, as agent for the Corporation, acquired the Series _____ Facilities described in Schedule _____.

2. Such Series _____ Facilities meet the Governing Board's specifications therefor, and have been acquired to the Governing Board's satisfaction. This certificate constitutes the acceptance certificate for such Series _____ Facilities required by Section 2.3 of the Master Lease and Section 402 of the Master Trust Agreement dated as of November 1, 2006 between the Corporation and Deutsche Bank National Trust Company, as Trustee.

3. The actual cost of such Series _____ Facilities is as follows:

4. The Completion Date for such Series _____ Facilities is:

5. Terms defined in the Master Lease and Schedule No. _____ thereto and used in this certificate have the same meanings in this certificate as are ascribed to such terms in the Master Lease and Schedule No. _____ thereto.

**THE GOVERNING BOARD OF THE
SOUTH FLORIDA WATER
MANAGEMENT DISTRICT**

By: _____
Name: _____
Title: Chair
Date: _____

C-1

FMB_265159_12

Book2199/Page429 CFN#1974919

Page 78 of 107

B-52

**SOUTH FLORIDA WATER
MANAGEMENT DISTRICT LEASING
CORP.**

By: _____
Name: _____
Title: President
Date: _____

C-2

FMB_265159_12

Book2199/Page430 CFN#1974919

Page 79 of 107

amended or superseded hereby are incorporated herein by reference.

SECTION 1. Definitions. For purposes of the Series 2006 Lease the following terms have the meaning set forth below.

"Assignment Agreement" shall mean the Series 2006 Assignment Agreement dated as of November 1, 2006, between the Corporation and the Trustee.

"Certificate" or "Series 2006 Certificates" shall mean the \$546,120,000 Certificates of Participation, Series 2006 dated their date of delivery, issued under the Trust Agreement and evidencing undivided proportionate interests of the owners thereof in Basic Lease Payments to be made by the Governing Board pursuant to the Master Lease.

"Commencement Date" for the Series 2006 Lease is the closing date of the Series 2006 Certificates.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate, dated the Commencement Date, executed and delivered by the Governing Board in connection with the issuance of the Series 2006 Certificates.

"Participating Underwriter" shall mean any of the original underwriters of the Series 2006 Certificates required to comply with the Rule in connection with the offering of the Series 2006 Certificates.

"Rating Agency" shall mean each of Standard & Poor's Ratings Services, Fitch Ratings and Moody's Investors Service, Inc. and any other nationally recognized rating services acceptable to the Series 2006 Credit Facility Issuer which shall have provided a rating on any Outstanding Certificates.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Series 2006 Credit Facility" shall mean the financial guaranty insurance policy to be issued by the Series 2006 Credit Facility Issuer on the Commencement Date insuring the payment when due of the principal portions and interest

2

portions of Basic Lease Payments represented by the Series 2006 Certificates.

"Series 2006 Credit Facility Issuer" or "Insurer" shall mean Ambac Assurance Corporation a Wisconsin-domiciled stock insurance company, its successors and assigns.

"Series 2006 Facilities" shall mean the Facilities described in this Schedule 2006, as this Schedule 2006 may be amended or supplemented from time to time.

"Series 2006 Facility Sites" shall mean the Facility Sites described in this Schedule 2006, to be ground leased by the Governing Board to the Corporation, as the same may be amended or supplemented from time to time.

"Series 2006 Ground Lease" shall mean collectively, the Series 2006 Ground Lease dated as of November 1, 2006 between the Governing Board as Lessor and the Corporation as Lessee, as the same may be amended or supplemented from time to time.

"Series 2006 Supplemental Trust Agreement" shall mean the Series 2006 Supplemental Trust Agreement dated as of November 1, 2006 between the Corporation and the Trustee.

SECTION 2. Lease Term. The total of all Lease Terms of the Series 2006 Lease is expected to be approximately thirty years consisting of an "Original Term" of approximately one (1) year from the Commencement Date through and including September 30, 2007, and twenty-nine (29) Renewal Terms of twelve (12) months, each from October 1 through and including September 30 of the next succeeding calendar year, commencing October 1, 2007, and ending on September 30, 2036 provided that on such dates no Series 2006 Certificates are Outstanding. Each Lease Term shall be subject to annual renewal pursuant to the provisions of Article II of the Master Lease.

SECTION 3. Series 2006 Facilities to be Lease-Purchased. A general description and the estimated costs of the Series 2006 Facilities to be leased-purchased under the Series 2006 Lease are described in Exhibit A hereto. The Governing Board reserves the right to substitute other facilities for the facilities set forth herein with the requirements of the Master Lease.

3

SECTION 4. Series 2006 Facility Site(s) to be Ground Leased to the Corporation and Permitted Encumbrances. The legal descriptions of the Series 2006 Facility Site(s) to be ground leased to the Corporation and Permitted Encumbrances in addition to those specified in the Master Lease are attached hereto as Exhibit B. Substitution may be made in accordance with the requirements of the Master Lease and the Series 2006 Ground Lease.

SECTION 5. Application of Certain Proceeds of Series 2006 Certificates. Pursuant to the provisions of Section 302 of the Series 2006 Supplemental Trust Agreement the Trustee will deposit the following sums attributable to the Series 2006 Facilities to be lease-purchased hereunder in the following accounts from the proceeds of the Series 2006 Certificates:

Amount	Account
\$ 483,309,183.93	Series 2006 Acquisition Amount
\$ 863,444.53	Series 2006 Cost of Issuance Subaccount

SECTION 6. Basic Lease Payments. The principal portion and the interest portion of the Basic Lease Payments, the Lease Payment Dates (March 15 and September 15, commencing March 15, 2007) and the remaining principal portion with respect to the Series 2006 Facilities to be lease-purchased and the Series 2006 Certificates attributable to such Facilities are set forth in Exhibit C. The Schedule of Basic Lease Payments shall be no less than the principal and interest components with respect to the Series 2006 Certificates relating to the Series 2006 Facilities and shall only be amended in the event of a prepayment or a prepayment deposit of the principal portion of Basic Lease Payments represented by the Series 2006 Certificates pursuant to Section 7.2 or 7.3 of the Master Lease, and prepayment or defeasance of Series 2006 Certificates pursuant to Section 201 of the Series 2006 Supplemental Trust Agreement or Section 801 of the Trust Agreement.

The interest portion of the Basic Lease Payments represented by the Series 2006 Certificates, expressed as an annual interest rate, is exempt from the limitations on interest rates set forth in Section 215.84, Florida Statutes, since the Series 2006 Certificates are rated

4

within the three highest rating categories by a nationally recognized rating service.

SECTION 7. Additional Lease Payments. Additional Lease Payments with respect to the Series 2006 Lease consist of the following:

1. Trustee's Fees: Administration fee: \$2,000, to be paid on the Commencement Date
2. Trustee's Expenses: \$5,500, to be paid on the Commencement Date (Trustee's Counsel Fees)
3. Series 2006 Credit Facility Issuer Fee:
\$1,779,918.72 to be paid to the Series 2006 Credit Facility Issuer upon issuance of the Series 2006 Certificates with respect to the Series 2006 Credit Facility.

SECTION 8. Prepayment Provisions. In addition to or in lieu of the prepayment provisions of Section 7.2 of the Master Lease, the principal portion of the Basic Lease Payments due as provided in Section 6 of this Schedule 2006 are subject to the following prepayment provisions:

A. Optional Prepayment

(i) The principal portion of Basic Lease Payments due to be paid to Certificate Holders of the Series 2006 Certificates on or before September 15, 2016, shall not be subject to prepayment at the option of the Governing Board.

(ii) The principal portion of Basic Lease Payments due to be paid to Certificate Holders of the Series 2006 Certificates on or after September 15, 2017, shall be subject to prepayment on or after September 15, 2016, by the Governing Board in whole at any time, or, in part on any Business Day, and if in part, in such order of due dates of the principal portion of the Basic Lease Payments as shall be designated by the Governing Board to be prepaid, at a Prepayment Price equal to 100% of the principal portion of Basic Lease Payments to be prepaid, plus the interest portion of the Basic Lease Payments accrued to the Prepayment Date.

5

supplemented by this Schedule 2006, and except as otherwise provided below.

(3) The Corporation hereby represents that the Master Lease is in effect and that to its knowledge there are no defaults on the date of execution of this Schedule 2006, under the Master Lease, the Series 2006 Ground Lease or the Trust Agreement.

B. Notices. Copies of all matters required to be given to the Credit Facility Issuer pursuant to the Master Lease shall be given to the Series 2006 Credit Facility Issuer at the following address:

Ambac Assurance Corporation
One State Street Plaza
New York, New York, 10004
Attention: Surveillance Department

C. Continuing Disclosure. For purposes of the Series 2006 Lease, the Governing Board hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Series 2006 Lease, failure of the Governing Board to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Series 2006 Certificates, shall) or any Holder of the Series 2006 Certificates or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Governing Board to comply with its obligations under this Section 9.C. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2006 Certificates (including persons holding Series 2006 Certificates through nominees, depositories, or other intermediaries), or (b) is treated as the owner of any Series 2006 Certificates for federal income tax purposes.

7

B. Extraordinary Prepayment

(i) The principal portions of Basic Lease Payments due under the Series 2006 Lease shall be subject to prepayment in whole or in part at any time and if in part as shall be designated by the Governing Board, at a Prepayment Price of par plus the interest accrued to the Prepayment Date, if there are Net Proceeds equal to or greater than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to the Series 2006 Facilities as a result of damage, destruction or condemnation of any portion of the Series 2006 Facilities and election is made by the Governing Board under the Master Lease with the consent of the Series 2006 Credit Facility Issuer to apply the amount to the prepayment in part of the principal portions of Basic Lease Payments relating to the Series 2006 Facilities.

(ii) At the election of the Series 2006 Credit Facility Issuer, the principal portions of the Basic Lease Payments due under the Series 2006 Lease shall be subject to prepayment in whole at any time, at a Prepayment Price of par plus the interest accrued to the Prepayment Date, if the Lease Term of all Leases is terminated for the reasons referred to in Section 4.1(b) or 4.1(c) of the Master Lease.

SECTION 9. Other Special Provisions.

A. Representations. (i) The Governing Board hereby represents, covenants and warrants that adequate utilities are available to the Series 2006 Facility Sites, or the cost of making them available is included in the Governing Board's acquisition and construction budget for the Series 2006 Facility Sites.

(2) The Governing Board hereby confirms its representations, covenants and warranties set forth in Section 2.10 of the Master Lease, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule 2006, and except as otherwise provided below. The Corporation hereby confirms its representations, covenants and warranties set forth in Section 2.11 of the Master Lease, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as

6

IN WITNESS WHEREOF, the Corporation has caused this Schedule 2006 to be executed in its corporate name by its duly authorized officers, and the Governing Board has caused this Schedule 2006 to be executed in its name by its duly authorized members or officers on the date set forth below their respective signatures and all as of the day and year first written above.

[SEAL]

SOUTH FLORIDA WATER
MANAGEMENT DISTRICT LEASING
CORP.

Attest:

By: *Carol Ann Wehl*
Carol Ann Wehl
Secretary

By: *Kevin McCarty*
Kevin McCarty
President

[SEAL]

THE GOVERNING BOARD OF THE
SOUTH FLORIDA WATER
MANAGEMENT DISTRICT

Attest:

By: *Jacqueline McCarty*
Jacqueline McCarty
Secretary

By: *Kevin McCarty*
Kevin McCarty
Chair

8

EXHIBIT A TO SCHEDULE 2006

A. General Description of the Series 2006 Facilities to be Leased Purchased:

Everglades Agricultural Area ("EAA") Reservoir - Phase 1A (the "EAA Reservoir")

This project is a component of the larger EAA Reservoir Project and is designed to provide significant additional water storage in the southern region of the Everglades Agricultural Area. The Phase 1A project is an above-ground reservoir for water storage, with a capacity of 190,000 acre-feet at a maximum depth of 12 feet. The EAA Reservoir will be constructed on a 16,700-acre parcel of land situated north of STA (hereinafter defined) 3/4 and between the Miami and North New River Canals. This project also includes conveyance capacity increases for the Bolles and Cross Canals in order to provide improved flood protection and water flow capabilities for moving water to and from the EAA Reservoir and STAs. Phase 1A of this project, but not the Bolles and Cross Canals improvements, is included in the Series 2006 Facilities.

C-44 (St. Lucie Canal) Reservoir/Stormwater Treatment Area Test Cells (the "C-44 Test Cells")

This project consists of a 4,000-acre, 10-foot-deep above-ground reservoir that will provide additional water storage for the C-44 basin. The project also includes a 4,000-acre STA to capture and treat excess stormwater runoff before it enters the St. Lucie Canal and, ultimately, the St. Lucie Estuary and Indian River Lagoon. The project includes an option for expansion of an additional 4,000-acre reservoir that would be capable of reducing the impact of Lake Okeechobee regulatory releases to the estuary. Only the construction costs of the C-44 Test Cells are included in the Series 2006 Facilities.

9

Book2199/Page439 CFN#1974919

Page 88 of 107

C-43 (Caloosahatchee River Canal) West Reservoir Test Cells (the "C-43 Test Cells")

This project consists of an above-ground reservoir located along the Caloosahatchee River. Maximum storage capacity is 160,000 acre-feet. The reservoir will be constructed on an 11,000-acre parcel owned by the District in Hendry County, west of LaBelle. Only the construction costs of the C-43 Test Cells are included in the Series 2006 Facilities.

EAA Stormwater Treatment Areas ("STA") Expansion, Compartments B and C (the "EAA STA Expansion")

This project will expand the size and enhance the performance of existing STAs created as part of the Everglades Construction Project ("ECP"). These constructed wetlands naturally reduce stormwater runoff pollution levels flowing from the EAA before entering the Everglades. This project includes seven project components that will expand EAA STA Compartment B and EAA STA Compartment C. Only construction costs of four independent project components are included in the Series 2006 Facilities.

10

Book2199/Page440 CFN#1974919

Page 89 of 107

B. Estimated Costs¹ of the Series 2006 Facilities to be Leased Purchased:

EAA Reservoir Phase 1A/Bolles & Cross Canals		
EAA Reservoir Phase 1A	\$	479,065,000
EAA STA Expansion		
EAA STA Compartment B STA 2 Cell 4	\$	22,524,000
EAA STA Compartment C STA 6-2	\$	25,710,000
EAA STA Compartment C STA 5 PW 3	\$	15,337,000
Compartment C USBC C139 Annex Pump Station	\$	5,500,000
C43 Reservoir West		
C43 Test Cells	\$	10,245,000
C44 Reservoir & STA		
C44 Test Cells	\$	8,975,000
Total	\$	567,336,000

¹ Only construction costs of the Series 2006 Facilities are being lease purchased under the Series 2006 Lease and funded by proceeds of the Series 2006 Certificates.

11

Book2199/Page441 CFN#1974919

Page 90 of 107

B-55

EXHIBIT B TO SCHEDULE 2006

Series 2006 Facility Sites to be Ground Leased

A. DESCRIPTION OF REAL ESTATE

Parcel 1 (Everglades Agricultural Area (EAA) Reservoir - Phase 1A - the EAA Reservoir):

A parcel of land lying in Sections 5-9, 16, 17, 20-22, 26-29, a portion of Sections 3, 4, 10, 14, 15, 18, 19, 23-25, 30-36, Township 46 South, Range 37 East Hiatus Lots 4-6 lying between Townships 45 and 46 South, Range 37 East, and a portion of Section 31, Township 46 South, Range 38 East, Palm Beach County, Florida, and being more particularly described as follows:

Commence at the Northwest corner of said Hiatus Lot 6, lying between Townships 45 and 46 South, Range 37 East;

thence South 00° 05' 09" West along the West line of said Hiatus Lot 6, a distance of 5,466.77 feet to the POINT OF BEGINNING;

thence North 89° 33' 55" East, along a line 3,640 feet North of and parallel with the North line of Sections 5 and 6 for 10,275.27 feet, to a point on the Westerly Right-of-Way line of State Road 25 (U.S. Highway 27);

thence Southeasterly along said Westerly Right-of-Way line for the following five (5) courses;

thence South 35° 04' 58" East, for 9,758.86 feet;

thence South 35° 04' 30" East for 5,748.05 feet;

thence South 35° 04' 50" East, for 7,793.22 feet;

thence South 35° 09' 26" East for 10,182.40 feet;

thence South 35° 00' 29" East, for 7,270.95 feet to a point on a line 1,815 feet North of and parallel with the South Township line of said Township 46 South, Range 37 East;

thence departing aforesaid Westerly Right-of-Way line South 89° 35' 10" West along a line 1,815.00 feet North of and parallel with the South line of said Township 46 South, Range 37 East, 32,712.70 feet, to a point 380 feet East of and parallel with the West line of said Township 46 South, Range 37 East;

12

Book2199/Page442 CFN#1974919

Page 91 of 107

thence Northerly along a line 380.00 feet East of and parallel with said West line for the following two (2) courses;

thence North 01° 08' 34" West, a distance of 14,005.03 feet,
thence North 01° 09' 51" West, for 406.14 feet;

thence South 89° 35' 19" West, for 380.03 feet, to the West line of said Township 46 South, Range 37 East;

thence North 01° 09' 51" West along said West line, for 15,463.80 feet, said point being the Northwest corner of Section 6, Township 46 South, Range 37 East to the Southwest corner of aforesaid Hiatus Lot 6;

thence Northerly along the aforesaid West line of said Hiatus Lot 6 for the following two (2) courses;
thence North 01° 09' 52" West, for 566.45 feet;

thence North 00° 05' 09" East for 3,073.73 feet to the POINT OF BEGINNING.
Said lands lying and situate in Palm Beach County, Florida.

Parcel 2 (C44 Reservoir & STA C44 Test Cells):

The South three-quarters of Section 17, Township 39 South, Range 39 East, Martin County, Florida, LESS and EXCEPT the South 40 feet thereof.

Parcel 3 (C43 Reservoir West C43 Test Cells):

A parcel of land being a portion of Sections 32, and 33 of Township 43 South, Range 28 East, Hendry County, Florida, being more particularly described by metes and bounds as follows:

Commence at the Southeast corner of said Section 32;

thence North 00° 24' 41" West along the East line of said Section 32 for 300.04 feet to the POINT OF BEGINNING and an intersection with a line being 300 feet Northerly of, as measured at right angles and parallel to the South line of said Section 32;

thence South 89° 52' 27" West along said parallel line for 2,441.56 feet;

thence North 00° 34' 06" West for 2,304.92 feet;

thence North 89° 35' 37" East for 5,038.39 feet;

13

thence South 00° 44' 45" East, a distance of 7,411.79 feet, along a line that is 20.00 feet East of and parallel to the East Top of Bank of U.S. Sugar Main Canal;

thence North 89° 15' 15" East, a distance of 50.00 feet;

thence South 00° 44' 45" East, a distance of 563.13 feet to the POINT OF BEGINNING.

Bearings are based on State plane Coordinates, reference the North American Datum of 1983/1999 Florida East Zone, reference bearing of North 29° 35' 57" West along the line from Control Monument Corner to Control Monument G342.D.

Parcel 5 (Stormwater Treatment Area Compartment B, Cell 4):

A parcel of land lying in Townships 46 and 47 South, Ranges 37 and 38 East, Palm Beach County, Florida, more particularly described as:

All of Section 36, Township 46 South, Range 37 East lying East of the East Right-of-Way Line of the L-18 (North New River Canal) as described in the following Official Records Books:

Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225, Official Records Book 7568, Page 1659, Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm Beach County, Florida.

TOGETHER WITH:

All of Section 32, Township 46 South, Range 38 East, Palm Beach County, Florida, and the East 260 feet of the West Quarter of Section 28, Township 46 South, Range 38 East, Palm Beach County, Florida, and the West Quarter of Section 33, Township 46 South Range 38 East, and all of Section 31 lying East of the East Right-of-Way line of the L-18 (North New River Canal) as recorded in the following Official Records Books:

Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225, Official Records Book 7568, Page 1659, Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm

15

thence South 00° 35' 29" East for 2,294.31 feet to an intersection with a line being 300 feet Northerly of, as measured at right angles and parallel to the South line of said Section 33;

thence South 89° 05' 45" West for 2,597.86 feet to the POINT OF BEGINNING.

Bearings as shown hereon are based on State Plane Coordinates, Florida West Zone, North American Datum 1983/1990 with said East line of Section 32, Township 43 South, Range 28 East bearing North 00° 24' 41" West and all other bearings are relative thereto.

Parcel 4 (EAA STA Compartment STA 6-2):

Tract No. 49-104-002 a tract of land encompassing parts of Sections 23, 24, 25, 26, 35 & 36, in Township 47 South, Range 34 East, Hendry County, Florida, more particularly described as follows:

Commencing at a found 5" x 5" concrete monument found at the Southeast corner of Section 1, Township 48 South, Range 34 East;

thence North 38° 22' 14" West for a distance of 13,066.68 feet along the East Right-of-Way line for the South Florida Water Management District L-3 Levee;

thence North 89° 57' 03" East a distance of 128.48 feet, to the POINT OF BEGINNING;

From the POINT OF BEGINNING, continue North 89° 57' 03" East a distance of 5,818.13 feet;

thence North 00° 03' 13" East a distance of 528.04 feet;

thence North 89° 54' 06" East a distance of 2,458.55 feet to the East line of Section 25, Township 47 South, Range 34 East, said line also being the East line of Township 47 South, Range 34 East;

thence North 01° 30' 01" West along said East line, a distance of 4,794.74 feet, to the found rail and disc at the Northeast corner of Section 25, Township 47 South, Range 34 East;

thence North 01° 21' 57" West along said Range Line, a distance of 2,644.89 feet;

thence South 89° 59' 37" West along a line that is 20.00 feet South of and parallel to the South Top of Bank of U.S. Sugar Existing Lateral 7E Canal, for a distance of 8,242.39 feet;

14

Beach County, Florida.

TOGETHER WITH:

All of Sections 5 and 6, Township 47 South, Range 38 East, Palm Beach County, Florida lying East of the East Right-of-Way Line of the L-18 (North New River Canal) as recorded in the following Official Records Books:

Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225, Official Records Book 7568, Page 1659, Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm Beach County, Florida,

and the North 200 feet of Section 8, Township 47 south, Range 38 East, Palm Beach County, Florida, lying East of the East Right-of-Way Line of the L-18 (North New River Canal) as recorded in the following Official Records Books:

Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225, Official Records Book 7568, Page 1659, Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm Beach County, Florida,

and the North 200 feet of Section 9, Township 47 South, Range 38 East, Palm Beach County, Florida.

TOGETHER WITH:

A parcel of land lying in Section 10, Township 47 South, Range 38 East, Palm Beach County Florida, being more particularly described as:

BEGINNING at the Northwest corner of Section 10, Township 47 South, Range 38 East, Palm Beach County, Florida, thence North 89° 35' 18" East, along the North line of said Section 10, a distance of 4,329.25 feet;

thence South 64° 35' 29" West, departing said North line of Section 10, a distance of 318.13 feet to the beginning of a tangent curve concave to the North with a radius of 700.00 feet;

16

B. PERMITTED ENCUMBRANCES

thence continue along the arc of said curve, through a central angle of 24° 59' 48", a distance of 305.39 feet, to a point on a line 200 feet South of and parallel with said North line of Section 10;

thence South 89° 35' 18" West, along said parallel line, a distance of 3,745.12 feet to a point on the West line of said Section 10;

thence North 00° 24' 42" West, along said West line of Section 10, a distance of 200 feet to the POINT OF BEGINNING.

Bearings based on the Florida State Plane Coordinate System, North American Datum of 1983 with the North line of said Section 10, Township 47 South, Range 38 East bearing North 89° 35' 18" East and all other bearings are relative thereto.

Parcel 6 (EAA STA Compartment C STA 5 FW 3):

All of Sections 1, 2, 3 and 4, Township 47 South, Range 34 East, Hendry County, Florida, lying Easterly of the Westerly line of that certain parcel of land described in Official Records Book 245, Page 145 of the Hendry County Public Records. Said Westerly line also being known as the Easterly Right-of-Way line of the South Florida Water Management District's Levee L-3.

AS TO ALL PARCELS

1. Intentionally deleted.
2. Taxes and assessments for the year 2006 and subsequent years.
3. Easements or claims of easements not shown by the Public Records, boundary line disputes, overlaps, encroachments, and any matters not of record which would be disclosed by an accurate survey and inspection of the premises.
4. Intentionally deleted.
5. Intentionally deleted.
6. Intentionally deleted.
7. Terms, conditions, and provisions of Ground Lease, dated as of November 1, 2006, by and between South Florida Water Management District, an agency and water management district of the State of Florida, Lessor, and the South Florida Water Management District Leasing Corp., a not-for-profit Florida corporation, as Lessee, with Lessee's interest assigned to Deutsche Bank National Trust Company, Charlotte, North Carolina, as Trustee, pursuant to a Master Trust Agreement dated as of September 1, 2006, and as amended and supplemented by the Series 2006 Supplemental Trust Agreement dated as of September 1, 2006, recorded in the Public Records of Palm Beach, Martin County and Hendry Counties, Florida.
8. Terms, conditions, and provisions of Sub-Lease, dated November 1, 2006, by and between the South Florida Water Management District Leasing Corp., a not-for-profit Florida corporation, as Sub-Lessor, and the South Florida Water Management District, an agency and water management district of the State of Florida, as Sub-Lessee; with Sub-Lessor's interest assigned to Deutsche Bank National Trust Company, Charlotte, North Carolina, as Trustee, pursuant to a Master Trust Agreement dated as of September 1, 2006, and as amended and supplemented by the Series 2006 Supplemental Trust Agreement dated as of September 1, 2006, recorded in the Public Records of Palm Beach, Martin and Hendry Counties, Florida.
9. Intentionally deleted.
10. Intentionally deleted.
11. Final Judgment Validating Certificates of Participation Lease-Purchase Financing recorded in Official Records Book 19992, Page 239 and amended in Official Records Book 20258, Page 1731, both of the Public Records of Palm Beach County, Florida.

AS TO PARCEL 1: (Everglades Agricultural Area (EAA) Reservoir-Phase 1A (Palm Beach County Property))

12. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida contained in Deed Book 46, Page 240, of the Public Records of Miami-Dade County, Florida, and as affected by Release of Right of Entry only to a portion of Section 5 in Official Records Book 20325, Page 1172.
13. Resolution of Everglades Drainage District for Right-of-Way in Deed Book 536, Page 422 and in Deed Book 536, Page 429.
14. Grant of Right-of-Way by The Trustees of the Internal Improvement Fund of the State of Florida to State Road Department of the State of Florida recorded in Deed Book 540, Page 261, together with

Series 2006 Facility Sites

PERMITTED ENCUMBRANCES

- Deed from the Everglades Drainage District to State Road Department of the State of Florida recorded in Deed Book 536, Page 429.
15. Deed from The Trustees of the Internal Improvement Fund of the State of Florida to Everglades Drainage District recorded in Deed Book 702, Page 13.
 16. Reservations in favor of the Everglades Drainage District recorded in Deed Book 706, Page 104.
 17. Reservations in favor of the Everglades Drainage District recorded in Deed Book 706, Page 116a.
 18. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 707, Page 305, as affected by Quit Claim Deeds to E. G. Carroll recorded in Official Records Book 739, Page 172 and Official Records Book 739, Page 173.
 19. Reservations in favor of the Everglades Drainage District recorded in Deed Book 717, Page 309.
 20. Reservations of a 1/16 petroleum interest set forth in Deed from Lillian M. Jeffries recorded in Deed Book 720, Page 351, the right of surface entry having been terminated by operation of the Florida Marketable Record Title Act, Chapter 712, Florida Statute.
 21. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 727, Page 13.
 22. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 787, Page 153.
 23. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 805, Page 449.
 24. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 834, Page 52.
 25. Deed filed from The Trustees of the Internal Improvement Fund of the State of Florida to Everglades Drainage District for the New River Canal recorded in Deed Book 887, Page 266.
 26. Mineral rights reservations in favor of Hannah M. White recorded in Deed Book 1039, Page 619 and Deed Book 1039, Page 621, the right of surface entry having been terminated by operation of the Florida Marketable Record Title Act, Chapter 712, Florida Statutes.
 27. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 1054, Page 212.
 28. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 1054, Page 213.
 29. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 1054, Page 214 and in Deed Book 1054, Page 215.
 30. Perpetual Easement for Discharging Water recorded in Deed Book 1056, Page 577.
 31. Reservations in favor of the Board of Education of the State of Florida recorded in Deed Book 1088, Page 700.
 32. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 1054, Page 213 and corrected in Deed Book 1091, Page 695 and as affected by Release of Right of Entry only to a portion of Section 5 in Official Records Book 20325, Page 1172.
 33. Perpetual Easement for Discharging Water recorded in Official Records Book 572, Page 727.
 34. Intentionally deleted.

PERMITTED ENCUMBRANCES

35. Road Easement Agreement as set out and reserved in Official Records Book 968, Page 588.
36. Unity of Title recorded in Official Records Book 2067, Page 306.
37. Terms, conditions and provisions of that certain Unrecorded Agricultural Lease with Hawthorne Sugar Corp., as evidence by and together with Memorandum of Agricultural Lease recorded in Official Records Book 4439, Page 1259, as affected by Lease Assignment to Columbia Bank For Cooperatives, recorded in Official Records Book 4439, Page 1266.
38. Reservation as contained in Warranty Deed recorded in Official Records Book 5915, Page 357.
39. All rights of access, egress, ingress, light, air and view between Sections 31, Township 46 South, Range 38 East, and Sections 36, 25, 24 and 23 Township 46 South, Range 37 East, as contained in Deed conveyed to the State of Florida recorded in Official Records Book 6870, Page 1080.
40. All rights of access, egress, ingress, light, air and view between Sections 4, 10, 14, 15, Township 46 South, Range 37 East, as contained in Deed conveyed to the State of Florida recorded in Official Records Book 6991, Page 814.
41. Intentionally deleted.
42. Intentionally deleted.
43. All rights of access, egress, ingress, light, air and view between Lots 4 and 5, Hiatus, between Townships 45 and 46 South, Range 37 East, as contained in Deed conveyed to the State of Florida recorded in Official Records Book 7575, Page 1038.
44. Intentionally deleted.
45. Rights of tenant(s) in possession, other than the record owner, including but not limited to possessory estate for years, together with all right, title and interest in the crops and cane stubble, and the right to use the irrigation and drainage systems, including, without limitation, the pumps, pump motors, pump houses and piping located on said property, all as more particularly described in the Reservation Conditions attached as Exhibit C contained in Warranty Deed from Okeelanta Corporation recorded in Official Records Book 11015, Page 1892.
46. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit C contained in Warranty Deeds recorded in Official Records Book 11015, Page 1892, and Mortgage from Okeelanta Corporation in favor of Columbia Bank For Cooperatives, dated January 8, 1985 and recorded in Official Records Book 4439, Page 4, together with the following related documents: a) Release and Mortgage Modification Agreement recorded in Official Records Book 5205, at Page 1372; Notices and Acknowledgments of Future Advance recorded in Official Records Book 5205, at Page 1482, and recorded in Official Records Book 6284, at Page 1061; Mortgage Modification and Spreaders Agreement recorded in Official Records Book 7885, at Page 1089; Notice and Acknowledgment of Initial Advance recorded in Official Records Book 7885, at Page 1190; Mortgage Modification and Spreaders Agreement recorded in Official Records Book 10246, Page 625 and re-recorded in Official Records Book 10412, Page 813; as affected by: a) Partial Releases recorded in Official Records Book 4912, at Page 986, Official Records Book 5023, at Page 1413, Official Records Book 5123, at Page 875, Official Records Book 6870, at Page 1083, Official Records Book 7537, at Page 240, Official Records Book 7537 at Page 381; and Partial Releases of Mortgage, Financing Statement and Assignments recorded in Official Records Book 10246, Page 629 Official Records Book 11015, Page 1715, and also partial termination of the following: a) UCC Financing Statement recorded in Official Records Book 4439, Page 89, b) Amended in Official Records Book 5205, Page 1429, c) Continued in Official Records Book 6268, Page 1482, d) Amended in Official Records Book 6996, Page 1570, e)

PMB_315019_2.DOC
Page 3 of 10

Book2199/Page450 CFN#1974919

Page 99 of 107

PERMITTED ENCUMBRANCES

- UCC Financing Statement recorded in Official Records Book 9390, Page 244, f) Amended in Official Records Book 10246, Page 649.
47. Rights of tenant(s) in possession, other than the record owner, including but not limited to possessory estate for years, together with all right, title and interest in the crops and cane stubble, and the right to use the irrigation and drainage systems, including, without limitation, the pumps, pump motors, pump houses and piping located on said property; all as more particularly described in the Reservation Conditions attached as Exhibit C as contained in Warranty Deed from Talisman Sugar Corporation recorded in Official Records Book 11016, Page 546, as partially assigned to New Hope Sugar Company and United States Sugar Corporation by Assignment and Assumption of Reservation recorded in Official Records Book 11016, page 632 and with Amendment No. 1 with New Hope Sugar Company recorded in Official Records Book 11016, Page 686 and Amendment No. 1 with United States Sugar Corporation recorded in Official Records Book 11016, Page 727.
48. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit C all contained in Warranty Deed from Talisman Sugar Corporation, a Florida corporation recorded in Official Records Book 11016, Page 546, as partially assigned to New Hope Sugar Company and United States Sugar Corporation by Assignment and Assumption of Reservation recorded in Official Records Book 11016, page 632 and with Amendment No. 1 with New Hope Sugar Company recorded in Official Records Book 11016, Page 686 and Amendment No. 1 with United States Sugar Corporation recorded in Official Records Book 11016, Page 727.
49. Intentionally deleted.
50. Intentionally deleted.
51. Purchase and Sale Agreement by and between Talisman Sugar Corporation and The Nature Conservancy dated July 2, 1998, as amended November 30, 1998 and as evidence by and together with that certain Memorandum of Agreement recorded in Official Records Book 11052, Page 659.
52. Sugarcane Processing and Marketing Agreement, Security Agreement and Financing Statement by and between Oseola Farms, Co., a Florida corporation and Trucane Sugar Corporation recorded in Official Records Book 11275, Page 1747.
53. License Agreement by and between Oseola Farms, Co., a Florida corporation and Trucane Sugar Corporation, a Florida corporation recorded in Official Records Book 11292, Page 90.
54. UCC Financing Statement from Trucane Sugar Corporation to Farm Credit of South Florida recorded in Official Records Book 11297, Page 994.
55. Intentionally deleted.
56. Intentionally deleted.
57. Intentionally deleted.
58. Declaration of Restrictive Covenant with the Florida Department of Environmental Protection recorded in Official Records Book 20479, Page 216.
59. Intentionally deleted.
60. Declaration of Restrictive Covenant with the Florida Department of Environmental Protection recorded in Official Records Book 20532, Page 460.
61. Restrictive Covenants contained in Deed from The Trustees of the Internal Improvement Fund of the State of Florida recorded in Official Records Book 20534, Page 1167.

PMB_315019_2.DOC
Page 4 of 10

Book2199/Page451 CFN#1974919

Page 100 of 107

PERMITTED ENCUMBRANCES

AS TO PARCEL 2: (STA C44 Test Cells) (Martin County Property)

62. Oil, gas and mineral reservations in favor of Southern States Land & Timber Corporation contained in Warranty Deed recorded in Deed Book 33, Page 337 and Notices recorded in Subsurface Book 2, Page 55 and Official Records Book 411, Page 1404, all of the Public Records of Martin County, Florida, as modified by the reservation in Exhibit "B-3" to the Settlement Agreement (See Prior CLTIC Policy No. A02-1168526).
63. Easement granted to Florida Power and Light Company recorded in Official Records Book 932, Page 559, of the Public Records of Martin County, Florida.
64. The nature or extent of riparian or littoral rights.
65. Memorandum of Reservation of Use and Occupancy Agreement between the South Florida Water Management District and Florida Tierra Holdings, LLC, Running W Citrus Limited Partnership and Tesoro Groves Limited Partnership, recorded in Official Records Book 2107, Page 1519, of the Public Records of Martin County, Florida.
66. Reservation for the use and occupancy of the insured land as set forth in Unrecorded Settlement and Acquisition Agreement between the South Florida Water Management District, Florida Tierra Holdings, LLC, Running W. Citrus Limited partnership and Tesoro Groves Limited Partnership dated November 9, 2005 and as reserved in Special Warranty Deed recorded in Official Records Book 2107, Page 1434, Quit Claim Deed recorded in Official Records Book 2107, Page 1466, Quit Claim Deed recorded in Official Records Book 2107, Page 1476 and Quit Claim Deed recorded in Official Records Book 2108, Page 283, of the Public Records of Martin County, Florida.
67. Oil, gas and mineral reservation in favor of Running W Citrus Limited Partnership and recorded in Special Warranty Deed recorded in Official Records Book 2107, Page 1434, of the Public Records of Martin County, Florida.
68. Oil, gas and mineral reservation in favor of Southern States Land & Timber, LLC, a Florida limited liability company and recorded in Quit Claim Deed recorded in Official Records Book 2107, Page 1507, of the Public Records of Martin County, Florida.
69. Intentionally deleted.

AS TO PARCEL 3: (C43 Reservoir West C-43, Test Cells) (Hendry County Property)

70. Intentionally deleted.
71. Intentionally deleted.
72. Intentionally deleted.
73. Intentionally deleted.
74. Intentionally deleted.
75. Intentionally deleted.
76. Intentionally deleted.
77. Intentionally deleted.
78. Possible drainage rights of parties owning land adjoining the Townsend Canal from properties south of the south line of Section 7, Township 45 South, Range 29 East to drain across the Townsend Canal as it crosses the land insured hereunder without the benefit of any recorded agreement or without the benefit

PMB_315019_2.DOC
Page 5 of 10

Book2199/Page452 CFN#1974919

Page 101 of 107

B-58

PERMITTED ENCUMBRANCES

- of any unrecorded agreement executed by Jack M. Berry, Inc., J & H Groves LLC, J & H Groves Holdings, L.C., and/or their predecessors in title. This exception does not include, and exception is not made for, drainage rights appurtenant to lands that are subject to the Canals Agreement described above or drainage rights under the unrecorded Townsend Canal Drainage and Maintenance Agreement with an effective date of December 1, 1995 as amended, or the drainage rights of the Cow Slough Water Control District.
 79. Possible drainage rights of parties owning land adjoining the Roberts Canal from properties southeast or east of Section 21, Township 44 South, Range 29 East to drain across the Roberts Canal as it crosses the land insured hereunder without the benefit of any recorded agreement or without the benefit of any unrecorded agreement executed by Jack M. Berry, Inc., J & H Groves Holdings, L.C., or J & H Groves, L.C. This exception does not include, and exception is not made for, drainage rights appurtenant to lands that are subject to the Canals Agreement described above.
 80. Highway Canal Easement Agreement, entered into, by and between Jack M. Berry, Inc., J & H Groves, L.C., J & H Groves Holdings, L.C., A. Duda & Sons, Inc., Margaret W. Paul, Bob Paul, Inc., J. R. Paul, Jr., Family Limited Partnership, The Eugene Stuart Paul Limited Partnership, The Paul Family Limited Partnership, John R. Paul, Jr., Bryan Paul, Inc., Bryan W. Paul and The Margaret W. Paul Family Limited Partnership, Metropolitan Life Insurance Company, C&D Groves, a Florida general partnership, The Prudential Insurance Company of America and the South Florida Water Management District, as recorded on October 6, 2000 in Official Records Book 606 at page 1502, of the Public Records of Hendry County, Florida.
- AS TO PARCEL 4: EAA STA Compartment STA 6-2) (Hendry County Property)**
81. Canal and reclamation reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 24, Page 85; Miscellaneous Book 1, Page 419 and Miscellaneous Book 2, page 51, of the Public Records of Hendry County, Florida.
 82. State Road Right-of-Way and oil, gas and mineral reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 21, Page 498 and Deed Book 22, Page 147, of the Public Records of Hendry County, Florida.
 83. Canal and reclamation, oil, gas and mineral, state road and county road right of way reservations in favor of Everglades Drainage District recorded in Deed Book 21, Page 345; Deed Book 21, Page 347 and Deed Book 21, Page 565, as transferred to Central and Southern Florida Flood Control District in Official Records Book 9, Page 241 and Official Records Book 17, Page 342, of the Public Records of Hendry County, Florida.
 84. Oil, gas and mineral reservations contained in deeds from The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 32, Page 7, of the Public Records of Hendry County, Florida.
 85. Oil, gas and mineral reservations contained in deeds from The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 32, Page 8, of the Public Records of Hendry County, Florida.
 86. Oil, gas and mineral reservations contained in the Deed from Barron Collier, Jr. and Isabel Collier Read, as Executrix of the Estate of Miles Collier, deceased, recorded in Official Records Book 50, Page 709, as partially conveyed to Marguerite R Collier in Official Records Book 430, Page 849 and Official Records Book 430, Page 867, and further conveyed to Lamar Gable, et al., in Official Records Book 430, Page 942 and Official Records Book 430, Page 960, as partially conveyed to Baffon Collier, III in Official Records Book 445, Page 821 and Official Records Book 445, Page 785, together with the rights of parties claiming by, through and under said reservations; and the effect of that certain

PMB_315019_2.DOC
Page 6 of 10

Book2199/Page453 CFN#1974919

Page 102 of 107

PERMITTED ENCUMBRANCES

- Memorandum of Notice pertaining to an Exploration Agreement with Calumet Florida, Inc., recorded in Official Records Book 564, Page 1377 and as affected by Partial Release recorded Official Records Book 633, Page 1639, of the Public Records of Hendry County, Florida.
87. Canal, reclamation, oil, gas and mineral reservations contained in the deed from The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 22, Page 463, of the Public Records of Hendry County, Florida.
88. Oil, gas and mineral reservations contained in the Deed from Barron Collier, Jr., et al., etc. recorded in Official Records Book 184, Page 238 and in deed from Inglis U. Collier, et al., etc. recorded in Official Records Book 188, Page 50, as partially conveyed to Marguerite R. Collier in Official Records Book 430, Page 849 and Official Records Book 430, Page 867, and further conveyed to Lamar Gable, et al. in Official Records Book 430, Page 942 and Official Records Book 430, Page 960, as partially conveyed to Barron Collier, III in Official Records Book 445, Page 821 and Official Records Book 445, Page 785, together with the rights of parties claiming by, through and under said reservations; and the effect of that certain Memorandum of Notice pertaining to an Exploration Agreement with Calumet Florida, Inc. recorded in Official Records Book 564, Page 1377 and as affected by Partial Release recorded Official Records Book 633, Page 1639, all of the Public Records of Hendry County, Florida.
89. Terms, provisions and easement for water quality and flow monitoring purposes as set forth in the Easement Agreement between United States Sugar Corporation and South Florida Water Management District recorded in Official Records Book 564, Page 242, of the Public Records of Hendry County, Florida.
90. Intentionally deleted.
91. Rights of tenant(s) in possession, other than the record owner, including but not limited to possessory estate for years, together with all right, title and interest in the crops and cane stubble, buildings and other improvements, irrigation and drainage systems, including, without limitation, the pumps, pump motors, pump houses and piping located on said property; all as more particularly described in the Reservation Conditions attached as Exhibit B contained in Warranty Deed from the United States Sugar Corporation, a Delaware corporation recorded in Official Records Book 582, Page 1932, of the Public Records of Hendry County, Florida.
92. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit B all contained in Warranty Deed from United States Sugar Corporation, a Delaware corporation recorded in Official Records Book 582, Page 1932, of the Public Records of Hendry County, Florida.
93. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit B all contained in Warranty Deed from United States Sugar Corporation, a Delaware corporation recorded in Official Records Book 582, Page 1889 as corrected in Official Records Book 716, Page 348 and amended in Official Records Book 589, Page 1614, of the Public Records of Hendry County, Florida.

AS TO PARCEL 5: (Stormwater Treatment Area Compartment B, Cell 4) (Palm Beach County Property)

94. The right of ingress and egress to and from the land is subject to the terms and provisions of F.C.D./Permit No. 5145, of the Central and Southern Florida Flood Control District, as recited in Quit Claim Deed as paragraph 7.5 of the permitted exceptions and recorded in Official Records Book 7890, Page 794. (Affects land in Section 28, Township 46 South, Range 38 East)
95. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida contained in Deed Book 46, Page 240.

PMB_315019_2.DOC
Page 7 of 10

Book2199/Page454 CFN#1974919

Page 103 of 107

PERMITTED ENCUMBRANCES

- Corporation in Official Records Book 4437, Page 854, Lessor's interest assigned to The South Florida Water Management District in Official Records Book 11015, Page 1988.
113. Parcel 5 is subject to the provisions of Permit Nos. 694 and 3633 of the Central and Southern Florida Flood Control District, as contained in Chicago Title Insurance Company Policy No. 10-0498-106-00000021, Item No. 25.
114. Intentionally deleted.
115. Intentionally deleted.
116. Intentionally deleted.
117. Easement for ingress and egress as set out and reserved in Stipulated Final Judgment recorded in Official Records Book 10966, Page 1104.
118. Rights of tenant(s) in possession, other than the record owner, including but not limited to possessory estate for years, together with all right, title and interest in the crops and cane stubble, and the right to use the irrigation and drainage systems, including, without limitation, the pumps, pump motors, pump houses and piping located on said property; all as more particularly described in the Reservation Conditions attached as Exhibit C contained in Warranty Deed from Okeelanta Corporation recorded in Official Records Book 11015, Page 1892.
119. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit C contained in Warranty Deed from Okeelanta Corporation recorded in Official Records Book 11015, Page 1892.
120. Intentionally deleted.

AS TO PARCEL 6: EAA STA Compartment C STA 5FW3) (Hendry County Property)

121. Canal and reclamation reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 24, Page 85 (Lee County, see prior policy), of the Public Records of Hendry County, Florida.
122. State Road Right-of-Way and oil, gas and mineral reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 22, Page 126, of the Public Records of Hendry County, Florida.
123. Oil, gas and mineral reservations contained in the Deeds from Hamilton C. Forman and Doris D. Forman, husband and wife, and Charles R. Forman and Lucille W. Forman, husband and wife, recorded in Official Records Book 7, Page 155 and Official Records Book 7, Page 157, together with the Notice of Claim recorded in Official Records Book 367, page 244, all of the Public Records of Hendry County, Florida, and rights of parties claiming by, through and under said reservations.
124. Canal and reclamation, oil, gas and mineral, state road and county road right of way reservations in favor of Everglades Drainage District recorded in Deed Book 21, Page 484, as transferred to Central and Southern Florida Flood Control District in Official Records Book 9, Page 241 and Official Records Book 17, Page 342, of the Public Records of Hendry County, Florida.
125. Oil, gas and mineral reservations contained in deeds from The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 32, Page 7, of the Public Records of Hendry County, Florida.
126. Oil, gas and mineral reservations contained in the Deed from Barron Collier, Jr. and Isabel Collier Read, as Executrix of the Estate of Miles Collier, deceased, recorded in Official Records Book 50, Page 709, as partially conveyed to Marguerite R. Collier in Official Records Book 430, Page 849 and Official

PMB_315019_2.DOC
Page 9 of 10

Book2199/Page456 CFN#1974919

Page 105 of 107

PERMITTED ENCUMBRANCES

96. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 672, Page 178, and as affected by Quit Claim Deed recorded in Official Records Book 739, Page 172.
97. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 672, Page 130, and as affected by Quit Claim Deed recorded in Official Records Book 739, Page 173.
98. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 672, Page 132, and as affected by Quit Claim Deed recorded in Official Records Book 739, Page 171 and Official Records Book 739, Page 174.
99. Deed from The Trustees of the Internal Improvement Fund of the State of Florida to Everglades Drainage District recorded in Deed Book 702, Page 13.
100. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 767, Page 392.
101. Perpetual Easement For Canal Right of Way from The Trustees of the Internal Improvement Fund of the State of Florida to the Everglades Drainage District recorded in Deed Book 876, Page 243.
102. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 1060, Page 101.
103. Deed from The Trustees of the Internal Improvement Fund of the State of Florida to Central and Southern Florida Flood Control District in Deed Book 1104, Page 543.
104. Rights in Reservations from The Trustees of the Internal Improvement Fund of the State of Florida to Central and Southern Florida Flood Control District recorded in Deed Book 1156, Page 198.
105. Oil, gas and other minerals reservations as set forth in Quit Claim Deeds recorded in Official Records Book 282, Page 59; Official Records Book 1132, Page 49; Official Records Book 1132, Page 51; Official Records Book 5328, Page 1030; Official Records Book 8379, Page 46; Official Records Book 8379, Page 48 and Official Records Book 8379, Page 50.
106. Reservations in favor of Ethel W. Walker, et al., as recorded in Official Records Book 712, Page 603, as affected by Notices recorded in Official Records Book 2610, Page 1424; Official Records Book 2615, Page 223; Official Records Book 2622, Page 1979; Assigned in Official Records Book 2686, Page 1843, and Deeds in Official Records Book 2632, Page 985; Official Records Book 3210, Page 1373 and in Official Records Book 3225, Page 1435.
107. Easement in favor of Florida Power and Light Company recorded in Official Records Book 1170, Page 374.
108. Intentionally deleted.
109. Intentionally deleted.
110. Easement to Florida Power and Light Company as contained in Order of Taking recorded in Official Records Book 7393, Page 1811.
111. Intentionally deleted.
112. Amended and Restated Lease Agreement between the South Florida Water Management District, as Lessor and Okeelanta Corporation, as Lessee, recorded in Official Records Book 11016, Page 1, of that certain Lease Agreement by and between W.P.M. Inc., Lessor, and Gulf & Western Food Products Company, Lessee, recorded in Official Records Book 2367, Page 1785, with addendum recorded in Official Records Book 3263, Page 677, lessee's interest assigned to Gulf & Western Food Production

PMB_315019_2.DOC
Page 8 of 10

Book2199/Page455 CFN#1974919

Page 104 of 107

PERMITTED ENCUMBRANCES

- Records Book 430, Page 867, and further conveyed to Lamar Gable, et al. in Official Records Book 430, Page 942 and Official Records Book 430, Page 960, as partially conveyed to Barron Collier, III, in Official Records Book 445, Page 821 and Official Records Book 445, Page 785, together with the rights of parties claiming by, through and under said reservations; and the effect of that certain Memorandum of Notice pertaining to an Exploration Agreement with Calumet Florida, Inc. recorded in Official Records Book 564, Page 1377 and as affected by Partial Release recorded Official Records Book 633, Page 1639. Affects all of Section 4, except that portion conveyed to Central and Southern Florida Flood Control District by Deed recorded in Official Records Book 9, Pages 345, all of the Public Records of Hendry County, Florida.
127. Oil, gas and mineral reservations contained in the Deed from Barron Collier, Jr., et al., etc. recorded in Official Records Book 184, Page 238 and in deed from Inglis U. Collier, et al., etc. recorded in Official Records Book 188, Page 50, as partially conveyed to Marguerite R. Collier in Official Records Book 430, Page 849 and Official Records Book 430, Page 867, and further conveyed to Lamar Gable, et al. in Official Records Book 430, Page 942 and Official Records Book 430, Page 960, as partially conveyed to Barron Collier, III in Official Records Book 445, Page 821 and Official Records Book 445, Page 785, together with the rights of parties claiming by, through and under said reservations; and the effect of that certain Memorandum of Notice pertaining to an Exploration Agreement with Calumet Florida, Inc. recorded in Official Records Book 564, Page 1377 and as affected by Partial Release recorded Official Records Book 633, Page 1639, all of the Public Records of Hendry County, Florida.
128. Intentionally deleted.
129. Rights of tenant(s) in possession, other than the record owner, including but not limited to possessory estate for years, together with all right, title and interest in the crops and cane stubble, buildings and other improvements, irrigation and drainage systems, including, without limitation, the pumps, pump motors, pump houses and piping located on said property; all as more particularly described in the Reservation Conditions attached as Exhibit B contained in Warranty Deed from the United States Sugar Corporation, a Delaware corporation recorded in Official Records Book 582, Page 1889, as corrected in Official Records Book 716, Page 348 and amended in Official Records Book 589, Page 1614, of the Public Records of Hendry County, Florida.
130. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit B all contained in Warranty Deed from United States Sugar Corporation, a Delaware corporation recorded in Official Records Book 582, Page 1889 as corrected in Official Records Book 716, Page 348 and amended in Official Records Book 589, Page 1614, of the Public Records of Hendry County, Florida.

NOTE: Boundary and License Agreement by and between Okeelanta Corporation and The South Florida Water Management District recorded in Official Records Book 11080, Page 692, of the Public Records of Palm Beach County, Florida.

Unless otherwise indicated, all recording references shall refer to the
Public Records of Palm Beach County, Florida

PMB_315019_2.DOC
Page 10 of 10

Book2199/Page457 CFN#1974919

Page 106 of 107

EXHIBIT C

SERIES 2006 FACILITIES

PAYMENT DATE	BASIC LEASE PAYMENT	PRINCIPAL PORTION	INTEREST PORTION	REMAINING PRINCIPAL
10/1/2007	31,123,609.94	7,675,000.00	23,448,609.94	538,445,000.00
10/1/2008	35,459,981.26	9,015,000.00	26,444,981.26	529,430,000.00
10/1/2009	35,462,206.26	9,370,000.00	26,092,206.26	520,060,000.00
10/1/2010	35,459,886.26	9,705,000.00	25,754,886.26	510,355,000.00
10/1/2011	35,458,467.50	10,135,000.00	25,323,467.50	500,220,000.00
10/1/2012	35,462,605.00	10,610,000.00	24,852,605.00	489,610,000.00
10/1/2013	35,459,730.00	11,060,000.00	24,399,730.00	478,550,000.00
10/1/2014	35,461,950.00	11,610,000.00	23,851,950.00	466,940,000.00
10/1/2015	35,457,543.76	12,165,000.00	23,292,543.76	454,775,000.00
10/1/2016	35,458,200.00	12,750,000.00	22,708,200.00	442,025,000.00
10/1/2017	35,461,650.00	13,385,000.00	22,076,650.00	428,640,000.00
10/1/2018	35,462,400.00	14,055,000.00	21,407,400.00	414,585,000.00
10/1/2019	35,459,650.00	14,755,000.00	20,704,650.00	399,830,000.00
10/1/2020	35,461,900.00	15,495,000.00	19,966,900.00	384,335,000.00
10/1/2021	35,462,150.00	16,270,000.00	19,192,150.00	368,065,000.00
10/1/2022	35,458,250.00	17,055,000.00	18,403,250.00	351,010,000.00
10/1/2023	35,460,500.00	17,910,000.00	17,550,500.00	333,100,000.00
10/1/2024	35,460,000.00	18,805,000.00	16,655,000.00	314,295,000.00
10/1/2025	35,459,750.00	19,745,000.00	15,714,750.00	294,550,000.00
10/1/2026	35,462,500.00	20,735,000.00	14,727,500.00	273,815,000.00
10/1/2027	35,460,750.00	21,770,000.00	13,690,750.00	252,045,000.00
10/1/2028	35,462,250.00	22,860,000.00	12,602,250.00	229,185,000.00
10/1/2029	35,459,250.00	24,000,000.00	11,459,250.00	205,185,000.00
10/1/2030	35,459,250.00	25,200,000.00	10,259,250.00	179,985,000.00
10/1/2031	35,459,250.00	26,460,000.00	8,999,250.00	153,525,000.00
10/1/2032	35,461,250.00	27,785,000.00	7,676,250.00	125,740,000.00
10/1/2033	35,462,000.00	29,175,000.00	6,287,000.00	96,565,000.00
10/1/2034	35,458,250.00	30,630,000.00	4,828,250.00	65,935,000.00
10/1/2035	35,461,750.00	32,165,000.00	3,296,750.00	33,770,000.00
10/1/2036	35,458,500.00	33,770,000.00	1,688,500.00	-
	1,059,475,429.98	546,120,000.00	513,355,429.98	

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This Instrument was prepared by
and should be recorded and returned to:
Michael E. Botos, P.A.
Edwards Angell Palmer & Dodge LLP
One North Clematis Street, Suite 400
West Palm Beach, Florida 33401

CFN 20070267734
OR BK 21794 PG 0250
RECORDED 06/01/2007 15:55:25
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 0250 - 256; (7pgs)

**FIRST AMENDMENT TO SCHEDULE 2006
DATED NOVEMBER 1, 2006 TO**

MASTER LEASE PURCHASE AGREEMENT

BETWEEN

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.,
as Lessor**

AND

**THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT DIS-
TRICT
acting as the governing body of
the South Florida Water Management District,
as Lessee**

THIS DOCUMENT IS BEING EXECUTED IN TRIPPLICATE ORIGINALS, AND ONE
ORIGINAL WILL BE RECORDED IN EACH OF PALM BEACH, HENDRY AND
MARTIN COUNTIES, FLORIDA

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THIS FIRST AMENDMENT TO SCHEDULE 2006 TO MASTER LEASE PURCHASE AGREEMENT is made and entered into this April 20, 2007, and amends that certain Schedule 2006 to Master Lease Purchase Agreement dated as of November 1, 2006 (the "Master Lease"), between South Florida Water Management District Leasing Corp., a not-for-profit corporation organized and existing under and pursuant to Chapter 617, Florida Statutes, as amended, as Lessor (the "Corporation") and the Governing Board of the South Florida Water Management District (the "District"), an agency of the State of Florida and a water management district, which is organized, exists and operates pursuant to the Florida Water Resources Act of 1972, Chapter 373, Florida Statutes, as amended, as Lessee (the "Governing Board").

WITNESSETH

WHEREAS, the District and the Corporation entered into that certain Master Lease Purchase Agreement dated as of November 1, 2006, by and between South Florida Water Management District Leasing Corp., as Lessor, and the South Florida Water Management District, as Lessee, which Master Lease was recorded on November 17, 2006, in Official Records Book 21098, Page 676, in the Public Records of Palm Beach County, Florida; on November 20, 2006, in Official Records Book 2199, Page 352, in the Public Records of Martin County, Florida; and on November 20, 2006, in Official Records Book 752, Page 1787, in the Public Records of Hendry County, Florida; and was assigned by the Corporation to Deutsche Bank National Trust Company, as Trustee, by that certain Series 2006 Assignment Agreement, dated as of November 1, 2006, between the Corporation and Deutsche Bank National Trust Company, as Trustee, which Assignment Agreement was recorded: on November 17, 2006, in Official Records Book 21098, Page 783, in the Public Records of Palm Beach County, Florida; on November 20, 2006, in Official Records Book 2199, Page 459, in the Public Records of Martin County, Florida; and on November 20, 2006, in Official Records Book 752, Page 1893, in the Public Records of Hendry County, Florida; and

WHEREAS, the District and the Corporation have contemporaneously amended Section 1 of the Ground Lease by the deletion of a twelve (12)+/- acre parcel of land from Parcel 2, located in Martin County, Florida, described therein; and

-2-

PMB_PMB_322391_1.DOC

Book21794/Page251

Page 2 of 7

IN WITNESS WHEREOF, the Governing Board has caused this First Amendment to Schedule 2006 to Master Lease dated November 1, 2006, to be executed in its name by its duly authorized members and officers on the date set forth below their respective signatures and the Corporation has caused this First Amendment to Schedule 2006 to Master Lease dated November 1, 2006, to be executed in its corporate name by its duly authorized officers, and the day and year first written above.

[SEAL]

By: Jacqueline McGorty
Jacqueline McGorty
Secretary

Date: 4/25, 2007

[SEAL]

By: Carol Ann Wenle
Carol Ann Wenle
Secretary

Date: 4/25, 2007

THE GOVERNING BOARD OF THE SOUTH
FLORIDA WATER MANAGEMENT
DISTRICT

By: Kevin McCarty
Kevin McCarty
Chair

Date: 4/25, 2007

SOUTH FLORIDA WATER MANAGEMENT
DISTRICT LEASING CORP.

By: Kevin McCarty
Kevin McCarty
President

Date: 4/25, 2007

-4-

PMB_PMB_322391_1.DOC

Book21794/Page253

Page 4 of 7

B-62

WHEREAS, the twelve (12)+/- acre parcel is more particularly described on Exhibit "A" attached hereto (the "Deleted Parcel"); and

WHEREAS, the District and the Corporation wish to amend Section 4 of Schedule 2006 dated November 1, 2006 to the Master Lease, by deleting the Deleted Parcel from Parcel 2 described therein; and

WHEREAS, Deutsche Bank National Trust Company, as Trustee, has agreed to such deletion of the Deleted Parcel and a Partial Release, as simultaneously being recorded in the Public Records of Martin County, Florida.

NOW, THEREFORE, for and in considerations of Ten Dollars (\$10.00) paid by Corporation to District, as well as other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged by District, the parties agree as follows:

1. The foregoing recitals are true and correct and incorporated herein by reference.
2. Terms not specifically defined herein shall have the meaning ascribed to them in the Master Lease.
3. The parties hereby agree to amend Section 4 of Schedule 2006 dated November 1, 2006 to the Master Lease by deleting the Deleted Parcel from Parcel 2.
4. In all other respects the Master Lease and Schedule 2006 dated November 1, 2006 to Master Lease is hereby ratified and confirmed by District and Corporation.

[THE SIGNATURES AND ACKNOWLEDGMENTS OF THE CORPORATION AND THE DISTRICT APPEAR ON THE FOLLOWING PAGES]

-3-

PMB_PMB_322391_1.DOC

Book21794/Page252

Page 3 of 7

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

SS:

I, Kathleen A. Massey a Notary Public in and for the said County in the State aforesaid, do hereby certify that Kevin McCarty and Jacqueline McGorty, personally known to me to be the same persons whose names are, respectively, as Chair and Secretary, respectively of THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto authorized, signed, sealed with the seal of said Governing Board, delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 25th day of April, 2007.

Kathleen A. Massey
NOTARY PUBLIC, STATE OF FLORIDA

NOTARY PUBLIC
SEAL OF OFFICE:



Kathleen A. Massey
(Name of Notary Public, Print, Stamp or Type as Commissioned.)

☒ Personally known to me, or
☐ Produced identification:

-5-

PMB_PMB_322391_1.DOC

Book21794/Page254

Page 5 of 7

COUNTY OF PALM BEACH)
) SS:
STATE OF FLORIDA)

I, Kathleen A. Massey, Notary Public in and for the said County in the State aforesaid, do hereby certify that Kevin McCarty AND Carol Ann Wehle, personally known to me to be the same persons whose names are, respectively, as President and Secretary, respectively of SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 25th day of April, 2007.

NOTARY PUBLIC
SEAL OF OFFICE:



Kathleen A. Massey
NOTARY PUBLIC, STATE OF FLORIDA

Kathleen A. Massey
(Name of Notary Public, Print,
Stamp or Type as Commissioned.)

☒ Personally known to me, or
☐ Produced identification:

EXHIBIT A

DESCRIPTION OF DELETED PARCEL

The South 140 feet of Section 17, Township 39 South, Range 39 East, Martin County, Florida, LESS AND EXCEPT the South 40 feet of said Section 17.

SECOND AMENDED AND RESTATED SCHEDULE 2006

dated as of _____ 1, 2026

to

Master Lease Purchase Agreement dated as of

November 1, 2006, between

South Florida Water Management District Leasing Corp.,

as Lessor (the "Corporation")

and

Governing Board of the South Florida Water Management District,

as Lessee (the "Governing Board")

THIS SECOND AMENDED AND RESTATED SCHEDULE 2006 (the "Schedule") is hereby entered into under and pursuant to that certain Master Lease Purchase Agreement dated as of November 1, 2006, as amended and supplemented (the "Master Lease"), pursuant to which the Corporation has agreed to lease purchase to the Governing Board, and the Governing Board has agreed to lease purchase from the Corporation, subject to the terms and conditions of the Master Lease incorporated herein, the Series 2006 Facilities herein described. The Corporation hereby demises, leases and subleases to the Governing Board, and the Governing Board hereby hires, takes leases and subleases from the Corporation, the Series 2006 Facilities and the Series 2006 Facility Sites described herein, together with the rights described in clauses (i), (ii) and (iii) of Section 1 in the Series 2006 Ground Lease (hereinafter defined). The Master Lease with respect to this Schedule and as amended, modified, and supplemented hereby, is referred to herein as the "Series 2006 Lease". All terms and conditions contained in the Master Lease unless otherwise amended or superseded hereby are incorporated herein by reference.

Pursuant to their respective Resolutions, each dated _____, 2026, the Governing Board and the Corporation determined it is in their best interests to restructure the Basic Lease Payments due under the Amended and Restated Schedule 2006, dated as of February 1, 2016, between the Governing Board and the Corporation by issuing refunding certificates of participation for the purpose of refunding the Governing Board's Refunding Certificates of Participation, Series 2015 Evidencing Undivided Proportionate Interests of the Owners thereof in Basic Lease Payments to be Made by the Governing Board of the South Florida Water Management District, as Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor.

SECTION 1. DEFINITIONS.

For purposes of the Series 2006 Lease, all terms not otherwise defined herein shall have the respective meanings set forth in the Master Lease, or in the Trust Agreement, including the

Series 2026 Supplemental Trust Agreement. The following terms have the meaning set forth below.

"Chief Financial Officer" shall mean an officer or employee of the District charged with the primary responsibility for the finances and/or budget of the District.

"Commencement Date" for the Series 2006 Lease shall mean November 15, 2006.

"Continuing Disclosure Certificate" shall mean that certain Disclosure Dissemination Agent Agreement, dated _____, 2026, between the Governing Board and Digital Assurance Certification, L.L.C., in connection with the issuance of the Series 2026 Certificates.

"Escrow Deposit Agreement" shall mean the Escrow Deposit Agreement, dated _____, 2026, between the Governing Board and U.S. Bank Trust Company, National Association, as escrow agent, for the purpose of providing for the payment of the Series 2015 Refunded Certificates.

"Participating Underwriter" shall mean the Purchaser, who is required to comply with the Rule in connection with the offering of the Series 2026 Certificates.

"Rating Agency" shall mean S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, Fitch Ratings and Moody's Ratings, and any other nationally recognized rating services which shall have a rating on any Outstanding Certificates.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Series 2006 Certificates" shall mean the \$546,120,000 Certificates of Participation, Series 2006 Evidencing Undivided Proportionate Interests of the Owners Thereof in Basic Lease Payments to be Made by the Governing Board of South Florida Water Management District, as Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor, that were originally issued on November 15, 2006.

"Series 2006 Facilities" shall mean the Facilities described in this Schedule, as this Schedule may be amended from time to time.

"Series 2006 Facility Sites" shall mean the Facility Sites described in this Schedule to be ground leased by the Governing Board to the Corporation, as the same may be amended or supplemented from time to time.

"Series 2006 Ground Lease" shall mean the Series 2006 Ground Lease, dated as of November 1, 2006, between the Governing Board as Lessor and the Corporation as Lessee, as the same may be amended from time to time.

2

SECTION 5. APPLICATION OF CERTAIN PROCEEDS OF SERIES 2026 CERTIFICATES. The Trustee shall deposit the following sums in the following accounts from the proceeds of the Series 2026 Certificates:

- (1) \$_____ from the proceeds of the Series 2026 Certificates, and \$_____ from other legally available funds of the Governing Board, shall be deposited into the Escrow Deposit Account and applied by the Trustee to prepay the Series 2015 Refunded Certificates as provided by the Escrow Deposit Agreement.
- (2) \$_____ shall be deposited into the Series 2026 Cost of Issuance Subaccount.
- (3) The remainder of the proceeds from the Series 2026 Certificates shall be used as follows: the Purchaser shall retain their Purchaser's Discount of \$_____.

SECTION 6. BASIC LEASE PAYMENTS. The principal portion and the interest portion of the Basic Lease Payments, the Lease Payment Dates (March 15 and September 15, commencing September 15, 2026) and the remaining principal portion with respect to the Series 2006 Facilities to be lease purchased and the Series 2026 Certificates attributable to such Series 2006 Facilities are set forth in Exhibit C. The Schedule of Basic Lease Payments shall be no less than the principal and interest components with respect to the Series 2026 Certificates relating to the Series 2006 Facilities and shall only be amended in the event of a payment or repayment deposit of the principal portion of Basic Lease Payments represented by the Series 2026 Certificates pursuant to Section 7.2 or 7.3 of the Master Lease, and prepayment or defeasance of Series 2026 Certificates pursuant to Section 201 of Series 2026 Supplemental Trust Agreement, or Section 801 of the Trust Agreement.

The interest portion of the Basic Lease Payments represented by the Series 2026 Certificates, expressed as an annual interest rate, is exempt from the limitations on interest rates set forth in Section 215.84, Florida Statutes, since the Series 2026 Certificates are rated in one of the three highest rating categories by a nationally recognized rating service.

SECTION 7. ADDITIONAL LEASE PAYMENTS. Additional Lease Payments with respect to the Series 2006 Lease consist of the following:

- (a) Trustee Fees: Administration fee: \$_____ was paid on the Commencement Date.
- (b) Administration fee: \$_____ due each year the Series 2026 Supplemental Trust Agreement is in effect.

4

"Series 2006 Supplemental Trust Agreement" shall mean the Series 2006 Supplemental Trust Agreement dated as of November 1, 2006, between the Corporation and the Trustee.

"Series 2015 Certificates" shall mean the \$385,425,000 Refunding Certificates of Participation, Series 2015 Evidencing Undivided Proportionate Interests of the Owners Thereof in Basic Lease Payments to be Made by the Governing Board of the South Florida Water Management District, as Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor.

"Series 2015 Refunded Certificates" shall mean the Series 2015 Certificates maturing on and after October 1, 2026.

"Series 2026 Certificates" shall mean the \$_____ Refunding Certificates of Participation, Series 2026 Evidencing Undivided Proportionate Interests of the Owners Thereof in Basic Lease Payments to be Made by the Governing Board of the South Florida Water Management District, as Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor.

"Series 2026 Supplemental Trust Agreement" shall mean the Series 2026 Supplemental Trust Agreement, dated as of _____, 1, 2026, among the Corporation, the Governing Board and the Trustee.

SECTION 2. LEASE TERM. The total of all Lease Terms of the Series 2006 Lease is expected to be approximately thirty (30) years consisting of an "Original Term" of approximately one (1) year, which terminated on September 30, 2007, and twenty-nine (29) Renewal Terms of twelve (12) months, each from October 1, through and including September 30 of the next succeeding calendar year, which commenced on October 1, 2007 and will terminate on September 30, 2036, provided that on such dates no Series 2026 Certificates are Outstanding. Each Lease Term shall be subject to annual renewal pursuant to the provisions of Article II of the Master Lease.

SECTION 3. SERIES 2006 FACILITIES TO BE LEASE PURCHASED. A general description and the estimated costs of the Series 2006 Facilities lease purchased under the Series 2006 Lease are described in Exhibit A attached hereto. The Governing Board reserves the right to substitute other facilities for the facilities set forth herein with the requirements of the Master Lease.

SECTION 4. SERIES 2006 FACILITY SITE(S) GROUND LEASED TO THE CORPORATION AND PERMITTED ENCUMBRANCES. The legal description of the Series 2006 Facility Site(s) ground leased to the Corporation, and Permitted Encumbrances in addition to those specified in the Master Lease, are attached hereto as Exhibit B. Substitution may be made in accordance with the requirements of the Master Lease and the Series 2006 Ground Lease.

3

- (c) Trustee Expenses: \$_____ paid on the Commencement Date (Trustee's Counsel Fees).

SECTION 8. PREPAYMENT PROVISIONS. In addition to or in lieu of the prepayment provisions of Section 7.2 of the Master Lease, the principal portion of the Basic Lease Payments, due as provided in Section 6 of this Schedule, are not subject to optional prepayment, but are subject to extraordinary prepayment provisions.

SECTION 9. OTHER SPECIAL PROVISIONS.

(a) Representations.

(1) The Governing Board hereby represents, covenants and warrants that adequate utilities are available to the Series 2006 Facility Sites, or the costs of making them available is included in the Governing Board's acquisition and construction budget for the Series 2006 Facility Sites.

(2) The Governing Board hereby confirms its representations, covenants and warranties set forth in Section 2.10 of the Master Lease, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule and except as otherwise provided below. The Corporation hereby confirms its representations, covenants and warranties set forth in Section 2.11 of the Master Lease, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule, except as otherwise provided below. The Governing Board and the Corporation hereby jointly represent that the Series 2006 Facilities are essential facilities.

(b) Continuing Disclosure. For purposes of the Series 2006 Lease, the Governing Board hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Series 2006 Lease, failure of the Governing Board to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of the Series 2026 Certificates shall) or any Holder of the Series 2026 Certificates or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Governing Board to comply with its obligations under this Section 9(c). For purpose of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2026 Certificates (including persons holding Series 2026 Certificates through nominees, depositories, or other intermediaries), or (b) is treated as the owner of any Series 2026 Certificates for federal income tax purposes.

(c) Damage, Destruction or Condemnation of the Series 2006 Facilities. Notwithstanding the provisions set forth in Sections 5.4 and 7.2(b) of the Master Lease, if the Net

5

Proceeds related to the Series 2006 Facilities allocable to the Series 2026 Certificates are not greater than the amount of the Lease Payments represented by the Series 2026 Certificates coming due in the current and immediately following fiscal year under the Series 2006 Lease, then such amounts shall be used first, to pay, the Interest Component of the Series 2026 Certificates for the next two interest Payment Dates and then to pay the principal component next coming due on the Series 2026 Certificates. In the event such Net Proceeds are greater than the amount of the Lease Payments represented by the Series 2026 Certificates coming due under the Series 2006 Lease in the current and immediately following fiscal year, at the option of the Governing Board, the Governing Board shall apply the portion of the Net Proceeds of such insurance or condemnation award to (i) the acquisition, construction and installation of Facilities that will be subject to the Series 2006 Lease, or (ii) upon receipt of an approving opinion of Special Tax Counsel, to the Series 2026 Subaccount of the Interest Account, or the Series 2026 Subaccount of the Principal Account to be credited against the payments next due to such accounts and subaccounts.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Corporation has caused this Schedule to be executed in its corporate name by its duly authorized officers, and the Governing Board has caused this Schedule to be executed in its name by its duly authorized members or officers on the date set forth below their respective signatures and all as of the day and year first written above.

[SEAL] **SOUTH FLORIDA WATER
MANAGEMENT DISTRICT LEASING
CORP.**

By: _____
President

Attest:

By: _____
Secretary

**GOVERNING BOARD OF THE
SOUTH FLORIDA WATER
MANAGEMENT DISTRICT**

By: _____
Chairman

Attest:

By: _____
Secretary

Exhibit A

Series 2006 Facilities Description

A. General Description of the Series 2006 Facilities to be Leased Purchased:

A-1 Flow Equalization Basin (the "A-1 FEB")

The A-1 FEB is a 60,000 acre-feet constructed storage feature used to capture and store peak stormwater flows, allowing water managers to move water from the A-1 FEB into a stormwater treatment area ("STA") at a steady rate to optimize STA performance and achieve water quality improvement targets.

C-44 (St. Lucie Canal) Reservoir/Stormwater Treatment Area Test Cells (the "C-44 Test Cells")

This project consists of a 4,000-acre, 10-foot-deep above-ground reservoir that provides additional water storage for the C-44 basin. The project also includes a 4,000-acre STA to capture and treat excess stormwater runoff before it enters the St. Lucie Canal and, ultimately, the St. Lucie Estuary and Indian River Lagoon. The project includes an option for expansion of an additional 4,000-acre reservoir that would be capable of reducing the impact of Lake Okeechobee regulatory releases to the estuary. Only the construction costs of the C-44 Test Cells are included in the Series 2006 Facilities.

C-43 (Caloosahatchee River Canal) West Reservoir Test Cells (the "C-43 Test Cells")

This project consists of an above-ground reservoir located along the Caloosahatchee River. Maximum storage capacity is 160,000 acre-feet. The reservoir will be constructed on an 11,000-acre parcel owned by the District in Hendry County, west of LaBelle. Only the construction costs of the C-43 Test Cells are included in the Series 2006 Facilities.

EAA Stormwater Treatment Areas ("STA") Expansion, Compartments B and C (the "EAA STA Expansion")

This project expands the size and enhances the performance of existing STAs created as part of the Everglades Construction Project ("ECP"). These constructed wetlands naturally reduce stormwater runoff pollution levels flowing from the EAA before entering the Everglades. This project includes seven project components that will expand EAA STA Compartment B and EAA STA Compartment C. Only construction costs of four independent project components are included in the Series 2006 Facilities.

EAA STA Compartment B Buildout & EAA STA Compartment C Buildout

EAA STA Compartment B Buildout consists of two independent stormwater treatment areas, the North Buildout and the South Buildout. The North Buildout site is 4,500 acres and its

components include an inflow pump station G-434 with a flow rate of 1,120 cubic feet per second, STA Cell 5 and Cell 6, distribution and seepage canals, levees, and water control structures. The South Buildout site is 3,000 acres and its components include an inflow pump station G-435 with a flow rate of 480 cubic feet per second and an outflow pump station G-436 with a flow rate of 1,600 cubic feet per second, STA Cell 7 and Cell 8, distribution canals and seepage canals, levees, water control structures, and a 26 cubic feet per second seepage pump station G-445. EAA STA Compartment C Buildout site is 6,400 acres and its components include an inflow pump station G-508 with a flow rate of 1,630 cubic feet per second, STA Cell 5-4A & 5-4B, Cell 5-5A & 5-5B, and Cell 6-4, distribution and outflow canals, levees, water control structures, and a 100 cubic feet per second hydration pump station G-509.

B. Estimated Costs* of the Series 2006 Facilities to be Leased Purchased:

EAA Reservoir Phase 1A/Bolles & Cross	
Canals EAA Reservoir Phase 1A	\$167,665,000
A-1 Flow Equalization Basim	
A-1 FEB	\$45,400,000
EAA STA Expansion	
EAA STA Compartment B STA 2 Cell 4	\$22,524,000
EAA STA Compartment C STA 6-2	25,710,000
EAA STA Compartment C STA 5 FW 3	15,317,000
Compartment C USSC C139 Annex Pump Station	5,500,000
C43 Reservoir West	
C43 Test Cells	\$10,245,000
C44 Reservoir & STA	
C44 Test Cells	\$8,975,000
EAA STA Expansion	
EAA STA Compartment B Buildout	\$133,000,000
EAA STA Compartment C Buildout	133,000,000
Total	\$567,336,000

* Only construction costs of the Series 2006 Facilities are being lease purchased under the Series 2006 Lease and funded by proceeds of the Unfunded Series 2006 Certificates and Series 2015 Certificates.

Exhibit B

**The legal description of the Series 2006 Facility Sites
to be ground leased to the Corporation, and Permitted
Encumbrances in addition to those specified in the Master Lease**

LEGAL DESCRIPTION

Parcel 1 (A-1 FEB Site; Everglades Area ("EAA") Reservoir – Phase 1A)

A parcel of land lying in Sections 5-9, 16, 17, 20-22, 26-29, a portion of Sections 3, 4, 10, 14, 15, 18, 19, 23-25, 30-36, Township 46 South, Range 37 East Hiatus Lots 4-6 lying between Townships 45 and 46 South, Range 37 East, and a portion of Section 31, Township 46 South, Range 38 East, Palm Beach County, Florida, and being more particularly described as follows:

Commence at the Northwest corner of said Hiatus Lot 6, lying between Townships 45 and 46 South, Range 37 East;

thence South 00° 05' 09" West along the West line of said Hiatus Lot 6, a distance of 8,008.10 feet to the POINT OF BEGINNING;

thence North 89° 33' 55" East, along a line 1,100 feet North of and parallel with the North line of Sections 4, 5 and 6 a distance of 12,054.52 feet, to the Westerly Right-of-Way of State Road 25 (U.S. Highway 27);

thence Southeasterly along said Westerly Right-of-Way line for the following five (5) courses;

thence South 35° 04' 58" East, a distance of 6,669.82 feet;

thence South 35° 04' 30" East, a distance of 5,748.05 feet;

thence South 35° 04' 50" East, a distance of 7,793.22 feet;

thence South 35° 09' 26" East, a distance of 10,182.40 feet;

thence South 35° 00' 29" East, for 7,270.95 feet to a point on a line 1,815 feet North of and parallel with the South Township line of said Township 46 South, Range 37 East;

thence departing aforesaid Westerly Right-of-Way line South 89° 35' 10" West along a line 1,815.00 feet North of and parallel with the South line of said Township 46 South, Range 37 East, a distance of 32,712.70 feet, to a point on a line 380 feet East of and parallel with the West line of said Township 46 South, Range 37 East;

Exhibit B-1

thence North 00° 34' 06" West for 2,304.92 feet;

thence North 89° 35' 37" East for 5,038.39 feet;

thence South 00° 35' 29" East for 2,294.31 feet to an intersection with a line being 300 feet Northerly of, as measured at right angles and parallel to the South line of said Section 33;

thence South 89° 05' 45" West for 2,597.86 feet to the POINT OF BEGINNING.

Bearings as shown hereon are based on State Plane Coordinates, Florida West Zone, North American Datum 1983/1990 with said East line of Section 32, Township 43 South, Range 28 East bearing North 00° 24' 41" West and all other bearings are relative thereto.

Parcel 4 (EAA STA Compartment STA 6-2):

Tract No. 49-104-002 a tract of land encompassing parts of Sections 23, 24, 25, 26, 35 & 36, in Township 47 South, Range 34 East, Hendry County, Florida, more particularly described as follows:

Commencing at a found 5" x 5" concrete monument found at the Southeast corner of Section 1, Township 48 South, Range 34 East;

thence North 38° 22' 14" West for a distance of 13,066.68 feet along the East Right-of-Way line for the South Florida Water Management District L-3 Levee;

thence North 89° 57' 03" East a distance of 128.48 feet, to the POINT OF BEGINNING:

From the POINT OF BEGINNING, continue North 89° 57' 03" East a distance of 5,818.13 feet;

thence North 00° 03' 13" East a distance of 528.04 feet;

thence North 89° 54' 06" East a distance of 2,458.55 feet to the East line of Section 25, Township 47 South, Range 34 East, said line also being the East line of Township 47 South, Range 34 East;

thence North 01° 30' 01" West along said East line, a distance of 4,794.74 feet, to the found rail and disc at the Northeast corner of Section 25, Township 47 South, Range 34 East;

thence North 01° 21' 57" West along said Range Line, a distance of 2,644.89 feet;

thence South 89° 59' 37" West along a line that is 20.00 feet South of and parallel to the South Top of Bank of U.S. Sugar Existing Lateral 7E Canal, for a distance of 8,242.39 feet;

thence South 00° 44' 45" East, a distance of 7,411.79 feet, along a line that is 20.00 feet East of and parallel to the East Top of Bank of U.S. Sugar Main Canal;

thence North 89° 15' 15" East, a distance of 50.00 feet;

Exhibit B-3

thence Northerly along a line 380.00 feet East of and parallel with said West line for the following two (2) courses;

thence North 01° 08' 34" West, a distance of 14,005.03 feet;
thence North 01° 09' 51" West, for 406.14 feet;

thence South 89° 35' 19" West, a distance of 380.03 feet, to the West line of said Township 46 South, Range 37 East;

thence North 01° 09' 51" West along said West line, a distance of 15,463.80 feet, to the Northwest corner of Section 6, Township 46 South, Range 37 East to the Southwest corner of aforesaid Hiatus Lot 6;

thence Northerly along the West line of said Hiatus Lot 6 for the following two (2) courses;

thence North 01° 09' 52" West, a distance of 566.45 feet;

thence North 00° 05' 09" East a distance of 532.45 feet to the POINT OF BEGINNING.

Containing 15,930.10 Acres, more or less.

Parcel 2 (C44 Reservoir & STA C44 Test Cells):

The South three-quarters of Section 17, Township 39 South, Range 39 East, Martin County, Florida, LESS and EXCEPT the South 40 feet thereof.

Parcel 2 shall not include:

the South 140 feet of Section 17, Township 39 South, Range 39 East, Martin County, Florida, LESS and EXCEPT the South 40 feet of said Section 17.

Parcel 3 (C43 Reservoir West C43 Test Cells):

A parcel of land being a portion of Sections 32, and 33 of Township 43 South, Range 28 East, Hendry County, Florida, being more particularly described by metes and bounds as follows:

Commence at the Southeast corner of said Section 32;

thence North 00° 24' 41" West along the East line of said Section 32 for 300.04 feet to the POINT OF BEGINNING and an intersection with a line being 300 feet Northerly of, as measured at right angles and parallel to the South line of said Section 32;

thence South 89° 52' 27" West along said parallel line for 2,441.56 feet;

Exhibit B-2

thence South 00° 44' 45" East, a distance of 563.13 feet to the POINT OF BEGINNING.
Bearings are based on State plane Coordinates, reference the North American Datum of 1983/1999 Florida East Zone, reference bearing of North 29° 35' 57" West along the line from Control Monument Corner to Control Monument G342D.

Parcel 5 (Stormwater Treatment Area Compartment B, Cell 4):

A parcel of land lying in Townships 46 and 47 South, Ranges 37 and 38 East, Palm Beach County, Florida, more particularly described as:

All of Section 36, Township 46 South, Range 37 East lying East of the East Right-of-Way Line of the L-18 (North New River Canal) as described in the following Official Records Books:

Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225, Official Records Book 7568, Page 1659, Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm Beach County, Florida.

TOGETHER WITH:

All of Section 32, Township 46 South, Range 38 East, Palm Beach County, Florida, and the East 260 feet of the West Quarter of Section 28, Township 46 South, Range 38 East, Palm Beach County, Florida, and the West Quarter of Section 33, Township 46 South Range 38 East, and all of Section 31 lying East of the East Right-of-Way line of the L-18 (North New River Canal) as recorded in the following Official Records Books:

Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225, Official Records Book 7568, Page 1659, Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm Beach County, Florida.

TOGETHER WITH:

All of Sections 5 and 6, Township 47 South, Range 38 East, Palm Beach County, Florida lying East of the East Right-of-Way Line of the L-18 (North New River Canal) as recorded in the following Official Records Books:

Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225, Official Records Book 7568, Page 1659,

Exhibit B-4

Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm Beach County, Florida,

and the North 200 feet of Section 8, Township 47 south, Range 38 East, Palm Beach County, Florida, lying East of the East Right-of-Way Line of the L-18 (North New River Canal) as recorded in the following Official Records Books:

Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225, Official Records Book 7568, Page 1659, Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm Beach County, Florida,

and the North 200 feet of Section 9, Township 47 South, Range 38 East, Palm Beach County, Florida.

TOGETHER WITH:

A parcel of land lying in Section 10, Township 47 South, Range 38 East, Palm Beach County Florida, being more particularly described as:

BEGINNING at the Northwest corner of Section 10, Township 47 South, Range 38 East, Palm Beach County, Florida, thence North 89° 35' 18" East, along the North line of said Section 10, a distance of 4,329.25 feet;

thence South 64° 35' 29" West, departing said North line of Section 10, a distance of 318.13 feet to the beginning of a tangent curve concave to the North with a radius of 700.00 feet;

thence continue along the arc of said curve, through a central angle of 24° 59' 48", a distance of 305.39 feet, to a point on a line 200 feet South of and parallel with said North line of Section 10;

thence South 89° 35' 18" West, along said parallel line, a distance of 3,745.12 feet to a point on the West line of said Section 10;

thence North 00° 24' 42" West, along said West line of Section 10, a distance of 200 feet to the POINT OF BEGINNING.

Bearings based on the Florida State Plane Coordinate System, North American Datum of 1983 with the North line of said Section 10, Township 47 South, Range 38 East bearing North 89° 35' 18" East and all other bearings are relative thereto.

Exhibit B-5

TOGETHER WITH

ALL OF SECTIONS 19, 20, 21, 29, 30 AND 32, TOWNSHIP 46, SOUTH, RANGE 38 EAST, PALM BEACH COUNTY, FLORIDA, AND THE WEST QUARTER OF SECTION 28, TOWNSHIP 46 SOUTH, RANGE 38 EAST, PALM BEACH COUNTY, FLORIDA AND THE WEST QUARTER OF SECTION 33, TOWNSHIP 46 SOUTH, RANGE 38 EAST, AND ALL OF SECTION 31 LYING EAST OF THE EAST RIGHT-OF-WAY LINE OF THE L-18 (NORTH NEW RIVER) CANAL AS RECORDED IN THE FOLLOWING OFFICIAL RECORD BOOKS: (ORB 258, PG. 149) (ORB 260, PG. 457) (ORB 959, PG. 38) (ORB 3698, PG. 1225) (ORB 7568, PG. 1659) (ORB 7568 PG. 1664)(ORB 1104, PG. 543) (ORB 1104, PG. 545)(ORB 1106, PG. 39) (ORB 1107, PG. 414)(ORB 1117, PG. 521) (ORB 1156, PG. 198)(ORB 1156, PG. 203) (ORB 1158, PG. 562) AS RECORDED IN THE PUBLIC RECORDS OFFICE OF PALM BEACH COUNTY, FLORIDA.

TOGETHER WITH

ALL OF SECTIONS 9 AND 10, TOWNSHIP 47 SOUTH, RANGE 38 EAST, PALM BEACH COUNTY, FLORIDA AND ALL OF SECTIONS 5, 6, 8, 16, 17 AND 21, TOWNSHIP 47 SOUTH, RANGE 38 EAST, PALM BEACH COUNTY, FLORIDA, LYING EAST OF THE EAST RIGHT-OF-WAY LINE OF THE L-18 (NORTH NEW RIVER) CANAL AS RECORDED IN THE FOLLOWING OFFICIAL RECORDS BOOKS: (ORB 258, PG. 149) (ORB 260, PG. 457)(ORB 959, PG. 38) (ORB 3698, PG. 1225)(ORB 7568 PG. 1659) (ORB 7568, PG. 1664)(ORB 1104, PG. 543) (ORB 1104, PG. 545) (ORB 1106, PG. 39) (ORB 1107, PG. 414) (ORB 1117, PG. 521) (ORB 1156, PG. 198)(ORB 1156, PG. 203) (ORB 1158, PG. 562) AS RECORDED IN THE PUBLIC RECORDS OFFICE OF PALM BEACH COUNTY, FLORIDA, AND ALL OF SECTION 11, TOWNSHIP 47 SOUTH, RANGE 38 EAST, LYING WEST OF THE WEST RIGHT OF WAY LINE OF THE SOUTH FLORIDA MANAGEMENT DISTRICT L-6 CANAL AS RECORDED IN THE FOLLOWING OFFICIAL RECORD BOOKS: (ORB 2147, PG. 8) (ORB 2159, PG. 1281) (ORB 2106, PG. 1901) (ORB 2106, PG. 1904) (ORB 2165, PG. 1808) (ORB 2165, PG. 1110) (ORB 2174, PG. 1380) (ORB 2154, PG. 1346) AS RECORDED IN THE PUBLIC RECORDS OFFICE OF PALM BEACH COUNTY, FLORIDA, AND ALL OF SECTIONS 14 AND 15, TOWNSHIP 47 SOUTH, RANGE 38 EAST, LYING WEST OF THE WEST BOUNDARY LINE OF A PARCEL OF LAND DESCRIBED IN OFFICIAL RECORDS BOOK 11015, PAGE 1900, AS RECORDED IN THE PUBLIC RECORDS OFFICE OF PALM BEACH COUNTY, FLORIDA, AND ALL OF SECTION 22 LYING EAST OF THE EAST RIGHT-OF-WAY LINE OF THE L-18 (NORTH NEW RIVER) CANAL AS RECORDED IN OFFICIAL RECORD BOOKS: (ORB 258, PG. 149) (ORB 260, PG. 457)(ORB 959, PG. 38) (ORB 3698, PG. 1225) (ORB 7568, PG. 1659) (ORB 7568, PG. 1664 (ORB 1104, PG. 543) (ORB 1104, PG. 545)(ORB 1106, PG. 39) (ORB 1107, PG. 414)(ORB 1117, PG. 521) (ORB 1156, PG. 198) (ORB 1156, PG. 203) (ORB 1158, PG. 562) AS RECORDED IN THE OFFICIAL RECORDS OFFICE OF PALM BEACH COUNTY, FLORIDA AND LYING WEST OF THE WEST BOUNDARY LINE OF A PARCEL OF LAND DESCRIBED IN OFFICIAL RECORDS BOOK 11015, PAGE 1900, AS RECORDED IN THE PUBLIC RECORDS OFFICE OF PALM BEACH COUNTY, FLORIDA.

LESS AND EXCEPT

Exhibit B-7

Parcel 5 shall not include:

All that part of the North 200 feet of Section 10, Township 47 South, Range 38 East, lying 50 feet Northwesterly of, parallel, contiguous, and as measured at right angles to the following described line;

Commence at the Northeast corner of said Section 10, having a grid coordinate of X=6556935.7852, Y=743254.2899 Florida State Plane Coordinate System, East Zone, according to Parcel 98 described in Official Records Book 7393, page 1811, Palm Beach County Florida Public Records, thence, South 89° 34' 00" West, along the North boundary line of said Section 10, a distance of 1584.08 feet to a point on the West line of said Parcel 98 and the Point of Beginning of the specifically described line;

Thence, South 30° 45' 47" West, along the West line of said Parcel 98, a distance of 233.81 feet to the South line of the North 200 feet of said Section 10 and the End of the specifically described line.

The above described parcel of land contains 0.27 of an acre more or less.

The bearing in the above described parcel are based on a bearing of South 89° 34' 00" West on the North line of said Section 10 as call for in Official Records Book 7393, page 1811, Palm Beach County Florida Public Records.

Parcel 6 (EAA STA Compartment C STA 5 FW 3):

All of Sections 1, 2, 3 and 4, Township 47 South, Range 34 East, Hendry County, Florida, lying Easterly of the Westerly line of that certain parcel of land described in Official Records Book 245, Page 145 of the Hendry County Public Records. Said Westerly line also being known as the Easterly Right-of-Way line of the South Florida Water Management District's Levee L-3.

Parcel 7 (EAA STA Expansion Compartment B):

A PARCEL OF LAND LYING IN TOWNSHIPS 46 AND 47 SOUTH, RANGES 37 AND 38 EAST, PALM BEACH COUNTY FLORIDA BEING MORE PARTICULARLY DESCRIBED AS:

ALL OF SECTIONS 23, 24, 25 AND 36, TOWNSHIP 46 SOUTH, RANGE 37 EAST LYING EAST OF THE EAST RIGHT-OF-WAY LINE OF THE L-18 (NORTH NEW RIVER) CANAL AS DESCRIBED IN THE FOLLOWING OFFICIAL RECORDS BOOKS: (ORB 258, PG.149) (ORB 260, PG. 457) (ORB 959, PG. 38) (ORB 3698, PG. 1225) (ORB 7568, PG. 1659) (ORB 7568, PG. 1664) (ORB 1104, PG. 543) (ORB 1104, PG. 545)(ORB 1106, PG. 39) (ORB 1107, PG. 414)(ORB 1117, PG. 521) (ORB 1156, PG. 198)(ORB 1156, PG. 203) (ORB 1158, PG. 562) AS RECORDED IN THE PUBLIC RECORDS OFFICE OF PALM BEACH COUNTY, FLORIDA.

Exhibit B-6

COMMENCE AT THE NORTHWEST CORNER OF SECTION 11, TOWNSHIP 47 SOUTH, RANGE 38 EAST; THENCE, BEAR, NORTH 89°35'18" EAST, (BASIS OF BEARINGS), ALONG THE NORTH LINE OF SAID SECTION 11, A DISTANCE OF 4,419.29 FEET TO THE WEST RIGHT OF WAY LINE OF SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEVEE 6, AS RECORDED IN OFFICIAL RECORDS BOOKS (ORB 2147, PG. 8) (ORB 2159, PG. 1281) (ORB 2106, PG. 1901) (ORB 2106, PG. 1904) (ORB 2165, PG. 1808) (ORB 2165, PG. 1110) (ORB 2174, PG. 1380) (ORB 2154, PG. 1346), PALM BEACH COUNTY, FLORIDA, PUBLIC RECORDS; THENCE, SOUTH 30°35'07" WEST, ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 6,145.43 FEET TO THE SOUTH LINE OF SAID SECTION 11; THENCE, SOUTH 89°32'59" WEST, ALONG SAID SOUTH LINE OF SECTION 11, A DISTANCE OF 583.54 FEET TO THE WEST BOUNDARY OF THOSE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 11015, PAGE 1900, PALM BEACH COUNTY, FLORIDA, PUBLIC RECORDS; THENCE CONTINUE ALONG SAID WEST BOUNDARY THE FOLLOWING TWO (2) COURSES:

SOUTH 30°35'07" WEST, A DISTANCE OF 8,146.29 FEET;

SOUTH 41°20'20" WEST, A DISTANCE OF 271.76 FEET TO THE POINT OF BEGINNING;

THENCE, CONTINUE SOUTH 41°20'20" WEST, ALONG SAID WEST BOUNDARY LINE, A DISTANCE OF 2,096.10 FEET TO THE WESTERLY LINE OF THAT CERTAIN FLORIDA POWER AND LIGHT EASEMENT AS DESCRIBED IN OFFICIAL RECORDS BOOK 7393, PAGE 1811, PALM BEACH COUNTY, FLORIDA, PUBLIC RECORDS; THENCE, NORTH 34°48'32" WEST, ALONG SAID EASEMENT LINE, A DISTANCE OF 1,916.77 FEET; THENCE, EAST, A DISTANCE OF 2,478.67 FEET TO THE POINT OF BEGINNING.

THE BEARINGS AND DISTANCES REFER TO THE STANDARD PLANE RECTANGULAR COORDINATE SYSTEM, FOR THE EAST ZONE OF FLORIDA, NORTH AMERICAN DATUM OF 1983, 2007 ADJUSTMENT.

Parcel 8 (EAA STA Expansion Compartment C):

All of Sections 1,2,3,4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22 and 27, Township 47 South, Range 34 East, Hendry County, Florida, lying Easterly and Northeasterly of the westerly line of that certain parcel of land as described in Official Records Book 245, Page 145 of the Hendry County Public Records. Said westerly line also being known as the easterly right of way line of the South Florida Water Management District's Levee L-3.

TOGETHER WITH:

All that part of Sections 23, 24, 26 and 35, Township 47 South, Range 34 East, Hendry County, Florida lying Northeasterly of right of way of said Levee 3 and lying Northerly and Westerly of the following described line:

Commencing at a found 5" x 5" concrete monument found at the Southeast corner of Section 1, Township 48 South, Range 34 East; thence, North 38°22'14" West for a distance of 13,066.68 feet

Exhibit B-8

along the East right of way line for the South Florida Water Management District L-3 Levee; thence, North 89°57'03" East a distance of 128.48 feet; thence, continue North 89°57'03" East, a distance of 5,818.13; thence, North 00°03'13" East a distance of 528.04 feet; thence, North 89°54'06" East, a distance of 2,458.55 feet to the East line Section 25, Township 47 South, Range 34 East, said line also being the East line of Township 47 South, Range 34 East; thence, North 01°30'01" West along said East line, a distance of 4,794.74 feet, to the found rail and disc at the Northeast corner of Section 25, Township 47 South, Range 34 East; thence North 01°21'57" West along said Range line, a distance of 2,644.89 feet to the POINT OF BEGINNING; thence, South 89°59'37" West, along a line that is 20.00 feet South of and parallel to the South top of bank of U.S. Sugar existing lateral 7E Canal, for a distance of 8,242.39 feet; thence South 00°44'45" East, a distance of 7,411.79 feet, along a line that is 20.00 feet East of and parallel to the East top of bank of U.S. Sugar Main Canal; thence, North 89°15'15" East, a distance of 50.00 feet; thence South 00°44'45" East, a distance of 563.13 feet to the end of the herein described line.

EXCEPT that portion thereof lying within the land appropriated to the South Florida Water Management District by the Order of Taking recorded in Official Records Book 548, Page 1381, being more particularly described as follows:

A tract of land encompassing parts of Sections 25, 35 and 36, Township 47 South, Range 34 East, and part of Section 1, Township 48 South, Range 34 East, Hendry County, Florida, being more particularly described as follows:

Beginning at a found 5" by 5" concrete monument found at the Southeast corner of Section 1, Township 48 South, Range 34 East; thence, North 38°22'14" West, for a distance of 13,066.68 feet along the East right of way line for the South Florida Water Management District's L-3 Canal; thence, North 89°57'03" East, a distance of 5946.62 feet; thence, North 00°03'13" East, a distance of 528.04 feet; thence, North 89°54'06" East, a distance of 2458.55 feet to the East line of Section 25, Township 47 South, Range 34 East; thence, South 01°30'01" East along the East line of Section 25, Township 47 South, Range 34 East, a distance of 508.10 feet to a found rail at the Northeast corner of Section 36, Township 47 South, Range 34 East; thence, South 01°08'01" East along the East line of Section 36, Township 47 South, Range 34 East, a distance of 5025.09 feet to the Southeast corner of Section 36, Township 47 South, Range 34 East; thence, South 89°19'19" West, a distance of 518.18 feet to a found rail at the Northeast corner of Section 1, Township 48 South, Range 34 East; thence, South 01°12'40" East, along the East line of Section 1, Township 48 South, Range 34 East, a distance of 5244.82 feet to the POINT OF BEGINNING.

PERMITTED ENCUMBRANCES

AS TO ALL PARCELS

1. Intentionally deleted.
2. Taxes and assessments for the year 2006 and subsequent years.

Exhibit B-9

14. Terms, conditions, and provisions of Ground Lease, dated as of November 1, 2006, by and between South Florida Water Management District, an agency and water management district of the State of Florida, Lessor, and the South Florida Water Management District Leasing Corp., a not-for-profit Florida corporation, as Lessee, with Lessee's interest assigned to Deutsche Bank National Trust Company, Charlotte, North Carolina, as Trustee, pursuant to a Master Trust Agreement dated as of September 1, 2006, and as amended and supplemented by the Series 2006 Supplemental Trust Agreement dated as of September 1, 2006, recorded in the Public Records of Palm Beach, Martin and Hendry Counties, Florida.

15. Terms, conditions, and provisions of Sub-Lease, dated November 1, 2006, by and between the South Florida Water Management District Leasing Corp., a not-for-profit Florida corporation, as Sub-Lessor, and the South Florida Water Management District, an agency and water management district of the State of Florida, as Sub-Lessee; with Sub-Lessor's interest assigned to Deutsche Bank National Trust Company, Charlotte, North Carolina, as Trustee, pursuant to a Master Trust Agreement dated as of September 1, 2006, and as amended and supplemented by the Series 2006 Supplemental Trust Agreement dated as of September 1, 2006, recorded in the Public Records of Palm Beach, Martin and Hendry Counties, Florida.

16. Final Judgment Validating Certificates of Participation Lease-Purchase Financing recorded in Official Records Book 19992, Page 239 and amended in Official Records Book 20258, Page 1731, both of the Public Records of Palm Beach County, Florida.

17. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida contained in Deed Book 46, Page 240, of the Public Records of Miami-Dade County, Florida, and as affected by Release of Right of Entry only to a portion of Section 5 in Official Records Book 20325, Page 1172.

18. Resolution of Everglades Drainage District for Right-of-Way in Deed Book 536, Page 422 and in Deed Book 536, Page 429.

19. Grant of Right-of-Way by The Trustees of the Internal Improvement Fund of the State of Florida to State Road Department of the State of Florida recorded in Deed Book 540, Page 261, together with Deed from the Everglades Drainage District to State Road Department of the State of Florida recorded in Deed Book 536, Page 429.

20. Deed from The Trustees of the Internal Improvement Fund of the State of Florida to Everglades Drainage District recorded in Deed Book 702, Page 13.

21. Reservations in favor of the Everglades Drainage District recorded in Deed Book 706, Page 104.

Exhibit B-11

3. Easements or claims of easements not shown by the Public Records, boundary line disputes, overlaps, encroachments, and any matters not of record which would be disclosed by an accurate survey and inspection of the premises.

4. Intentionally deleted.

5. Intentionally deleted.

6. Intentionally deleted.

7. Terms, conditions, and provisions of Ground Lease, dated as of November 1, 2006, by and between South Florida Water Management District, an agency and water management district of the State of Florida, Lessor, and the South Florida Water Management District Leasing Corp., a not-for-profit Florida corporation, as Lessee, with Lessee's interest assigned to Deutsche Bank National Trust Company, Charlotte, North Carolina, as Trustee, pursuant to a Master Trust Agreement dated as of September 1, 2006, and as amended and supplemented by the Series 2006 Supplemental Trust Agreement dated as of September 1, 2006, recorded in the Public Records of Palm Beach, Martin County and Hendry Counties, Florida.

8. Terms, conditions, and provisions of Sub-Lease, dated November 1, 2006, by and between the South Florida Water Management District Leasing Corp., a not-for-profit Florida corporation, as Sub-Lessor, and the South Florida Water Management District, an agency and water management district of the State of Florida, as Sub-Lessee; with Sub-Lessor's interest assigned to Deutsche Bank National Trust Company, Charlotte, North Carolina, as Trustee, pursuant to a Master Trust Agreement dated as of September 1, 2006, and as amended and supplemented by the Series 2006 Supplemental Trust Agreement dated as of September 1, 2006, recorded in the Public Records of Palm Beach, Martin and Hendry Counties, Florida.

9. Intentionally deleted.

10. Intentionally deleted.

11. Final Judgment Validating Certificates of Participation Lease-Purchase Financing recorded in Official Records Book 19992, Page 239 and amended in Official Records Book 20258, Page 1731, both of the Public Records of Palm Beach County, Florida.

AS TO PARCEL 1 (A-1 FEB SITE: EAA RESERVOIR- PHASE 1A):

12. Taxes and assessments for the year 2006 and subsequent years.

13. Easements or claims of easements not shown by the Public Records, boundary line disputes, overlaps, encroachments, and any matters not of record which would be disclosed by an accurate survey and inspection of the premises.

Exhibit B-10

22. Reservations in favor of the Everglades Drainage District recorded in Deed Book 706, Page 116a.

23. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 707, Page 305, as affected by Quit Claim Deeds to E.G. Carroll recorded in Official Records Book 739, Page 172 and Official Records Book 739, Page 173.

24. Reservations in favor of the Everglades Drainage District recorded in Deed Book 717, Page 309.

25. Reservations of a 1/16 petroleum interest set forth in Deed from Lillian M. Jeffries recorded in Deed Book 720, Page 351, the right of surface entry having been terminated by operation of the Florida Marketable Record Title Act, Chapter 712, Florida Statute.

26. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 727, Page 13.

27. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 787, Page 153.

28. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 805, Page 449.

29. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 834, Page 52.

30. Deed filed from The Trustees of the Internal Improvement Fund of the State of Florida to Everglades Drainage District for the New River Canal recorded in Deed Book 887, Page 266.

31. Mineral rights reservations in favor of Hannah M. White recorded in Deed Book 1039, Page 619 and Deed Book 1039, Page 621, the right of surface entry having been terminated by operation of the Florida Marketable Record Title Act, Chapter 712, Florida Statutes.

32. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 1054, Page 212.

33. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 1054, Page 213.

34. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 1054, Page 214 and in Deed Book 1054, Page 215.

Exhibit B-12

35. Perpetual Easement for Discharging Water recorded in Deed Book 1056, Page 577.
36. Reservations in favor of the Board of Education of the State of Florida recorded in Deed Book 1088, Page 700.
37. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 1054, Page 213 and corrected in Deed Book 1091, Page 695 and as affected by Release of Right of Entry only to a portion of Section 5 in Official Records Book 20325, Page 1172.
38. Perpetual Easement for Discharging Water recorded in Official Records Book 572, Page 727.
39. Road Easement Agreement as set out and reserved in Official Records Book 968, Page 588.
40. Unity of Title recorded in Official Records Book 2067, Page 306.
41. Terms, conditions and provisions of that certain Unrecorded Agricultural Lease with Hawthorne Sugar Corp., as evidence by and together with Memorandum of Agricultural Lease recorded in Official Records Book 4439, Page 1259, as affected by Lease Assignment to Columbia Bank For Cooperatives, recorded in Official Records Book 4439, Page 1266.
42. Reservations as contained in Warranty Deed recorded in Official Records Book 5915, Page 357.
43. All rights of access, egress, ingress, light, air and view between Sections 31, Township 46 South, Range 38 East, and Sections 36, 25, 24 and 23 Township 46 South, Range 37 East, as contained in Deed conveyed to the State of Florida recorded in Official Records Book 6870, Page 1080.
44. All rights of access, egress, ingress, light, air and view between Sections 4, 10, 14, 15, Township 46 South, Range 37 East, as contained in Deed conveyed to the State of Florida recorded in Official Records Book 6991, Page 814.
45. All rights of access, egress, ingress, light, air and view between Lots 4 and 5, Hiatus, between Townships 45 and 46 South, Range 37 East, as contained in Deed conveyed to the State of Florida recorded in Official Records Book 7575, Page 1038.
46. Rights of tenant(s) in possession, other than the record owner, including but not limited to possessory estate for years, together with all right, title and interest in the crops and cane stubble, and the right to use the irrigation and drainage systems, including, without limitation, the pumps, pump motors, pump houses and piping located on said property; all as

Exhibit B-13

Reservation recorded in Official Records Book 11016, page 632 and with Amendment No. 1 with New Hope Sugar Company recorded in Official Records Book 11016, Page 686 and Amendment No. 1 with United States Sugar Corporation recorded in Official Records Book 11016, Page 727.

50. Purchase and Sale Agreement by and between Talisman Sugar Corporation and The Nature Conservancy dated July 2, 1998, as amended November 30, 1998 and as evidence by and together with that certain Memorandum of Agreement recorded in Official Records Book 11052, Page 659.
51. Sugarcane Processing and Marketing Agreement, Security Agreement and Financing Statement by and between Osceola Farms, Co., a Florida corporation and Trucane Sugar Corporation recorded in Official Records Book 11275, Page 1747.
52. License Agreement by and between Osceola Farms, Co., a Florida corporation and Trucane Sugar Corporation, a Florida corporation recorded in Official Records Book 11292, Page 90.
53. UCC Financing Statement from Trucane Sugar Corporation to Farm Credit of South Florida recorded in Official Records Book 11297, Page 994.
54. Declaration of Restrictive Covenant with the Florida Department of Environmental Protection recorded in Official Records Book 20479, Page 216.
55. Declaration of Restrictive Covenant with the Florida Department of Environmental Protection recorded in Official Records Book 20532, Page 460.
56. Restrictive Covenants contained in Deed from The Trustees of the Internal Improvement Fund of the State of Florida recorded in Official Records Book 20534, Page 1167.

AS TO PARCEL 2 (STA C44 Test Cells (Martin County Property):

57. Oil, gas and mineral reservations in favor of Southern States Land & Timber Corporation contained in Warranty Deed recorded in Deed Book 33, Page 337 and Notices recorded in Subsurface Book 2, Page 55 and Official Records Book 411, Page 1404, all of the Public Records of Martin County, Florida, as modified by the reservation in Exhibit "B-3" to the Settlement Agreement (See Prior CLTIC Policy No. A02-1168628).
58. Easement granted to Florida Power and Light Company recorded in Official Records Book 932, Page 559, of the Public Records of Martin County, Florida.
59. The nature or extent of riparian or littoral rights.

Exhibit B-15

more particularly described in the Reservation Conditions attached as Exhibit C contained in Warranty Deed from Okeelanta Corporation recorded in Official Records Book 11015, Page 1892.

47. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit C contained in Warranty Deeds recorded in Official Records Book 11015, Page 1892, and Mortgage from Okeelanta Corporation in favor of Columbia Bank For Cooperatives, dated January 8, 1985 and recorded in Official Records Book 4439, Page 4, together with the following related documents: a) Release and Mortgage Modification Agreement recorded in Official Records Book 5205, at Page 1372; Notices and Acknowledgments of Future Advance recorded in Official Records Book 5205, at Page 1482, and recorded in Official Records Book 6284, at Page 1061; Mortgage Modification and Spreader Agreement recorded in Official Records Book 7885, at Page 1089; Notice and Acknowledgment of Initial Advance recorded in Official Records Book 7885, at Page 1190; Mortgage Modification and Spreader Agreement recorded in Official Records Book 10246, Page 625 and re-recorded in Official Records Book 10412, Page 813; as affected by: a) Partial Releases recorded in Official Records Book 4912, at Page 986, Official Records Book 5023, at Page 1413, Official Records Book 5123, at Page 875, Official Records Book 6870, at Page 1083, Official Records Book 7537, at Page 240, Official Records Book 7537 at Page 381 and Partial Releases of Mortgage, Financing Statement and Assignments recorded in Official Records Book 10246, Page 629 Official Records Book 11015, Page 1715; and also partial termination of the following: a) UCC Financing Statement recorded in Official Records Book 4439, Page 89, b) Amended in Official Records Book 5205, Page 1429, c) Continued in Official Records Book 6268, Page 1482, d) Amended in Official Records Book 6996, Page 1570, e) UCC Financing Statement recorded in Official Records Book 9390, Page 244, f) Amended in Official Records Book 10246, Page 649.

48. Rights of tenant(s) in possession, other than the record owner, including but not limited to possessory estate for years, together with all right, title and interest in the crops and cane stubble, and the right to use the irrigation and drainage systems, including, without limitation, the pumps, pump motors, pump houses and piping located on said property; all as more particularly described in the Reservation Conditions attached as Exhibit C as contained in Warranty Deed from Talisman Sugar Corporation recorded in Official Records Book 11016, Page 546, as partially assigned to New Hope Sugar Company and United States Sugar Corporation by Assignment and Assumption of Reservation recorded in Official Records Book 11016, page 632 and with Amendment No. 1 with New Hope Sugar Company recorded in Official Records Book 11016, Page 686 and Amendment No. 1 with United States Sugar Corporation recorded in Official Records Book 11016, page 727.

49. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit C all contained in Warranty Deed from Talisman Sugar Corporation, a Florida corporation recorded in Official Records Book 11016, Page 546, as partially assigned to New Hope Sugar Company and United States Sugar Corporation by Assignment and Assumption of

Exhibit B-14

60. Memorandum of Reservation of Use and Occupancy Agreement between the South Florida Water Management District and Florida Tierra Holdings, LLC, Running W Citrus Limited Partnership and Tesoro Groves Limited Partnership, recorded in Official Records Book 2107, Page 1519, of the Public Records of Martin County, Florida.

61. Reservation for the use and occupancy of the insured land as set forth in Unrecorded Settlement and Acquisition Agreement between the South Florida Water Management District, Florida Tierra Holdings, LLC, Running W. Citrus Limited partnership and Tesoro Groves Limited Partnership dated November 9, 2005 and as reserved in Special Warranty Deed recorded in Official Records Book 2107, Page 1434; Quit Claim Deed recorded in Official Records Book 2107, Page 1466; Quit Claim Deed recorded in Official Records Book 2107, Page 1476 and Quit Claim Deed recorded in Official Records Book 2108, Page 283, of the Public Records of Martin County, Florida.

62. Oil, gas and mineral reservation in favor of Running W Citrus Limited Partnership and recorded in Special Warranty Deed recorded in Official Records Book 2107, Page 1434, of the Public Records of Martin County, Florida.

63. Oil, gas and mineral reservation in favor of Southern States Land & Timber, LLC, a Florida limited liability company and recorded in Quit Claim Deed recorded in Official Records Book 2107, Page 1507, of the Public Records of Martin County, Florida.

64. Intentionally deleted.

AS TO PARCEL 3 (C43 Reservoir West C-43, Test Cells) (Hendry County Property):

65. Intentionally deleted.

66. Intentionally deleted.

67. Intentionally deleted.

68. Intentionally deleted.

69. Intentionally deleted.

70. Intentionally deleted.

71. Intentionally deleted.

72. Intentionally deleted.

73. Possible drainage rights of parties owning land adjoining the Townsend Canal from properties south of the south line of Section 7, Township 45 South, Range 29 East to drain

Exhibit B-16

across the Townsend Canal as it crosses the land insured hereunder without the benefit of any recorded agreement or without the benefit of any unrecorded agreement executed by Jack M. Berry, Inc., J & I-1 Groves LC, J & H Grove Holdings, L.C., and/or their predecessors in title. This exception does not include, and exception is not made for, drainage rights appurtenant to lands that are subject to the Canals Agreement described above or drainage rights under the unrecorded Townsend Canal Drainage and Maintenance Agreement with an effective date of December 1, 1995 as amended, or the drainage rights of the Cow Slough Water Control District.

74. Possible drainage rights of parties owning land adjoining the Roberts Canal from properties southeast or east of Section 21, Township 44 South, Range 29 East to drain across the Roberts Canal as it crosses the land insured hereunder without the benefit of any recorded agreement or without the benefit of any unrecorded agreement executed by Jack M. Berry, Inc. J & H Grove Holdings, L.C., or J & H Groves, LC. This exception does not include, and exception is not made for, drainage rights appurtenant to lands that are subject to the Canals Agreement described above.

75. Highway Canal Easement Agreement, entered into, by and between Jack M. Berry, Inc., J&H Groves, LC, J&H Grove Holdings, L.C., A. Duda & Sons, Inc., Margaret W. Paul, Bob Paul, Inc., J. R. Paul, Jr., Family Limited Partnership, The Eugene Stuart Paul Limited Partnership, The Paul Family Limited Partnership, John R. Paul, Jr., Bryan Paul, Inc., Bryan W. Paul and The Margaret W. Paul Family Limited Partnership, Metropolitan Life Insurance Company, C&D Groves, a Florida general partnership, The Prudential Insurance Company of America and the South Florida Water Management District, as recorded on October 6, 2000 in Official Records Book 606 at page 1502, of the Public Records of Hendry County, Florida.

AS TO PARCEL 4 (EAA STA Compartment STA 6-2) (Hendry County Property):

76. Canal and reclamation reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 24, Page 85; Miscellaneous Book 1, Page 419 and Miscellaneous Book 2, page 51, of the Public Records of Hendry County, Florida.

77. State Road Right-of-Way and oil, gas and mineral reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 21, Page 498 and Deed Book 22, Page 147, of the Public Records of Hendry County, Florida.

78. Canal and reclamation, oil, gas and mineral, state road and county road right of way reservations in favor of Everglades Drainage District recorded in Deed Book 21, Page 345; Deed Book 21, Page 347 and Deed Book 21, Page 565, as transferred to Central and Southern Florida Flood Control District in Official Records Book 9, Page 241 and Official Records Book 17, Page 342, of the Public Records of Hendry County, Florida.

86. Rights of tenant(s) in possession, other than the record owner, including but not limited to possessory estate for years, together with all right, title and interest in the crops and cane stubble, buildings and other improvements, irrigation and drainage systems, including, without limitation, the pumps, pump motors, pump houses and piping located on said property; all as more particularly described in the Reservation Conditions attached as Exhibit B contained in Warranty Deed from the United States Sugar Corporation, a Delaware corporation recorded in Official Records Book 582, Page 1932, of the Public Records of Hendry County, Florida.

87. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit B all contained in Warranty Deed from United States Sugar Corporation, a Delaware corporation recorded in Official Records Book 582, Page 1932, of the Public Records of Hendry County, Florida.

88. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit B all contained in Warranty Deed from United States Sugar Corporation, a Delaware corporation recorded in Official Records Book 582, Page 1889 as corrected in Official Records Book 716, Page 348 and amended in Official Records Book 589, Page 1614, of the Public Records of Hendry County, Florida.

AS TO PARCEL 5 (Stormwater Treatment Area Compartment B, Cell 4) (Palm Beach County Property)

89. The right of ingress and egress to and from the land is subject to the terms and provisions of F.C.D./Permit No. 5145, of the Central and Southern Florida Flood Control District, as recited in Quit Claim Deed as paragraph 7.5 of the permitted exceptions and recorded in Official Records Book 7890, Page 794. (Affects land in Section 28, Township 46 South, Range 38 East)

90. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida contained in Deed Book 46, Page 240.

91. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 672, Page 178, and as affected by Quit Claim Deed recorded in Official Records Book 739, Page 172.

92. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 672, Page 130, and as affected by Quit Claim Deed recorded in Official Records Book 739, Page 173.

79. Oil, gas and mineral reservations contained in deeds from The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 32, Page 7, of the Public Records of Hendry County, Florida.

80. Oil, gas and mineral reservations contained in deeds from The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 32, Page 8, of the Public Records of Hendry County, Florida.

81. Oil, gas and mineral reservations contained in the Deed from Barron Collier, Jr. and Isabel Collier Read, as Executrix of the Estate of Miles Collier, deceased, recorded in Official Records Book 50, Page 709, as partially conveyed to Marguerite R Collier in Official Records Book 430, Page 849 and Official Records Book 430, Page 867, and further conveyed to Lamar Gable, et al., in Official Records Book 430, Page 942 and Official Records Book 430, Page 960, as partially conveyed to Baffon Collier, III in Official Records Book 445, Page 821 and Official Records Book 445, Page 785, together with the rights of parties claiming by, through and under said reservations; and the effect of that certain Memorandum of Notice pertaining to an Exploration Agreement with Calumet Florida, Inc., recorded in Official Records Book 564, Page 1377 and as affected by Partial Release recorded Official Records Book 633, Page 1639, of the Public Records of Hendry County, Florida.

82. Canal, reclamation, oil, gas and mineral reservations contained in the deed from The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 22, Page 463, of the Public Records of Hendry County, Florida.

83. Oil, gas and mineral reservations contained in the Deed from Barron Collier, Jr., et al., etc. recorded in Official Records Book 184, Page 238 and in deed from Inglis U. Collier, et al., etc. recorded in Official Records Book 188, Page 50, as partially conveyed to Marguerite R. Collier in Official Records Book 430, Page 849 and Official Records Book 430, Page 867, and further conveyed to Lamar Gable, et al. in Official Records Book 430, Page 942 and Official Records Book 430, Page 960, as partially conveyed to Barron Collier, III in Official Records Book 445, Page 821 and Official Records Book 445, Page 785, together with the rights of parties claiming by, through and under said reservations; and the effect of that certain Memorandum of Notice pertaining to an Exploration Agreement with Clumet Florida, Inc. recorded in Official Records Book 564, Page 1377 and as affected by Partial Release recorded Official Records Book 633, Page 1639, all of the Public Records of Hendry County, Florida.

84. Terms, provisions and easement for water quality and flow monitoring purposes as set forth in the Easement Agreement between United States Sugar Corporation and South Florida Water Management District recorded in Official Records Book 564, Page 242, of the Public Records of Hendry County, Florida.

85. Intentionally deleted.

Exhibit B-17

Exhibit B-18

93. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 672, Page 132, and as affected by Quit Claim Deed recorded in Official Records Book 739, Page 171 and Official Records Book 739, Page 174.

94. Deed from The Trustees of the Internal Improvement Fund of the State of Florida to Everglades Drainage District recorded in Deed Book 702, Page 13.

95. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 767, Page 392.

96. Perpetual Easement For Canal Right of Way from The Trustees of the Internal Improvement Fund of the State of Florida to the Everglades Drainage District recorded in Deed Book 876, Page 243.

97. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 1060, Page 101.

98. Deed from The Trustees of the Internal Improvement Fund of the State of Florida to Central and Southern Florida Flood Control District in Deed Book 1104, Page 543.

99. Rights in Reservations from The Trustees of the Internal Improvement Fund of the State of Florida to Central and Southern Florida Flood Control District recorded in Deed Book 1156, Page 198.

100. Oil, gas and other minerals reservations as set forth in Quit Claim Deeds recorded in Official Records Book 282, Page 59; Official Records Book 1132, Page 49; Official Records Book 1132, Page 51; Official Records Book 5328, Page 1030; Official Records Book 8379, Page 46; Official Records Book 8379, Page 48 and Official Records Book 8379, Page 50.

101. Reservations in favor of Ethel W. Walker, et. al., as recorded in Official Records Book 712, Page 603, as affected by Notices recorded in Official Records Book 2610, Page 1424; Official Records Book 2615, Page 223; Official Records Book 2622, Page 1979; Assigned in Official Records Book 2686, Page 1843, and Deeds in Official Records Book 2632, Page 985; Official Records Book 3210, Page 1373 and in Official Records Book 3225, Page 1435.

102. Easement in favor of Florida Power and Light Company recorded in Official Records Book 1170, Page 374.

103. Intentionally deleted.

104. Intentionally deleted.

Exhibit B-19

Exhibit B-20

105. Easement to Florida Power and Light Company as contained in Order of Taking recorded in Official Records Book 7393, Page 1811.

106. Intentionally deleted.

107. Amended and Restated Lease Agreement between the South Florida Water Management District, as Lessor and Okeelanta Corporation, as Lessee, recorded in Official Records Book 11016, Page 1, of that certain Lease Agreement by and between W.P.M. Inc., Lessor, and Gulf & Western Food Products Company, Lessee, recorded in Official Records Book 2367, Page 1785, with addendum recorded in Official Records Book 3263, Page 677, lessees interest assigned to Gulf & Western Food Production Corporation in Official Records Book 4437, Page 854, Lessor's interest assigned to The South Florida Water Management District in Official Records Book 11015, Page 1988.

108. Parcel 5 is subject to the provisions of Permit Nos. 694 and 3633 of the Central and Southern Florida Flood Control District, as contained in Chicago Title Insurance Company Policy No. 10-0498-106-0000002 i, Item No. 25.

109. Intentionally deleted.

110. Intentionally deleted.

111. Intentionally deleted.

112. Easement for ingress and egress as set out and reserved in Stipulated Final Judgment recorded in Official Records Book 10966, Page 1104.

113. Rights of tenant(s) in possession, other than the record owner, including but not limited to possessory estate for. years, together with all right, title and interest in the crops and cane stubble, and the right to use the irrigation and drainage systems, including, without limitation, the pumps, pump motors, pump houses and piping located on said property; all as more particularly described in the Reservation Conditions attached as Exhibit C contained in Warranty Deed from Okeelanta Corporation recorded in Official Records Book 11015, Page 1892.

114. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit C contained in Warranty Deed from Okeelanta Corporation recorded in Official Records Book 11015, Page 1892.

115. Intentionally deleted.

AS TO PARCEL 6 (EAA STA Compartment C STA FW3) (Hendry County Property)

Exhibit B-21

430, Page 960, as partially conveyed to Barron Collier, III in Official Records Book 445, Page 821 and Official Records Book 445, Page 785, together with the rights of parties claiming by, through and under said reservations; and the effect of that certain Memorandum of Notice pertaining to an Exploration Agreement with Clumet Florida, Inc. recorded in Official Records Book 564, Page 1377 and as affected by Partial Release recorded Official Records Book 633, Page 1639, all of the Public Records of Hendry County, Florida.

123. Intentionally deleted.

124. Rights of tenant(s) in possession, other than the record owner, including but not limited to possessory estate for years, together with all right, title and interest in the crops and cane stubble, buildings and other improvements, irrigation and drainage systems, including, without limitation, the pumps, pump motors, pump houses and piping located on said property; all as more particularly described in the Reservation Conditions attached as Exhibit B contained in Warranty Deed from the United States Sugar Corporation. a Delaware corporation recorded in Official Records Book 582, Page 1889, as corrected in Official Records Book 716, Page 348 and amended in Official Records Book 589, Page 1614, of the Public Records of Hendry County, Florida.

125. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit B all contained in Warranty Deed from United States Sugar Corporation, a Delaware corporation recorded in Official Records Book 582, Page 1889 as corrected in Official Records Book 716, Page 348 and amended in Official Records Book 589, Page 1614, of the Public Records of Hendry County, Florida.

NOTE: Boundary and License Agreement by and between Okeelanta Corporation and The South Florida Water Management District recorded in Official Records Book 11080, Page 692, of the Public Records of Palm Beach County, Florida.

Exhibit B-23

116. Canal and reclamation reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 24, Page 85 (Lee County, see prior policy), of the Public Records of Hendry County, Florida.

117. State Road Right-of-Way and oil, gas and mineral reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 22, Page 126, of the Public Records of Hendry County, Florida.

118. Oil, gas and mineral reservations contained in the Deeds from Hamilton C. Forman and Doris D. Forman, husband and wife, and Charles R. Forman and Lucille W. Forman, husband and wife, recorded in Official Records Book 7, Page 155 and Official Records Book 7, Page 157, together with the Notice of Claim recorded in Official Records Book 367, page 244, all of the Public Records of Hendry County, Florida, and rights of parties claiming by, through and under said reservations.

119. Canal and reclamation, oil, gas and mineral, state road and county road right of way reservations in favor of Everglades Drainage District recorded in Deed Book 21, Page 484, as transferred to Central and Southern Florida Flood Control District in Official Records Book 9, Page 241 and Official Records Book 17, Page 342, of the Public Records of Hendry County, Florida.

120. Oil, gas and mineral reservations contained in deeds from The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 32, Page 7, of the Public Records of Hendry County, Florida.

121. Oil, gas and mineral reservations contained in the Deed from Barron Collier, Jr. and Isabel Collier Read, as Executrix of the Estate of Miles Collier, deceased, recorded in Official Records Book 50, Page 709, as partially conveyed to Marguente R Collier in Official Records Book 430, Page 849 and Official Records Book 430, Page 867, and further conveyed to Lamar Gable, et al. in Official Records Book 430, Page 942 and Official Records Book 430, Page 960, as partially conveyed to Baffon Collier, III, in Official Records Book 445, Page 821 and Official Records Book 445, Page 785, together with the rights of parties claiming by, through and under said reservations; and the effect of that certain Memorandum of Notice pertaining to an Exploration Agreement with Calumet Florida, Inc. recorded in Official Records Book 564, Page 1377 and as affected by Partial Release recorded Official Records Book 633, Page 1639. Affects all of Section 4, except that portion conveyed to Central and Southern Florida Flood Control District by Deed recorded in Official Records Book 9, Pages 345, all of the Public Records of Hendry County, Florida.

122. Oil, gas and mineral reservations contained in the Deed from Barron Collier, Jr., et al., etc. recorded in Official Records Book 184, Page 238 and in deed from Inglis U. Collier, et al., etc. recorded in Official Records Book 188, Page 50, as partially conveyed to Marguerite R. Collier in Official Records Book 430, Page 849 and Official Records Book 430, Page 867, and further conveyed to Lamar Gable, et al. in Official Records Book 430, Page 942 and Official Records Book

Exhibit B-22

Exhibit C

BASIC LEASE PAYMENTS

Certificate Payment Date	Series 2026 Certificates		
	Principal Payment	Interest Component	Basic Rent Payment
10/01/2026			
04/01/2027			
10/01/2027			
04/01/2028			
10/01/2028			
04/01/2029			
10/01/2029			
04/01/2030			
10/01/2030			
04/01/2031			
10/01/2031			
04/01/2032			
10/01/2032			
04/01/2033			
10/01/2033			
04/01/2034			
10/01/2034			
04/01/2035			
10/01/2035			
04/01/2036			
10/01/2036			

Exhibit C-1



CFN 20060646008
OR BK 21098 PG 0638
RECORDED 11/17/2006 14:57:26
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 0638 - 675; (38pgs)

This instrument was prepared by
Richard J. Miller, Esq.
Edwards Angell Palmer & Dodge LLP
One North Clematis Street, Suite 400
West Palm Beach, Florida 33401

SERIES 2006
GROUND LEASE

Dated as of November 1, 2006

BETWEEN

THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT
DISTRICT
acting as the governing body of
the South Florida Water Management District,
as Lessor

AND

SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.,
as Lessee

(Series 2006 Facility Sites)

THIS DOCUMENT IS BEING EXECUTED IN TRIPLICATE ORIGINALS, AND ONE
ORIGINAL WILL BE RECORDED IN EACH OF PALM BEACH, HENDRY AND
MARTIN COUNTIES, FLORIDA.

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This instrument was prepared by
Richard J. Miller, Esq.
Edwards Angell Palmer & Dodge LLP
One North Clematis Street, Suite 400
West Palm Beach, Florida 33401

211
↓
This instrument was prepared by
Richard J. Miller, Esq.
Edwards Angell Palmer & Dodge LLP
One North Clematis Street, Suite 400
West Palm Beach, Florida 33401

INSTR # 1974918
OR BK 02199 PG 0314
Pgs 0314 - 0511 (38pgs)
RECORDED 11/20/2006 01:33:22 PM
MARSHA EWING
CLERK OF MARTIN COUNTY FLORIDA
RECORDED BY L Wood

SERIES 2006
GROUND LEASE

Dated as of November 1, 2006

BETWEEN

THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT
DISTRICT
acting as the governing body of
the South Florida Water Management District,
as Lessor

AND

SOUTH FLORIDA WATER MANGEMENT DISTRICT LEASING CORP.,
as Lessee

(Series 2006 Facility Sites)

THIS DOCUMENT IS BEING EXECUTED IN TRIPPLICATE ORIGINALS, AND ONE
ORIGINAL WILL BE RECORDED IN EACH OF PALM BEACH, HENDRY AND
MARTIN COUNTIES, FLORIDA.

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TABLE OF CONTENTS

Section 1. Lease of Series 2006 Facility Sites	4
Section 2. Ground Lease Term; Option to Renew	5
Section 3. Rent	6
Section 4. Title to Series 2006 Facility Sites; Possession	8
Section 5. Use of Series 2006 Facility Sites; Assignments and Subleases	9
Section 6. Right of Entry	11
Section 7. Default	11
Section 8. Quiet Enjoyment	11
Section 9. Liens	11
Section 10. Condemnation	12
Section 11. Estoppel Certificates	13
Section 12. Amendments	13
Section 13. Binding Effect	13
Section 14. No Merger of Leasehold Estate	13
Section 15. Notices	14
Section 16. Severability	14
Section 17. Applicable Law	14
Section 18. Execution in Counterparts	15
Section 19. Memorandum of Lease	15
Section 20. No Personal Liability	15
Section 21. Third Party Beneficiary	15

EXHIBIT A - SERIES 2006 FACILITY SITES

- 1 -

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SERIES 2006
GROUND LEASE

Dated as of November 1, 2006

BETWEEN

THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT
DISTRICT
acting as the governing body of
the South Florida Water Management District,
as Lessor

AND

SOUTH FLORIDA WATER MANGEMENT DISTRICT LEASING CORP.,
as Lessee

(Series 2006 Facility Sites)

THIS DOCUMENT IS BEING EXECUTED IN TRIPPLICATE ORIGINALS, AND ONE
ORIGINAL WILL BE RECORDED IN EACH OF PALM BEACH, HENDRY AND
MARTIN COUNTIES, FLORIDA.

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SERIES 2006 GROUND LEASE
(Series 2006 Facility Sites)

THIS SERIES 2006 GROUND LEASE dated as of November 1, 2006,
between the Governing Board of the South Florida Water
Management District (the "Governing Board"), acting as the
governing body of the South Florida Water Management District
(the "District"), an agency of the State of Florida and a water
management district, which is organized, exists and operates
pursuant to the Florida Water Resources Act of 1972, Chapter
373, Florida Statutes, as amended, as Lessor, and South Florida
Water Management District Leasing Corp., a not-for-profit
corporation organized and existing under and pursuant to
Chapter 617, Florida Statutes, as amended, as Lessee (the
"Corporation"). All terms capitalized but not defined herein shall
have the meanings given to them in the Trust Agreement (defined
herein).

W I T N E S S E T H:

WHEREAS, the Governing Board has the power under Section
373.093, Florida Statutes, to lease or sublease any lands or
interest in land, including but not limited to oil and mineral
rights, to which the District has acquired title, or to which it
may acquire title or leasehold interest as long as the lease or
sublease is consistent with the purposes for which the lands or
any interest in land was acquired in accordance with the
provisions of Chapter 373, Florida Statutes (the "Act"); and

WHEREAS, the Corporation has the authority to acquire
facilities by lease or deed for the benefit of the Governing
Board; and

WHEREAS, in order to carry out its powers and authority to
acquire facilities and equipment, the Governing Board and the
Corporation have entered into a Master Lease Purchase Agreement
dated as of November 1, 2006 (as the same may be amended and
supplemented from time to time, the "Master Lease"); and

WHEREAS, the Governing Board is or shall be the owner of
certain real property located in Glades, Lee, Hendry, Broward,
Miami-Dade, Palm Beach, Collier and Martin counties and any
other counties within the District in which Accelerated Projects
are located (which, together with all structures and

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improvements now or hereafter erected or situated thereon, any easements or other rights or privileges in adjoining property inuring to the fee simple owner of such land by reason of ownership of such land, and all fixtures, additions, extensions, alterations or replacements thereto, now or hereafter located in, or used in connection with or attached or made to such land, to the extent title thereto may vest in the Governing Board, is hereinafter referred to as a "Series 2006 Facility Site" or, in the case of separate parcels, such parcels are herein collectively referred to as the "Series 2006 Facility Sites"; and

WHEREAS, it is anticipated that a portion of the Series 2006 Facilities may be dependent upon adjacent property of the Governing Board for ingress, egress and access to and from and between the Series 2006 Facility Sites and the public roads adjoining the adjacent property of the Governing Board ("Access"); and may further be dependent upon the Governing Board's adjacent property for utility and other services which would be necessary for the full use of the Series 2006 Facility Sites including, but not limited to, drainage, sewer and water service, electric and gas service, if applicable, (collectively, "Services"); and

WHEREAS, the Corporation desires to acquire from the Governing Board, pursuant to this Series 2006 Ground Lease, and the Governing Board is willing to grant to the Corporation, the right to utilize the adjacent property of the Governing Board to the extent reasonably necessary for Access and for the Services, and the Corporation and the Governing Board desire to provide for the structural attachment of certain of the Series 2006 Facilities to the adjacent property of the Governing Board; and

WHEREAS, the ground leasing of the Series 2006 Facility Sites, the sub-leasing of the Series 2006 Facility Sites back to the Governing Board and the lease-purchase financing and construction of the Series 2006 Facilities are herein collectively referred to as the "Series 2006 Project"; and

WHEREAS, provisions for the payment of the cost of acquiring and constructing the Series 2006 Facilities have been made by (a) establishing a trust pursuant to the Master Trust Agreement dated as of November 1, 2006, as supplemented by a Series 2006 Supplemental Trust Agreement dated as of November 1, 2006 (as the same may be further amended or supplemented from time to time, the "Trust Agreement"), between the Corporation and Deutsche Bank National Trust Company, Charlotte, North

Carolina, as Trustee (the "Trustee"), and irrevocably assigning to the Trustee without recourse all of the Corporation's right, title and interest in and to this Series 2006 Ground Lease and the Series 2006 Lease, except for certain rights to indemnification and obligations of the District pursuant to the grant agreements with the United Department of Interior, to hold title to the Series 2006 Facilities and to receive notices, (b) directing the Trustee for such trust to execute and deliver to the public certificates of participation (the "Series 2006 Certificates") evidencing undivided proportionate interests of the owners thereof in the right to receive Basic Lease Payments to be made by the Governing Board, as lessee, pursuant to the Series 2006 Lease and (c) directing the Trustee to hold the proceeds of sale of the Series 2006 Certificates in trust subject to application only to pay the costs of acquisition and construction of the Series 2006 Facilities and retiring certain outstanding notes of the District; and

WHEREAS, each Series 2006 Certificate represents an undivided proportionate interest in the principal portion of the Basic Lease Payments set forth on Schedule 2006 due and payable on the maturity date or earlier prepayment date of the Series 2006 Certificates and in the interest portion of the Basic Lease Payments set forth on Schedule 2006 due and payable semiannually, to and including such maturity date or earlier prepayment date; and

WHEREAS, the Corporation will assign to the Trustee all of its right, title and interest in and to this Series 2006 Ground Lease, the Series 2006 Lease and the Series 2006 Lease Payments (except for certain indemnification rights and the right of the Corporation to hold title to the Series 2006 Facilities and to receive notices), pursuant to the Series 2006 Assignment Agreement dated as of November 1, 2006 (as the same may be amended or supplemented from time to time, the "Series 2006 Assignment Agreement"); and

WHEREAS, the Governing Board has caused to be published its notice of intention to ground lease the Series 2006 Facility Sites as required by Section 373.093(2), Florida Statutes; and

WHEREAS, the Governing Board intends for the Series 2006 Lease to remain in full force and effect until two weeks after the last Lease Payment Date for the Series 2006 Facilities, unless sooner terminated in accordance with the terms provided therein; and

- 2 -

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- 3 -

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WHEREAS, the Governing Board intends for this Series 2006 Ground Lease to remain in full force and effect until the termination of the Lease Term, as provided below; and

NOW, THEREFORE, the Governing Board and the Corporation accordingly hereby covenant and agree as follows:

Section 1. Lease of Series 2006 Facility Sites. Subject to Permitted Encumbrances (as described in Exhibit A attached hereto and made a part hereof), the Governing Board joined by Martin County, Florida, a political subdivision of the State of Florida, as evidenced by a Consent and Joinder to Ground Lease attached hereto as Exhibit B hereby demises and leases the Series 2006 Facility Sites, more particularly described in Exhibit A, to the Corporation, and the Corporation hereby hires, takes and leases the Series 2006 Facility Sites from the Governing Board, for the term, at the rental and on the conditions herein set forth. Such demising and leasing shall include the following rights:

(i) The right to utilize the adjacent property of the Governing Board for Access and for the Services reasonably necessary to the full use of the Series 2006 Facility Sites; provided that the locations on the adjacent property of the Governing Board utilized for such purposes shall be reasonably agreed upon by the Corporation and the Governing Board; and provided, further, that the rights shall include, but not necessarily be limited to, the right to utilize for such purposes any portion of the adjacent property of the Governing Board. If the Lease Term of the Series 2006 Lease terminates prior to the termination of the term of this Series 2006 Ground Lease, the Governing Board and the Corporation shall each have the right to install such meters or submeters as may be reasonably appropriate to the end that the Corporation is charged for consumption of such utilities on the Series 2006 Facility Sites.

(ii) The adjacent property of the Governing Board and the Series 2006 Facilities may contain certain elements, features or parts which are structural elements of both the adjacent property of the Governing Board and the Series 2006 Facilities. Such Series 2006 Facilities include, but are not necessarily limited to, the following, all utility lines, ducts, conduits, pipes and other utility fixtures and appurtenances which are located on or within either the Series 2006 Facility Sites or Series 2006 Facilities on the one hand or the adjacent property

of the Governing Board on the other hand and which, directly or indirectly, in any way, service the other.

(iii) The Series 2006 Facility Sites rights further include the right of the Series 2006 Facilities to encroach upon the adjacent property of the Governing Board as a result of minor inaccuracies in survey, construction or reconstruction or due to settlement or movement. The encroaching Series 2006 Facilities shall remain undisturbed for as long as same exist and, for so long as such encroachment exists, that portion of the adjacent property of the Governing Board on which same exists shall be deemed to be a part of the Series 2006 Facility Sites. In addition, the Series 2006 Facility Sites rights include the right to utilize that portion of the adjacent property of the Governing Board as may be reasonably necessary in order to maintain and repair the Series 2006 Facilities. The Series 2006 Facility Sites rights further include cross rights of support and use over, upon, across, under, through and into the common structural elements in favor of the Corporation (and like rights are hereby reserved unto the Governing Board) for the continued use, benefit and continued support, service, maintenance and repair of all such common structural elements.

The Governing Board, at its sole expense, shall bring or cause to be brought to the Series 2006 Facility Sites adequate connections for water, electrical power, storm sewerage and sewerage, if applicable, and shall arrange with the appropriate utility companies for furnishing such services and shall provide to the Series 2006 Facility Sites water services and capacity sufficient for the contemplated operation of the Series 2006 Facilities thereon. The Governing Board agrees to grant utility companies rights of access over, under and across the remaining property of the Governing Board adjoining the Series 2006 Facility Sites, if any, as shall be necessary and convenient for the efficient operation of the Series 2006 Facility Sites, and which do not materially impair the present and future uses of such remaining property of the Governing Board, if any.

Section 2. Ground Lease Term: Option to Renew. The initial Ground Lease Term for the Series 2006 Facility Sites shall commence on the date of the delivery of this Series 2006 Ground Lease (the "Commencement Date") and shall end on October 31, 2041. If, upon the termination of the Lease Term as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Corporation or the Trustee as the assignee of the Corporation excludes the Governing Board from possession of the Series 2006 Facility

- 4 -

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- 5 -

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Sites and Series 2006 Facilities, the Governing Board grants to the Corporation the right and option to renew this Series 2006 Ground Lease for an additional term not to exceed five (5) years, at a fair market rental to be determined, adjusted and paid in the manner set forth in Section 3 of this Series 2006 Ground Lease.

Notwithstanding the foregoing, this Series 2006 Ground Lease may be terminated by the Governing Board on any date prior to the end of the initial term or any renewal term hereof, which date is at least one (1) day after the date of termination of the Series 2006 Lease, upon not less than ten (10) days prior written notice to the Corporation, (a) upon payment of the Purchase Option Price, pursuant to Section 7.2 of the Master Lease, with respect to the Series 2006 Facilities, and full performance and satisfaction of the Governing Board's obligations under the Series 2006 Lease, or (b) upon the provision for payment of all Lease Payments under the Series 2006 Lease pursuant to Section 7.3 of the Master Lease, together in each case with payment of the sum of \$1.00. This Series 2006 Ground Lease may likewise be modified at the request of the Governing Board at any time, upon similar notice and modification of the Series 2006 Lease (a) to reflect the substitution of all or a portion of the Series 2006 Facilities and Series 2006 Facility Sites in accordance with Section 6.4 of the Master Lease, or (b) upon payment or provision for payment of the Purchase Option Price of all or a portion of one or more particular Series 2006 Facilities pursuant to Section 7.3 of the Master Lease, to reflect the release of one or more portions of the Series 2006 Facility Sites from this Series 2006 Ground Lease.

Section 3. Rent. (a) So long as the Lease Term has not been terminated as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Corporation shall pay to the fee title owners of the Series 2006 Facility Sites as and for rental for the Series 2006 Facility Sites the sum of ten dollars (\$10.00) per annum, which sum shall be due in advance on the Commencement Date (pro rated) and annually thereafter on the first day of each renewal Lease Term. At the option of the Corporation, the Corporation may prepay all or a portion of the Ground Rent payable hereunder for the entire initial lease term hereof from the proceeds of sale of the Series 2006 Certificates or otherwise.

(b) From and after the date on which the Lease Term shall have been terminated as a result of non-appropriation or

default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Corporation shall pay as and for rental for the Series 2006 Facility Sites an amount determined by an M.A.I. appraisal to be the fair market rental for the Series 2006 Facility Sites (the "Appraisal"), which Appraisal shall be prepared by an appraiser selected by the Trustee as assignee of the Corporation (the cost of such Appraisal to be paid by the Trustee and reimbursed as provided in Article VI of the Trust Agreement); provided, however, that such fair market rental and the payment thereof shall be subject to the following adjustments and conditions:

(i) if the Lease Term shall have been terminated on a date other than September 30 of any year, the fair market rental determined pursuant to the Appraisal shall be pro rated for the number of days between the date of termination and the next succeeding November 1;

(ii) for each twelve month period beginning on the November 1 next succeeding the date on which such termination occurs and beginning on each succeeding November 1, the amount of the fair market rental determined by the Appraisal shall be adjusted by the percentage (positive or negative) which is equal to the Implicit Price Deflator of the Consumer Price Index published by the United States Department of Commerce for the region of the United States where Florida is located or for the United States as a whole if not so published for such region;

(iii) the fair market rental due in any year shall be paid in the current year only to the extent that the moneys received by the Trustee as assignee of the Corporation from the exercise of the remedies permitted under the Series 2006 Lease during the preceding twelve months prior to such October 1 exceeded the principal and interest portion of Basic Lease Payments under the Series 2006 Lease payable for such preceding twelve months and other amounts described in Section 604 of the Trust Agreement; provided, however, that any portion of such fair market rental not paid in any year due to the provisions of this clause (iii) shall remain due and payable and shall accumulate from year to year and shall be paid in any future year to the extent that moneys received in such year from the exercise of the remedies permitted by the Series 2006 Lease exceed the principal and interest portion of Basic Lease Payments under the Series 2006 Lease and other amounts described in

- 6 -

PMB 266476.14CUDTRA

Book2199/Page321 CFN#1974918

Page 8 of 38

Section 604 of the Trust Agreement and the fair market rental due in such years; and

(iv) the failure to pay any portion of the fair market rental in any year due to insufficiencies of moneys realized from the exercise of the remedies permitted under the Series 2006 Lease (1) shall not give rise to any obligation to pay interest on such unpaid fair market rental and (2) shall not constitute a default under this Series 2006 Ground Lease by the Corporation or the Trustee as the assignee of the Corporation.

Section 4. Title to Series 2006 Facility Sites; Possession. (a) Upon the Commencement Date and throughout the term of this Series 2006 Ground Lease, except as disclosed in the Martin County's Consent and Joinder to Ground Lease appended hereto, fee title to the Series 2006 Facility Sites shall be in the name of the Governing Board, subject to Permitted Encumbrances; title to the Series 2006 Facilities constructed on the Series 2006 Facility Sites shall be in the name of the Corporation and shall remain severed from title to the Series 2006 Facility Sites until the earlier of (i) payment in full, or provision for payment, of all Lease Payments under the Series 2006 Lease or payment of the then applicable Purchase Option Price of the Series 2006 Facilities, in accordance with Sections 7.2 or 7.3 of the Master Lease and Section 2 hereof, or (ii) the end of the term of this Series 2006 Ground Lease.

(b) The Corporation shall at all times during the term of this Series 2006 Ground Lease have a leasehold estate in the Series 2006 Facility Sites with full right to vest the use, enjoyment and possession of such leasehold estate therein in a Permitted Transferee (as defined herein).

(c) Possession and use of the Series 2006 Facility Sites, together with all improvements thereon, shall, upon the last day of the term of this Series 2006 Ground Lease or earlier termination of this Series 2006 Ground Lease pursuant to Section 2 hereof, automatically revert to the fee title owner, free and clear of liens and encumbrances other than Permitted Encumbrances without necessity of any act by the Corporation or any Permitted Transferee. Upon such termination of this Series 2006 Ground Lease, the Corporation shall peaceably and quietly surrender to the Governing Board the Series 2006 Facility Sites together with any improvements located in or upon the Series 2006 Facility Sites. Upon such surrender of the Series 2006 Facility Sites, the Corporation or any Permitted

- 8 -

PMB 266476.14CUDTRA

Book2199/Page323 CFN#1974918

Page 10 of 38

B-76

- 7 -

PMB 266476.14CUDTRA

Book2199/Page322 CFN#1974918

Page 9 of 38

Transferee, at the reasonable request of the Governing Board, shall execute an instrument in recordable form evidencing such surrender and shall deliver to the Governing Board all books, records, construction plans, surveys, permits and other documents relating to, and necessary or convenient for, the operation of the Series 2006 Facility Sites in the possession of the Corporation or any Permitted Transferee.

(d) Any personal property of the Corporation, any Permitted Transferee or any Person which shall remain on the Series 2006 Facility Sites after expiration or earlier termination of the term of this Series 2006 Ground Lease and for thirty (30) days after request by the Governing Board for removal, shall, at the option of the Governing Board, be deemed to have been abandoned and may be retained by the Governing Board and the same may be disposed of, without accountability, in such manner as the Governing Board may see fit.

(e) If the Corporation or any Permitted Transferee holds over or refuses to surrender possession of the Series 2006 Facility Sites after expiration or earlier termination of this Series 2006 Ground Lease, the Corporation or any Permitted Transferee shall be a tenant at sufferance and shall pay rent equal to the fair market rental of the Series 2006 Facility Sites determined in the manner provided in Section 3(b) hereof.

Section 5. Use of Series 2006 Facility Sites; Assignments and Subleases. The Corporation may use the Series 2006 Facility Sites for any lawful purpose; however, the parties agree that unless the Series 2006 Lease shall have been terminated as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Series 2006 Facility Sites shall be used solely for purposes of Everglades ecosystem restoration pursuant to the Comprehensive Everglades Restoration Plan. Unless the Series 2006 Lease shall have been so terminated, no assignment of this Series 2006 Ground Lease or subletting of the Series 2006 Facility Sites may be made except as provided in the Series 2006 Assignment Agreement, the Series 2006 Lease, the Trust Agreement and in any agreement with a Credit Facility Issuer (as defined in the Trust Agreement), if any, without the prior written consent of the Governing Board. In the event that the Series 2006 Lease shall be terminated pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, then the Corporation's interest in this Series 2006 Ground Lease may be assigned by the Trustee to any third party, including a Credit Facility Issuer (a "Permitted Transferee"), who may alter, modify, add to or delete from the Series 2006 Facilities

- 9 -

PMB 266476.14CUDTRA

Book2199/Page324 CFN#1974918

Page 11 of 38

existing from time to time on the Series 2006 Facility Sites to the extent permitted by law.

The Governing Board represents and covenants that the Series 2006 Facility Sites are presently zoned to allow government use and/or agricultural use, and that the Governing Board shall take no action with respect to zoning or other land use regulation applicable to the Series 2006 Facility Sites except as directed by the Corporation. The Governing Board shall do everything in its power to assist the Corporation in obtaining such permits, approvals, or zoning changes or variances as the Corporation may deem necessary or desirable or such other permits, licenses, approvals or other actions which the Corporation deems necessary or desirable in order to enable the Corporation to use the Series 2006 Facility Sites for such purposes as the Corporation shall determine, provided, however, that neither the Corporation nor any Permitted Transferee shall use or permit the Series 2006 Facility Sites to be used in violation of any valid present or future laws, ordinances, rules or regulations of any public or governmental authority at any time applicable thereto.

It is understood that all right, title and interest of the Corporation in and to this Series 2006 Ground Lease is to be irrevocably assigned by the Corporation to the Trustee pursuant to the Series 2006 Assignment Agreement, except that the Corporation shall continue to hold title to the Series 2006 Facilities as described in Section 4 hereof and in the Series 2006 Lease. The Governing Board agrees that upon such assignment the Trustee shall have all of the rights of the Corporation hereunder assigned to the Trustee, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Series 2006 Ground Lease or otherwise) that the Governing Board may from time to time have against the Corporation or any person or entity associated or affiliated therewith. The Governing Board acknowledges that the Trustee is acting on behalf of the Series 2006 Certificate holders, and may, under certain circumstances assign this Series 2006 Ground Lease to a Permitted Transferee.

Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating to this Series 2006 Ground Lease or any of the transactions contemplated hereby, the parties hereto acknowledge and agree that upon the assignment by the Corporation of its rights hereunder to the Trustee pursuant to the Series 2006 Assignment Agreement, the Corporation shall have no further obligation, liability or

- 10 -

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remove any such mortgage, pledge, lien, charge, encumbrance or claim. Upon termination of the Series 2006 Lease as provided above, the Corporation, the Trustee and any Permitted Transferee may enter into a mortgage or other encumbrance of its leasehold estate in the Series 2006 Facility Sites, provided, however, that the Governing Board's title to the Series 2006 Facility Sites shall not be subject to or encumbered by any such mortgage or other encumbrance, including without limitation any mechanic's or materialman's liens.

Section 10. Condemnation. In the event that any person, public or private, shall by virtue of eminent domain or condemnation proceedings, or by purchase in lieu thereof, at any time during the Ground Lease Term acquire title to the Series 2006 Facility Sites:

(a) So long as the Series 2006 Lease is in effect, the Net Proceeds resulting therefrom shall be applied pursuant to the Master Lease.

(b) After the end of the Lease Term of the Series 2006 Lease, (i) if such person acquires title to such a substantial portion of the Series 2006 Facility Sites that the Corporation determines that it cannot economically make use of the residue thereof for the lawful purposes intended or permitted by this Series 2006 Ground Lease, such acquisition of title or payment of such claim shall terminate the Ground Lease Term, effective as of the date on which the condemning party takes possession thereof or on the date of payment of such claim, as applicable, and the Net Proceeds resulting therefrom shall be paid to the fee title owner of the Series 2006 Facility Sites and the Corporation, as their respective interests may appear; and (ii) if such person acquires title to a portion of the Series 2006 Facility Sites such that the Corporation determines that it can economically make beneficial use of the residue thereof for the purposes intended by this Series 2006 Ground Lease, then this Series 2006 Ground Lease shall continue in full force and effect and the Net Proceeds resulting therefrom shall be paid to the Governing Board and the Corporation, as their respective interests appear.

(c) Any taking of any portion of the Series 2006 Facilities shall be deemed substantial hereunder.

- 12 -

PMB_266476_14CDDUTRA

responsibility hereunder and no party hereto nor its successors or assigns shall look to the Corporation for any damages, expenses, fees, charges or claims with respect to the failure of any obligations hereunder to be performed.

Section 6. Right of Entry. Unless the Series 2006 Lease shall have been terminated as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Governing Board shall have the right for any of its duly authorized representatives to enter upon the Series 2006 Facility Sites at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 7. Default. In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Series 2006 Ground Lease, which default continues for sixty (60) days following notice and demand for correction thereof to the Corporation, the Governing Board may exercise any and all remedies granted by law; provided, however, that so long as any Series 2006 Certificates are outstanding and except as provided in Section 2 herein, this Series 2006 Ground Lease shall not be terminated. The Governing Board shall have recourse solely against the leasehold estate of the Corporation in the Series 2006 Facility Sites, and any proceeds thereof, for the payment of any liabilities of the Corporation hereunder. The rights of the Governing Board under this Section 7 shall be subordinate in all respects to the rights of the holders of the Series 2006 Certificates.

Section 8. Quiet Enjoyment. The Corporation at all times during the term of this Series 2006 Ground Lease shall have and hold the Series 2006 Facility Sites, without hindrance or molestation subject to the provisions hereof and of the Series 2006 Lease, the Series 2006 Assignment Agreement and the Trust Agreement.

Section 9. Liens. Unless the Series 2006 Lease shall have been terminated as a result of non-appropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, neither the Governing Board nor the Corporation shall, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to such Series 2006 Facility Sites, other than Permitted Encumbrances. The Governing Board shall reimburse the Trustee for any expense incurred by the Trustee in order to discharge or

- 11 -

PMB_266476_14CDDUTRA

(d) It is understood that the foregoing provisions of this Section 10 shall not in any way restrict the right of the Governing Board or the Corporation to appeal the award made by any court or other public agency in any condemnation proceeding.

Section 11. Estoppel Certificates. The Governing Board, at any time and from time to time, upon not less than thirty (30) days' prior written notice from the Corporation, will execute, acknowledge and deliver to the Corporation, or to whomsoever it may direct, a certificate of the Governing Board certifying that this Series 2006 Ground Lease is unmodified (or, if there have been any modifications, identifying the same), that this Series 2006 Ground Lease is in full force and effect and that there is no default hereunder (or, if so, specifying the default). It is intended that any such certificate may be relied upon by any Person.

Section 12. Amendments. No amendment may be made to this Series 2006 Ground Lease without the prior written consent of the Trustee and the Series 2006 Credit Facility Issuer. Notwithstanding the foregoing, this Series 2006 Ground Lease may be amended without the prior written consent of the Trustee and the Series 2006 Credit Facility Issuer for the purpose of adding or correcting a legal description and/or the Permitted Encumbrances for any designated Series 2006 Facility Site. Copies of all amendments hereto shall be provided to the Rating Agencies (as defined in the Trust Agreement), whether effected pursuant to Section 702 or Section 703 of the Trust Agreement.

Section 13. Binding Effect. This Series 2006 Ground Lease shall inure to the benefit of and shall be binding upon the Corporation and the Governing Board and their respective successors and assigns, provided, however, that the Trustee is entitled to the benefits of the provisions hereof.

Section 14. No Merger of Leasehold Estate. There shall be no merger of this Series 2006 Ground Lease or of the leasehold estate hereby created with the fee estate in the Series 2006 Facility Sites by reason of the fact that, through the exercise of remedies hereunder or otherwise, the same person may acquire or hold, directly or indirectly, this Series 2006 Ground Lease or leasehold estate hereby created or any interest herein or therein, and the fee estate in the Series 2006 Facility Sites or any interest in such fee estate. There shall be no merger of this Series 2006 Ground Lease with the Series 2006 Lease by reason of the fact that the Governing Board

- 13 -

PMB_266476_14CDDUTRA

is the owner of the fee title to the Series 2006 Facility Sites and the leasehold estate in the Series 2006 Facilities created under the Series 2006 Lease or by reason of the fact that the Corporation is the owner of the leasehold estate in the Series 2006 Facility Sites created hereby and is the owner of the fee title in the Series 2006 Facilities as provided in the Series 2006 Lease.

Section 15. Notices. All notices, certificates, requests or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid to the following addresses, or to such other address or addresses as shall be designated by the parties in writing:

Corporation: 3301 Gun Club Road
West Palm Beach, Florida 33406
Attention: President

Governing Board: 3301 Gun Club Road
West Palm Beach, Florida 33406
Attention: Executive Director

With copies to

Trustee: 200 South Tryon Street
Suite 550
Charlotte, North Carolina 28202
Attention: Trust and Security
Services

Series 2006 Credit
Facility Issuer: Ambac Assurance Corporation
One State Street Plaza
New York, New York, 10004
Surveillance Department

Section 16. Severability. In the event any provision of this Series 2006 Ground Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 17. Applicable Law. This Series 2006 Ground Lease shall be governed by and construed in accordance with the laws of the State of Florida.

- 14 -

PNR_266476_14COUTRA

Book2199/Page329 CFN#1974918

Page 16 of 38

Section 18. Execution in Counterparts. This Series 2006 Ground Lease may be executed in several counterparts, each of which shall be an original and all of which constitute but one and the same instrument.

Section 19. Memorandum of Lease. Simultaneously with the execution of this Series 2006 Ground Lease, the Governing Board and the Corporation shall each execute, acknowledge and deliver a Memorandum of Lease with respect to this Series 2006 Ground Lease. Said Memorandum of Lease shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of this Series 2006 Ground Lease. Upon the modification of this Series 2006 Ground Lease as provided in Section 2 hereof, the Memorandum of Lease shall be appropriately amended.

Section 20. No Personal Liability. No covenant or agreement contained in this Series 2006 Ground Lease shall be deemed to be the covenant or agreement of any member of the Governing Board or the corporation or any officer, employee or agent of the Governing Board or the Corporation, or of any successor thereto, in an individual capacity, and neither the members of the Governing Board or the corporation executing this Series 2006 Ground Lease nor any officer, employee, agent of the Governing Board or the Corporation shall be personally liable or accountable by reason of the execution or delivery hereof.

Section 21. Third Party Beneficiary. The Series 2006 Credit Facility Issuer shall be deemed to be a third party beneficiary of this Series 2006 Ground Lease.

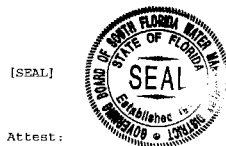
- 15 -

PNR_266476_14COUTRA

Book2199/Page330 CFN#1974918

Page 17 of 38

IN WITNESS WHEREOF, the Corporation has caused this Series 2006 Ground Lease to be executed in its corporate name and its corporate seal to be hereunto affixed and attested by its duly authorized officers and the Governing Board has caused this Series 2006 Ground Lease to be executed in its name and its seal to be hereunto affixed by its duly authorized officials, all as of the date first above written.



Attest:

By: Jacqueline McGorty
Jacqueline McGorty
Secretary

THE GOVERNING BOARD OF THE
SOUTH FLORIDA WATER MANAGEMENT
DISTRICT

By: Kevin McCarty
Kevin McCarty
Chair

SOUTH FLORIDA WATER MANAGEMENT
DISTRICT LEASING CORP

By: Kevin McCarty
Kevin McCarty
President

(SEAL)

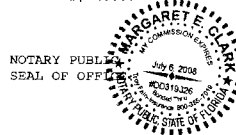
Attest:

By: Carol Ann Wehle
Carol Ann Wehle
Secretary

COUNTY OF PALM BEACH)
) SS:
STATE OF FLORIDA)

I, MARGARET E. CLARK, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Kevin McCarty and Jacqueline McGorty, personally known to me to be the same persons whose names are, respectively, as Chair and Secretary, respectively of THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said Governing Board, and delivered the said instrument as the free and voluntary act of said Governing Board and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 14th day of November, 2006.



Margaret E. Clark
NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or Type as Commissioned.)

☐ Personally known to me, or
☒ Produced identification: Yes
☐ DID take an oath, or
☐ DID NOT take an oath

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Book2199/Page331 CFN#1974918

Page 18 of 38

B-78

Book2199/Page332 CFN#1974918

Page 19 of 38

COUNTY OF PALM BEACH)
) SS:
STATE OF FLORIDA)

Margaret E. Clark

I, **Margaret E. Clark**, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Kevin McCarty, personally known to me to be the same person whose name is, as President of SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 14th day of November, 2006.

NOTARY PUBLIC
SEAL OF OFFICE:



Margaret E. Clark
NOTARY PUBLIC, STATE OF FLORIDA
Margaret E. Clark
(Name of Notary Public, Print, Stamp or Type as Commissioned.)
☐ Personally known to me, or
☐ Produced Identification: Yes
☐ DID take an oath, or
☐ DID NOT take an oath

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Book2199/Page333 CFN#1974918

Page 20 of 38

EXHIBIT A

SERIES 2006 FACILITY SITES

A. DESCRIPTION OF REAL ESTATE

Parcel 1 (Everglades Agricultural Area (EAA) Reservoir - Phase 1A - the EAA Reservoir):

A parcel of land lying in Sections 5-9, 16, 17, 20-22, 26-29, a portion of Sections 1, 4, 10, 14, 15, 18, 19, 23-25, 30-36, Township 46 South, Range 37 East, Hiatus Lots 4-6 lying between Townships 45 and 46 South, Range 37 East, and a portion of Section 31, Township 46 South, Range 38 East, Palm Beach County, Florida, and being more particularly described as follows:

Commence at the Northwest corner of said Hiatus Lot 6, lying between Townships 45 and 46 South, Range 37 East; thence South 00° 05' 09" West along the West line of said Hiatus Lot 6, a distance of 5,466.77 feet to the POINT OF BEGINNING;

thence North 89° 33' 55" East, along a line 3,640 feet North of and parallel with the North line of Sections 5 and 6 for 10,275.27 feet, to a point on the Westerly Right-of-Way line of State Road 25 (U.S. Highway 27);

thence Southeasterly along said Westerly Right-of-Way line for the following five (5) courses;

thence South 35° 04' 58" East, for 9,758.86 feet;

thence South 35° 04' 30" East for 5,748.05 feet;

thence South 35° 04' 50" East, for 7,793.22 feet;

thence South 35° 09' 26" East for 10,182.40 feet;

thence South 35° 00' 29" East, for 7,270.95 feet to a point on a line 1,815 feet North of and parallel with the South Township line of said Township 46 South, Range 37 East;

thence departing aforesaid Westerly Right-of-Way line South 89° 35' 10" West along a line 1,815.00 feet North of and parallel with the South line of said Township 46 South, Range 37 East, 32,712.70 feet, to a point 380 feet East of and parallel with the West line of said Township 46 South, Range 37 East;

thence Northerly along a line 380.00 feet East of and parallel with said West line for the following two (2) courses;

thence North 01° 08' 34" West, a distance of 14,005.03 feet;

thence North 01° 09' 51" West, for 406.14 feet;

thence South 89° 35' 19" West, for 380.03 feet, to the West line of said Township 46 South, Range 37 East;

thence North 01° 09' 51" West along said West line, for 15,463.80 feet, said point being the Northwest corner of Section 6, Township 46 South, Range 37 East to the Southwest corner of aforesaid Hiatus Lot 6;

thence Northerly along the aforesaid West line of said Hiatus Lot 6 for the following two (2) courses;

thence North 01° 09' 52" West, for 566.45 feet;

thence North 00° 05' 09" East for 3,073.73 feet to the POINT OF BEGINNING.

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Book2199/Page335 CFN#1974918

Page 22 of 38

B-79

COUNTY OF PALM BEACH)
) SS:
STATE OF FLORIDA)

I, **CHRISTINE C. BERGERON**, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Carol Ann Wehle, personally known to me to be the same person whose name is, as Secretary of SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that she, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 7th day of NOVEMBER, 2006.

NOTARY PUBLIC
SEAL OF OFFICE:

Christine C. Bergeron
NOTARY PUBLIC, STATE OF FLORIDA
Christine C. Bergeron
Commission #DD549456
(Name of Notary Public, Print, Stamp or Type as Commissioned.)

☒ Personally known to me, or
☐ Produced Identification: _____
☐ DID take an oath, or
☐ DID NOT take an oath

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Book2199/Page334 CFN#1974918

Page 21 of 38

Said lands lying and situate in Palm Beach County, Florida.

Parcel 2 (C44 Reservoir & STA C44 Test Cells):

The South three-quarters of Section 17, Township 39 South, Range 29 East, Martin County, Florida, LESS and EXCEPT the South 40 feet thereof.

Parcel 3 (C43 Reservoir West C43 Test Cells):

A parcel of land being a portion of Sections 32, and 33 of Township 43 South, Range 28 East, Hendry County, Florida, being more particularly described by metes and bounds as follows:

Commence at the Southeast corner of said Section 32;

thence North 00° 24' 41" West along the East line of said Section 32 for 300.04 feet to the POINT OF BEGINNING and an intersection with a line being 300 feet Northerly of, as measured at right angles and parallel to the South line of said Section 32;

thence South 89° 52' 27" West along said parallel line for 2,441.56 feet;

thence North 00° 34' 06" West for 2,304.92 feet;

thence North 89° 35' 37" East for 5,038.39 feet;

thence South 00° 35' 29" East for 2,294.31 feet to an intersection with a line being 300 feet Northerly of, as measured at right angles and parallel to the South line of said Section 33;

thence South 89° 05' 45" West for 2,597.86 feet to the POINT OF BEGINNING.

Bearings as shown herein are based on State Plane Coordinates, Florida West Zone, North American Datum 1983/1990 with said East line of Section 32, Township 43 South, Range 28 East bearing North 00° 24' 41" West and all other bearings are relative thereto.

Parcel 4 (EAA STA Compartment STA 6-2):

Tract No. 49-104-002 a tract of land encompassing parts of Sections 23, 24, 25, 26, 35 & 36, in Township 47 South, Range 34 East, Hendry County, Florida, more particularly described as follows:

Commencing at a found 5" x 5" concrete monument found at the Southeast corner of Section 1, Township 48 South, Range 34 East;

thence North 38° 22' 14" West for a distance of 13,066.68 feet along the East Right-of-Way line for the South Florida Water Management District L-3 Levee;

thence North 89° 57' 05" East a distance of 128.48 feet, to the POINT OF BEGINNING;

From the POINT OF BEGINNING, continue North 89° 57' 03" East a distance of 5,818.13 feet;

thence North 00° 03' 13" East a distance of 528.04 feet;

thence North 89° 54' 06" East a distance of 2,458.55 feet to the East line of Section 25, Township 47 South, Range

- 2 -

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Book2199/Page336 CFN#1974918

Page 23 of 38

34 East, said line also being the East line of Township 47 South, Range 34 East;

thence North 01° 30' 01" West along said East line, a distance of 4,794.74 feet, to the found rail and disc at the Northeast corner of Section 25, Township 47 South, Range 34 East;

thence North 01° 21' 57" West along said Range Line, a distance of 2,644.89 feet;

thence South 89° 59' 37" West along a line that is 20.00 feet South of and parallel to the South Top of Bank of U.S. Sugar Existing Lateral 7E Canal, for a distance of 8,242.39 feet;

thence South 00° 44' 45" East, a distance of 7,411.79 feet, along a line that is 20.00 feet East of and parallel to the East Top of Bank of U.S. Sugar Main Canal;

thence North 89° 15' 15" East, a distance of 50.00 feet;

thence South 00° 44' 45" East, a distance of 563.13 feet to the POINT OF BEGINNING.

Bearings are based on State plane Coordinates, reference the North American Datum of 1983/1999 Florida East Zone, reference bearing of North 29° 35' 57" West along the line from Control Monument Corner to Control Monument G342 D.

Parcel 5 (Stormwater Treatment Area Compartment B, Cell 4):

A parcel of land lying in Townships 46 and 47 South, Ranges 37 and 38 East, Palm Beach County, Florida, more particularly described as:

All of Section 36, Township 46 South, Range 37 East lying East of the East Right-of-Way Line of the L-18 (North New River Canal) as described in the following Official Records Books:

Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225, Official Records Book 7568, Page 1659, Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm Beach County, Florida.

TOGETHER WITH:

All of Section 32, Township 46 South, Range 38 East, Palm Beach County, Florida, and the East 260 feet of the West Quarter of Section 28, Township 46 South, Range 38 East, Palm Beach County, Florida, and the West Quarter of Section 33, Township 46 South Range 38 East, and all of Section 31 lying East of the East Right-of-Way line of the L-18 (North New River Canal) as recorded in the following Official Records Books:

Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225, Official Records Book 7568, Page 1659, Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm Beach County, Florida.

TOGETHER WITH:

All of Sections 5 and 6, Township 47 South, Range 38 East, Palm Beach County, Florida lying East of the East Right-of-Way Line of the L-18 (North New River Canal) as recorded in the following Official Records Books:

- 3 -

FMB_26476_14CUD78A

Book2199/Page337 CFN#1974918

Page 24 of 38

Series 2006 Facility Sites

B. PERMITTED ENCUMBRANCES

AS TO ALL PARCELS

1. Intentionally deleted.
2. Taxes and assessments for the year 2006 and subsequent years.
3. Easements or claims of easements not shown by the Public Records, boundary line disputes, overlaps, encroachments, and any matters not of record which would be disclosed by an accurate survey and inspection of the premises.
4. Intentionally deleted.
5. Intentionally deleted.
6. Intentionally deleted.
7. Terms, conditions, and provisions of Ground Lease, dated as of November 1, 2006, by and between South Florida Water Management District, an agency and water management district of the State of Florida, Lessor, and the South Florida Water Management District Leasing Corp., a not-for-profit Florida corporation, as Lessee, with Lessee's interest assigned to Deutsche Bank National Trust Company, Charlotte, North Carolina, as Trustee, pursuant to a Master Trust Agreement dated as of September 1, 2006, and as amended and supplemented by the Series 2006 Supplemental Trust Agreement dated as of September 1, 2006, recorded in the Public Records of Palm Beach, Martin County and Hendry Counties, Florida.
8. Terms, conditions, and provisions of Sub-Lease, dated November 1, 2006, by and between the South Florida Water Management District Leasing Corp., a not-for-profit Florida corporation, as Sub-Lessor, and the South Florida Water Management District, an agency and water management district of the State of Florida, as Sub-Lessee; with Sub-Lessor's interest assigned to Deutsche Bank National Trust Company, Charlotte, North Carolina, as Trustee, pursuant to a Master Trust Agreement dated as of September 1, 2006, and as amended and supplemented by the Series 2006 Supplemental Trust Agreement dated as of September 1, 2006, recorded in the Public Records of Palm Beach, Martin and Hendry Counties, Florida.
9. Intentionally deleted.
10. Intentionally deleted.
11. Final Judgment Validating Certificates of Participation Lease-Purchase Financing recorded in Official Records Book 19992, Page 239 and amended in Official Records Book 20258, Page 1731, both of the Public Records of Palm Beach County, Florida.

AS TO PARCEL 1: (Everglades Agricultural Area (EAA) Reservoir-Phase 1A (Palm Beach County Property))

12. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida contained in Deed Book 46, Page 240, of the Public Records of Miami-Dade County, Florida, and as affected by Release of Right of Entry only to a portion of Section 5 in Official Records Book 20325, Page 1172.
13. Resolution of Everglades Drainage District for Right-of-Way in Deed Book 536, Page 422 and in Deed Book 536, Page 429.
14. Grant of Right-of-Way by The Trustees of the Internal Improvement Fund of the State of Florida to State Road Department of the State of Florida recorded in Deed Book 540, Page 261, together with

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Page 1 of 10

Book2199/Page339 CFN#1974918

Page 26 of 38

Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225, Official Records Book 7568, Page 1659, Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm Beach County, Florida,

and the North 200 feet of Section 8, Township 47 south, Range 38 East, Palm Beach County, Florida, lying East of the East Right-of-Way Line of the L-18 (North New River Canal) as recorded in the following Official Records Books:

Official Records Book 258, Page 149, Official Records Book 260, Page 457, Official Records Book 959, Page 38, Official Records Book 3698, Page 1225, Official Records Book 7568, Page 1659, Official Records Book 7568, Page 1664, Official Records Book 1104, Page 543, Official Records Book 1104, Page 545, Official Records Book 1106, Page 39, Official Records Book 1107, Page 414, Official Records Book 1117, Page 521, Official Records Book 1156, Page 198, Official Records Book 1156, Page 203, and Official Records Book 1158, Page 562, all as recorded in the Public Records of Palm Beach County, Florida,

and the North 200 feet of Section 9, Township 47 South, Range 38 East, Palm Beach County, Florida.

TOGETHER WITH:

A parcel of land lying in Section 10, Township 47 South, Range 38 East, Palm Beach County Florida, being more particularly described as:

BEGINNING at the Northwest corner of Section 10, Township 47 South, Range 38 East, Palm Beach County, Florida, thence North 89° 35' 18" East, along the North line of said Section 10, a distance of 4,329.25 feet;

thence South 64° 35' 29" West, departing said North line of Section 10, a distance of 318.13 feet to the beginning of a tangent curve concave to the North with a radius of 700.00 feet;

thence continue along the arc of said curve, through a central angle of 24° 59' 48", a distance of 305.39 feet, to a point on a line 200 feet South of and parallel with said North line of Section 10;

thence South 89° 35' 18" West, along said parallel line, a distance of 3,745.12 feet to a point on the West line of said Section 10;

thence North 00° 24' 42" West, along said West line of Section 10, a distance of 200 feet to the POINT OF BEGINNING.

Bearings based on the Florida State Plane Coordinate System, North American Datum of 1983 with the North line of said Section 10, Township 47 South, Range 38 East bearing North 89° 35' 18" East and all other bearings are relative thereto.

Parcel 6 (EAA STA Compartment C STA 5 FW 3):

All of Sections 1, 2, 3 and 4, Township 47 South, Range 34 East, Hendry County, Florida, lying Easterly of the Westerly line of that certain parcel of land described in Official Records Book 245, Page 145 of the Hendry County Public Records, Said Westerly line also being known as the Easterly Right-of-Way line of the South Florida Water Management District's Levee L-3.

- 4 -

FMB_26476_14CUD78A

Book2199/Page338 CFN#1974918

Page 25 of 38

Series 2006 Facility Sites

PERMITTED ENCUMBRANCES

- Deed from the Everglades Drainage District to State Road Department of the State of Florida recorded in Deed Book 536, Page 429.
15. Deed from The Trustees of the Internal Improvement Fund of the State of Florida to Everglades Drainage District recorded in Deed Book 702, Page 13.
16. Reservations in favor of the Everglades Drainage District recorded in Deed Book 706, Page 104.
17. Reservations in favor of the Everglades Drainage District recorded in Deed Book 706, Page 116a.
18. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 707, Page 305, as affected by Quit Claim Deeds to E. G. Carroll recorded in Official Records Book 739, Page 172 and Official Records Book 739, Page 173.
19. Reservations in favor of the Everglades Drainage District recorded in Deed Book 717, Page 309.
20. Reservations of a 1/16 petroleum interest set forth in Deed from Lillian M. Jeffries recorded in Deed Book 720, Page 351, the right of surface entry having been terminated by operation of the Florida Marketable Record Title Act, Chapter 712, Florida Statute.
21. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 727, Page 13.
22. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 787, Page 153.
23. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 805, Page 449.
24. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 834, Page 52.
25. Deed filed from The Trustees of the Internal Improvement Fund of the State of Florida to Everglades Drainage District for the New River Canal recorded in Deed Book 887, Page 266.
26. Mineral rights reservations in favor of Hannah M. White recorded in Deed Book 1039, Page 619 and Deed Book 1039, Page 621, the right of surface entry having been terminated by operation of the Florida Marketable Record Title Act, Chapter 712, Florida Statutes.
27. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 1054, Page 212.
28. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 1054, Page 213.
29. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 1054, Page 214 and in Deed Book 1054, Page 215.
30. Perpetual Easement for Discharging Water recorded in Deed Book 1055, Page 577.
31. Reservations in favor of the Board of Education of the State of Florida recorded in Deed Book 1088, Page 760.
32. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 1054, Page 213 and corrected in Deed Book 1091, Page 695 and as affected by Release of Right of Entry only to a portion of Section 5 in Official Records Book 20325, Page 1172.
33. Perpetual Easement for Discharging Water recorded in Official Records Book 572, Page 727.
34. Intentionally deleted.

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Page 2 of 10

Book2199/Page340 CFN#1974918

Page 27 of 38

Series 2006 Facility Sites

PERMITTED ENCUMBRANCES

35. Road Easement Agreement as set out and reserved in Official Records Book 968, Page 588.
36. Unity of Title recorded in Official Records Book 2067, Page 306.
37. Terms, conditions and provisions of that certain Unrecorded Agricultural Lease with Hawthorne Sugar Corp., as evidence by and together with Memorandum of Agricultural Lease recorded in Official Records Book 4439, Page 1259, as affected by Lease Assignment to Columbia Bank For Cooperatives, recorded in Official Records Book 4439, Page 1266.
38. Reservation as contained in Warranty Deed recorded in Official Records Book 5915, Page 357.
39. All rights of access, egress, ingress, light, air and view between Sections 31, Township 46 South, Range 38 East, and Sections 36, 25, 24 and 23 Township 46 South, Range 37 East, as contained in Deed conveyed to the State of Florida recorded in Official Records Book 6870, Page 1080.
40. All rights of access, egress, ingress, light, air and view between Sections 4, 10, 14, 15, Township 46 South, Range 37 East, as contained in Deed conveyed to the State of Florida recorded in Official Records Book 6991, Page 814.
41. Intentionally deleted.
42. Intentionally deleted.
43. All rights of access, egress, ingress, light, air and view between Lots 4 and 5, Hiatus, between Townships 45 and 46 South, Range 37 East, as contained in Deed conveyed to the State of Florida recorded in Official Records Book 7575, Page 1038.
44. Intentionally deleted.
45. Rights of tenant(s) in possession, other than the record owner, including but not limited to possessory estate for years, together with all right, title and interest in the crops and cane stubble, and the right to use the irrigation and drainage systems, including, without limitation, the pumps, pump motors, pump houses and piping located on said property, all as more particularly described in the Reservation Conditions attached as Exhibit C contained in Warranty Deed from Okelanta Corporation recorded in Official Records Book 11015, Page 1892.
46. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit C contained in Warranty Deeds recorded in Official Records Book 11015, Page 1892, and Mortgage from Okelanta Corporation in favor of Columbia Bank For Cooperatives, dated January 8, 1985 and recorded in Official Records Book 4419, Page 4, together with the following related documents: a) Release and Mortgage Modification Agreement recorded in Official Records Book 5205, at Page 1372; Notices and Acknowledgments of Future Advance recorded in Official Records Book 5205, at Page 1482, and recorded in Official Records Book 6284, at Page 1061; Mortgage Modification and Spreader Agreement recorded in Official Records Book 7885, at Page 1089; Notice and Acknowledgment of Initial Advance recorded in Official Records Book 7885, at Page 1190; Mortgage Modification and Spreader Agreement recorded in Official Records Book 10246, Page 625 and re-recorded in Official Records Book 10412, Page 813; as affected by: a) Partial Releases recorded in Official Records Book 4912, at Page 986, Official Records Book 5023, at Page 1413, Official Records Book 5123, at Page 875, Official Records Book 6870, at Page 1083, Official Records Book 7537, at Page 240, Official Records Book 7537 at Page 381; and Partial Releases of Mortgage, Financing Statement and Assignments recorded in Official Records Book 10246, Page 629 Official Records Book 11015, Page 1715; and also partial termination of the following: a) UCC Financing Statement recorded in Official Records Book 4439, Page 89, b) Amended in Official Records Book 5205, Page 1429, c) Continued in Official Records Book 6268, Page 1482, d) Amended in Official Records Book 6996, Page 1570, e)

PMB_315019_2.DOC
Page 3 of 10

Book2199/Page341 CFN#1974918

Page 28 of 38

Series 2006 Facility Sites

PERMITTED ENCUMBRANCES

- UCC Financing Statement recorded in Official Records Book 9390, Page 244, f) Amended in Official Records Book 10246, Page 649.
47. Rights of tenant(s) in possession, other than the record owner, including but not limited to possessory estate for years, together with all right, title and interest in the crops and cane stubble, and the right to use the irrigation and drainage systems, including, without limitation, the pumps, pump motors, pump houses and piping located on said property, all as more particularly described in the Reservation Conditions attached as Exhibit C as contained in Warranty Deed from Talisman Sugar Corporation recorded in Official Records Book 11016, Page 346, as partially assigned to New Hope Sugar Company and United States Sugar Corporation by Assignment and Assumption of Reservation recorded in Official Records Book 11016, page 632 and with Amendment No. 1 with New Hope Sugar Company recorded in Official Records Book 11016, Page 686 and Amendment No. 1 with United States Sugar Corporation recorded in Official Records Book 11016, Page 727.
48. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit C all contained in Warranty Deed from Talisman Sugar Corporation, a Florida corporation recorded in Official Records Book 11016, Page 546, as partially assigned to New Hope Sugar Company and United States Sugar Corporation by Assignment and Assumption of Reservation recorded in Official Records Book 11016, page 632 and with Amendment No. 1 with New Hope Sugar Company recorded in Official Records Book 11016, Page 686 and Amendment No. 1 with United States Sugar Corporation recorded in Official Records Book 11016, Page 727.
49. Intentionally deleted.
50. Intentionally deleted.
51. Purchase and Sale Agreement by and between Talisman Sugar Corporation and The Nature Conservancy dated July 2, 1998, as amended November 30, 1998 and as evidence by and together with that certain Memorandum of Agreement recorded in Official Records Book 11052, Page 659.
52. Sugarcane Processing and Marketing Agreement, Security Agreement and Financing Statement by and between Osceola Farms, Co., a Florida corporation and Trucane Sugar Corporation recorded in Official Records Book 11275, Page 1747.
53. License Agreement by and between Osceola Farms, Co., a Florida corporation and Trucane Sugar Corporation, a Florida corporation recorded in Official Records Book 11292, Page 90.
54. UCC Financing Statement from Trucane Sugar Corporation to Farm Credit of South Florida recorded in Official Records Book 11297, Page 994.
55. Intentionally deleted.
56. Intentionally deleted.
57. Intentionally deleted.
58. Declaration of Restrictive Covenant with the Florida Department of Environmental Protection recorded in Official Records Book 20479, Page 216.
59. Intentionally deleted.
60. Declaration of Restrictive Covenant with the Florida Department of Environmental Protection recorded in Official Records Book 20532, Page 460.
61. Restrictive Covenants contained in Deed from The Trustees of the Internal Improvement Fund of the State of Florida recorded in Official Records Book 20534, Page 1167.

PMB_315019_2.DOC
Page 4 of 10

Book2199/Page342 CFN#1974918

Page 29 of 38

Series 2006 Facility Sites

PERMITTED ENCUMBRANCES

AS TO PARCEL 2: (STA C44 Test Cells) (Martin County Property)

62. Oil, gas and mineral reservations in favor of Southern States Land & Timber Corporation contained in Warranty Deed recorded in Deed Book 33, Page 337 and Notices recorded in Subsurface Book 2, Page 55 and Official Records Book 411, Page 1404, all of the Public Records of Martin County, Florida, as modified by the reservation in Exhibit "B-3" to the Settlement Agreement (See Prior CLTIC Policy No. A02-1168628).
63. Easement granted to Florida Power and Light Company recorded in Official Records Book 932, Page 559, of the Public Records of Martin County, Florida.
64. The nature or extent of riparian or littoral rights.
65. Memorandum of Reservation of Use and Occupancy Agreement between the South Florida Water Management District and Florida Tierra Holdings, L.L.C., Running W Citrus Limited Partnership and Tesoro Groves Limited Partnership, recorded in Official Records Book 2107, Page 1519, of the Public Records of Martin County, Florida.
66. Reservation for the use and occupancy of the insured land as set forth in Unrecorded Settlement and Acquisition Agreement between the South Florida Water Management District, Florida Tierra Holdings, L.L.C., Running W Citrus Limited Partnership and Tesoro Groves Limited Partnership dated November 9, 2005 and as reserved in Special Warranty Deed recorded in Official Records Book 2107, Page 1434; Quit Claim Deed recorded in Official Records Book 2107, Page 1466; Quit Claim Deed recorded in Official Records Book 2107, Page 1476 and Quit Claim Deed recorded in Official Records Book 2108, Page 283, of the Public Records of Martin County, Florida.
67. Oil, gas and mineral reservation in favor of Running W Citrus Limited Partnership and recorded in Special Warranty Deed recorded in Official Records Book 2107, Page 1434, of the Public Records of Martin County, Florida.
68. Oil, gas and mineral reservation in favor of Southern States Land & Timber, LLC, a Florida limited liability company and recorded in Quit Claim Deed recorded in Official Records Book 2107, Page 1507, of the Public Records of Martin County, Florida.
69. Intentionally deleted.

AS TO PARCEL 3: (C43 Reservoir West C-43, Test Cells) (Hendry County Property)

70. Intentionally deleted.
71. Intentionally deleted.
72. Intentionally deleted.
73. Intentionally deleted.
74. Intentionally deleted.
75. Intentionally deleted.
76. Intentionally deleted.
77. Intentionally deleted.
78. Possible drainage rights of parties owning land adjoining the Townsend Canal from properties south of the south line of Section 7, Township 45 South, Range 29 East to drain across the Townsend Canal as it crosses the land insured hereunder without the benefit of any recorded agreement or without the benefit

PMB_315019_2.DOC
Page 5 of 10

Book2199/Page343 CFN#1974918

Page 30 of 38

Series 2006 Facility Sites

PERMITTED ENCUMBRANCES

- of any unrecorded agreement executed by Jack M. Berry, Inc., J & H Groves L.C., J & H Grove Holdings, L.C., and/or their predecessors in title. This exception does not include, and exception is not made for, drainage rights appurtenant to lands that are subject to the Canals Agreement described above or drainage rights under the unrecorded Townsend Canal Drainage and Maintenance Agreement with an effective date of December 1, 1995 as amended, or the drainage rights of the Cow Slough Water Control District.
 79. Possible drainage rights of parties owning land adjoining the Roberts Canal from properties southeast or east of Section 21, Township 44 South, Range 29 East to drain across the Roberts Canal as it crosses the land insured hereunder without the benefit of any recorded agreement or without the benefit of any unrecorded agreement executed by Jack M. Berry, Inc., J & H Grove Holdings, L.C., or J & H Groves, L.C. This exception does not include, and exception is not made for, drainage rights appurtenant to lands that are subject to the Canals Agreement described above.
 80. Highway Canal Easement Agreement, entered into, by and between Jack M. Berry, Inc., J&H Groves, L.C., J&H Grove Holdings, L.C., A. Duda & Sons, Inc., Margaret W. Paul, Bob Paul, Inc., J. R. Paul, Jr., Family Limited Partnership, The Eugene Stuart Paul Limited Partnership, The Paul Family Limited Partnership, John R. Paul, Jr., Bryan Paul, Inc., Bryan W. Paul and The Margaret W. Paul Family Limited Partnership, Metropolitan Life Insurance Company, C&D Groves, a Florida general partnership, The Prudential Insurance Company of America and the South Florida Water Management District, as recorded on October 6, 2000 in Official Records Book 506 at page 1502, of the Public Records of Hendry County, Florida.
- AS TO PARCEL 4: EAA STA Compartment STA 6-2) (Hendry County Property)**
81. Canal and reclamation reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 24, Page 85; Miscellaneous Book 1, Page 419 and Miscellaneous Book 2, page 51, of the Public Records of Hendry County, Florida.
 82. State Road Right-of-Way and oil, gas and mineral reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 21, Page 498 and Deed Book 22, Page 147, of the Public Records of Hendry County, Florida.
 83. Canal and reclamation, oil, gas and mineral, state road and county road right of way reservations in favor of Everglades Drainage District recorded in Deed Book 21, Page 345; Deed Book 21, Page 347 and Deed Book 21, Page 565, as transferred to Central and Southern Florida Flood Control District in Official Records Book 9, Page 241 and Official Records Book 17, Page 342, of the Public Records of Hendry County, Florida.
 84. Oil, gas and mineral reservations contained in deeds from The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 32, Page 7, of the Public Records of Hendry County, Florida.
 85. Oil, gas and mineral reservations contained in deeds from The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 32, Page 8, of the Public Records of Hendry County, Florida.
 86. Oil, gas and mineral reservations contained in the Deed from Barton Collier, Jr. and Isabel Collier Read, as Executrix of the Estate of Miles Collier, deceased, recorded in Official Records Book 50, Page 709, as partially conveyed to Marguerite R Collier in Official Records Book 430, Page 849 and Official Records Book 430, Page 867, and further conveyed to Lamar Gable, et al., in Official Records Book 430, Page 942 and Official Records Book 430, Page 960, as partially conveyed to Baffon Collier, III in Official Records Book 445, Page 821 and Official Records Book 445, Page 785, together with the rights of parties claiming by, through and under said reservations, and the effect of that certain

PMB_315019_2.DOC
Page 6 of 10

Book2199/Page344 CFN#1974918

Page 31 of 38

Series 2006 Facility Sites

PERMITTED ENCUMBRANCES

- Memorandum of Notice pertaining to an Exploration Agreement with Calumet Florida, Inc., recorded in Official Records Book 564, Page 1377 and as affected by Partial Release recorded Official Records Book 633, Page 1639, of the Public Records of Hendry County, Florida.
87. Canal, reclamation, oil, gas and mineral reservations contained in the deed from The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 22, Page 463, of the Public Records of Hendry County, Florida.
88. Oil, gas and mineral reservations contained in the Deed from Barron Collier, Jr., et al., etc. recorded in Official Records Book 184, Page 238 and in deed from Inglis U. Collier, et al., etc. recorded in Official Records Book 188, Page 50, as partially conveyed to Marguerite R. Collier in Official Records Book 430, Page 849 and Official Records Book 430, Page 867, and further conveyed to Lamar Gable, et al. in Official Records Book 430, Page 942 and Official Records Book 430, Page 960, as partially conveyed to Barron Collier, III in Official Records Book 445, Page 821 and Official Records Book 445, Page 785, together with the rights of parties claiming by, through and under said reservations; and the effect of that certain Memorandum of Notice pertaining to an Exploration Agreement with Clumet Florida, Inc. recorded in Official Records Book 564, Page 1377 and as affected by Partial Release recorded Official Records Book 633, Page 1639, all of the Public Records of Hendry County, Florida.
89. Terms, provisions and easement for water quality and flow monitoring purposes as set forth in the Easement Agreement between United States Sugar Corporation and South Florida Water Management District recorded in Official Records Book 564, Page 242, of the Public Records of Hendry County, Florida.
90. Intentionally deleted.
91. Rights of tenant(s) in possession, other than the record owner, including but not limited to possessory estate for years, together with all right, title and interest in the crops and cane stubble, buildings and other improvements, irrigation and drainage systems, including, without limitation, the pumps, pump motors, pump houses and piping located on said property; all as more particularly described in the Reservation Conditions attached as Exhibit B contained in Warranty Deed from the United States Sugar Corporation, a Delaware corporation recorded in Official Records Book 582, Page 1932, of the Public Records of Hendry County, Florida.
92. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit B all contained in Warranty Deed from United States Sugar Corporation, a Delaware corporation recorded in Official Records Book 582, Page 1889 as corrected in Official Records Book 716, Page 348 and amended in Official Records Book 589, Page 1614, of the Public Records of Hendry County, Florida.
93. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit B all contained in Warranty Deed from United States Sugar Corporation, a Delaware corporation recorded in Official Records Book 582, Page 1889 as corrected in Official Records Book 716, Page 348 and amended in Official Records Book 589, Page 1614, of the Public Records of Hendry County, Florida.

AS TO PARCEL 5: (Stormwater Treatment Area Compartment B, Cell 4) (Palm Beach County Property)

94. The right of ingress and egress to and from the land is subject to the terms and provisions of F.C.D./Permit No. 5145, of the Central and Southern Florida Flood Control District, as recited in Quit Claim Deed as paragraph 7.5 of the permitted exceptions and recorded in Official Records Book 7890, Page 794. (Affects land in Section 28, Township 46 South, Range 38 East)
95. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida contained in Deed Book 46, Page 240.

PMB_315019_2.DOC
Page 7 of 10

Book2199/Page345 CFN#1974918

Page 32 of 38

Series 2006 Facility Sites

PERMITTED ENCUMBRANCES

- Corporation in Official Records Book 4437, Page 854, Lessor's interest assigned to The South Florida Water Management District in Official Records Book 11015, Page 1988.
113. Parcel 5 is subject to the provisions of Permit Nos. 694 and 3633 of the Central and Southern Florida Flood Control District, as contained in Chicago Title Insurance Company Policy No. 10-0498-106-0000021, Item No. 25.
114. Intentionally deleted.
115. Intentionally deleted.
116. Intentionally deleted.
117. Easement for ingress and egress as set out and reserved in Stipulated Final Judgment recorded in Official Records Book 10966, Page 1104.
118. Rights of tenant(s) in possession, other than the record owner, including but not limited to possessory estate for years, together with all right, title and interest in the crops and cane stubble, and the right to use the irrigation and drainage systems, including, without limitation, the pumps, pump motors, pump houses and piping located on said property; all as more particularly described in the Reservation Conditions attached as Exhibit C contained in Warranty Deed from Okeelanta Corporation recorded in Official Records Book 11015, Page 1892.
119. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit C contained in Warranty Deed from Okeelanta Corporation recorded in Official Records Book 11015, Page 1892.
120. Intentionally deleted.

AS TO PARCEL 6: EAA STA Compartment C STA 5FW3) (Hendry County Property)

121. Canal and reclamation reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 24, Page 85 (Lee County, see prior policy), of the Public Records of Hendry County, Florida.
122. State Road Right-of-Way and oil, gas and mineral reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 22, Page 126, of the Public Records of Hendry County, Florida.
123. Oil, gas and mineral reservations contained in the Deeds from Hamilton C. Forman and Doris D. Forman, husband and wife, and Charles R. Forman and Lucille W. Forman, husband and wife, recorded in Official Records Book 7, Page 155 and Official Records Book 7, Page 157, together with the Notice of Claim recorded in Official Records Book 367, page 244, all of the Public Records of Hendry County, Florida, and rights of parties claiming by, through and under said reservations.
124. Canal and reclamation, oil, gas and mineral, state road and county road right of way reservations in favor of Everglades Drainage District recorded in Deed Book 21, Page 484, as transferred to Central and Southern Florida Flood Control District in Official Records Book 9, Page 241 and Official Records Book 17, Page 342, of the Public Records of Hendry County, Florida.
125. Oil, gas and mineral reservations contained in deeds from The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 32, Page 7, of the Public Records of Hendry County, Florida.
126. Oil, gas and mineral reservations contained in the Deed from Barron Collier, Jr. and Isabel Collier Reed, as Executrix of the Estate of Miller Collier, deceased, recorded in Official Records Book 50, Page 709, as partially conveyed to Marguerite R Collier in Official Records Book 430, Page 849 and Official

PMB_315019_2.DOC
Page 9 of 10

Book2199/Page347 CFN#1974918

Page 34 of 38

Series 2006 Facility Sites

PERMITTED ENCUMBRANCES

96. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 672, Page 178, and as affected by Quit Claim Deed recorded in Official Records Book 739, Page 172.
97. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 672, Page 130, and as affected by Quit Claim Deed recorded in Official Records Book 739, Page 173.
98. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 672, Page 132, and as affected by Quit Claim Deed recorded in Official Records Book 739, Page 171 and Official Records Book 739, Page 174.
99. Deed from The Trustees of the Internal Improvement Fund of the State of Florida to Everglades Drainage District recorded in Deed Book 702, Page 13.
100. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 767, Page 392.
101. Perpetual Easement For Canal Right of Way from The Trustees of the Internal Improvement Fund of the State of Florida to the Everglades Drainage District recorded in Deed Book 876, Page 243.
102. Reservations in favor of The Trustees of the Internal Improvement Fund of the State of Florida recorded in Deed Book 1060, Page 101.
103. Deed from The Trustees of the Internal Improvement Fund of the State of Florida to Central and Southern Florida Flood Control District in Deed Book 1104, Page 543.
104. Rights in Reservations from The Trustees of the Internal Improvement Fund of the State of Florida to Central and Southern Florida Flood Control District recorded in Deed Book 1156, Page 198.
105. Oil, gas and other minerals reservations as set forth in Quit Claim Deeds recorded in Official Records Book 282, Page 59; Official Records Book 1132, Page 49; Official Records Book 1132, Page 51; Official Records Book 5328, Page 1030; Official Records Book 8379, Page 46; Official Records Book 8379, Page 48 and Official Records Book 8379, Page 50.
106. Reservations in favor of Ethel W. Walker, et al., as recorded in Official Records Book 712, Page 603, as affected by Notices recorded in Official Records Book 2610, Page 1424; Official Records Book 2615, Page 223; Official Records Book 2622, Page 1979; Assigned in Official Records Book 2686, Page 1843, and Deeds in Official Records Book 2632, Page 985; Official Records Book 3210, Page 1373 and in Official Records Book 3225, Page 1435.
107. Easement in favor of Florida Power and Light Company recorded in Official Records Book 1170, Page 374.
108. Intentionally deleted.
109. Intentionally deleted.
110. Easement to Florida Power and Light Company as contained in Order of Taking recorded in Official Records Book 7393, Page 1811.
111. Intentionally deleted.
112. Amended and Restated Lease Agreement between the South Florida Water Management District, as Lessor and Okeelanta Corporation, as Lessee, recorded in Official Records Book 11016, Page 1, of that certain Lease Agreement by and between W.P.M. Inc., Lessor, and Gulf & Western Food Products Company, Lessee, recorded in Official Records Book 2367, Page 1783, with addendum recorded in Official Records Book 3263, Page 677, Lessee's interest assigned to Gulf & Western Food Production

PMB_315019_2.DOC
Page 8 of 10

Book2199/Page346 CFN#1974918

Page 33 of 38

Series 2006 Facility Sites

PERMITTED ENCUMBRANCES

- Records Book 430, Page 867, and further conveyed to Lamar Gable, et al. in Official Records Book 430, Page 942 and Official Records Book 430, Page 960, as partially conveyed to Barron Collier, III, in Official Records Book 445, Page 821 and Official Records Book 445, Page 785, together with the rights of parties claiming by, through and under said reservations; and the effect of that certain Memorandum of Notice pertaining to an Exploration Agreement with Calumet Florida, Inc. recorded in Official Records Book 564, Page 1377 and as affected by Partial Release recorded Official Records Book 633, Page 1639. Affects all of Section 4, except that portion conveyed to Central and Southern Florida Flood Control District by Deed recorded in Official Records Book 9, Pages 345, all of the Public Records of Hendry County, Florida.
127. Oil, gas and mineral reservations contained in the Deed from Barron Collier, Jr., et al., etc. recorded in Official Records Book 184, Page 238 and in deed from Inglis U. Collier, et al., etc. recorded in Official Records Book 188, Page 50, as partially conveyed to Marguerite R. Collier in Official Records Book 430, Page 849 and Official Records Book 430, Page 867, and further conveyed to Lamar Gable, et al. in Official Records Book 430, Page 942 and Official Records Book 430, Page 960, as partially conveyed to Barron Collier, III in Official Records Book 445, Page 821 and Official Records Book 445, Page 785, together with the rights of parties claiming by, through and under said reservations; and the effect of that certain Memorandum of Notice pertaining to an Exploration Agreement with Clumet Florida, Inc. recorded in Official Records Book 564, Page 1377 and as affected by Partial Release recorded Official Records Book 633, Page 1639, all of the Public Records of Hendry County, Florida.
128. Intentionally deleted.
129. Rights of tenant(s) in possession, other than the record owner, including but not limited to possessory estate for years, together with all right, title and interest in the crops and cane stubble, buildings and other improvements, irrigation and drainage systems, including, without limitation, the pumps, pump motors, pump houses and piping located on said property; all as more particularly described in the Reservation Conditions attached as Exhibit B contained in Warranty Deed from the United States Sugar Corporation, a Delaware corporation recorded in Official Records Book 582, Page 1889, as corrected in Official Records Book 716, Page 348 and amended in Official Records Book 589, Page 1614, of the Public Records of Hendry County, Florida.
130. Terms, provisions, covenants, conditions, restrictions, assessments, easements, options, liens, notice of sale, and other matters established by Reservation Conditions attached as Exhibit B all contained in Warranty Deed from United States Sugar Corporation, a Delaware corporation recorded in Official Records Book 582, Page 1889 as corrected in Official Records Book 716, Page 348 and amended in Official Records Book 589, Page 1614, of the Public Records of Hendry County, Florida.

NOTE: Boundary and License Agreement by and between Okeelanta Corporation and The South Florida Water Management District recorded in Official Records Book 11080, Page 692, of the Public Records of Palm Beach County, Florida.

Unless otherwise indicated, all recording references shall refer to the
Public Records of Palm Beach County, Florida

PMB_315019_2.DOC
Page 10 of 10

Book2199/Page348 CFN#1974918

Page 35 of 38

Consent and Joinder from Martin County, Florida

CONSENT AND JOINDER TO GROUND LEASE

THIS CONSENT AND JOINDER TO GROUND LEASE is executed by MARTIN COUNTY, a political subdivision of the State of Florida ("Martin County"), and is appended to and incorporated into that certain Series 2006 Ground Lease executed by The Governing Board of the South Florida Water Management District acting as the governing body of the South Florida Water Management District (the "District"), as Lessor, and South Florida Water Management District Leasing Corp., as Lessee (the "Lessee"), dated as of November 1, 2006 (the "Ground Lease"). Terms not defined herein shall have the meaning ascribed to them in the Ground Lease.

WHEREAS, the District has agreed to lease to Lessee the Series 2006 Facility Sites described in the Ground Lease on the terms and conditions contained therein; and

WHEREAS, Martin County is the fee title holder of an undivided 16.2% interest in the 2006 Facility Site located in Martin County, Florida, as described in the Ground Lease (the "Martin County Property"); and

WHEREAS, in order to facilitate the Series 2006 Project, Martin County has agreed to submit its interest in the Martin County Property to the terms and conditions of the Ground Lease.

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) paid by Lessee to Martin County, as well as other good and valuable considerations, including, but not limited to, the benefits to be derived from the Series 2006 Project, Martin County hereby submits the Martin County Property to the Ground Lease on the following conditions:

1. The foregoing recitals are true and correct and incorporated herein by reference.
2. Martin County hereby submits all of its right, title and interest (being a 16.2 percent interest in the Martin County Property) to the terms and conditions of the Ground Lease, the same as though Martin County were named therein as a joint lessor therein; provided, however, Martin County, by submitting its interest in the Martin County Property to the terms and conditions of the Ground Lease, does not, directly or indirectly: (a) assume any of the District's obligations under the Ground Lease for either the Series 2006 Project or the indebtedness for the Series 2006 Certificates, and both such responsibilities and obligations are hereby specifically disclaimed by Martin County; (b) create any indebtedness or other financial obligation on Martin County, or on any Martin County lands or property other than the Martin County Property defined herein; or (c) submit any adjoining property owned by Martin County to the use of the Lessee.
3. Any notice given to the Corporation, the Governing Board, the Trustee or the Series 2006 Credit Facility Issuer shall be concurrently given to Martin County at the following address:

Martin County Administrative Center
2401 S.E. Monterey Road
Stuart, FL 34996
Attention: County Attorney
4. No amendment to the Ground Lease affecting the Martin County Property may be made without the prior written consent of Martin County.

- 5 -

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Book2199/Page349 CFN#1974918

Page 36 of 38

Book2199/Page350 CFN#1974918

Page 37 of 38

5. Following a termination of the Series 2006 Lease, no assignment of the Ground Lease which includes the Martin County Property or subletting of the Martin County Property shall be permitted without the prior written consent of Martin County.
6. No covenant or agreement contained in the Series 2006 Ground Lease shall be deemed to be the covenant or agreement of any member of the Board of County Commissioners of Martin County (the "Board") or any officer, employee or agent of the Board, or of any successor thereto, in an individual capacity.
7. This Consent and Joinder to Ground Lease shall be effective as of the date hereof, and shall be binding upon Martin County and its successors and assigns in interest in and to the Martin County Property on the terms and conditions set forth herein.

IN WITNESS WHEREOF, this Consent and Joinder to Ground Lease has been executed as follows:

MARTIN COUNTY BOARD OF
COUNTY COMMISSIONERS, a political
subdivision of the State of Florida

Attest:

Marsha Ewing
Marsha Ewing, Clerk

By *Charles B. Bucky*

By:

Susan L. Valliere
Susan L. Valliere, Chairman

Approved as to form and correctness:

By: *Stephen Fry*
Stephen Fry, County Attorney

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- 2 -

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Book2199/Page351 CFN#1974918

Page 38 of 38



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RECORDED 11/17/2006 14:57:26
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 0783 - 796; (14pgs)

This instrument was prepared by and
when recorded should be returned to:

Richard J. Miller, Esq.
Edwards Angell Palmer & Dodge LLP
One North Clematis Street
Suite 400
West Palm Beach, FL 33401

(This space reserved for Clerk)

SERIES 2006
ASSIGNMENT AGREEMENT

BETWEEN

SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.

AND

DEUTSCHE BANK NATIONAL TRUST COMPANY,
As Trustee

Dated as of November 1, 2006

This instrument was prepared by and
when recorded should be returned to:

Richard J. Miller, Esq.
Edwards Angell Palmer & Dodge LLP
One North Clematis Street
Suite 400
West Palm Beach, FL 33401

(This space reserved for Clerk)

This instrument was prepared by and
when recorded should be returned to:

Richard J. Miller, Esq.
Edwards Angell Palmer & Dodge LLP
One North Clematis Street
Suite 400
West Palm Beach, FL 33401

(This space reserved for Clerk)

SERIES 2006
ASSIGNMENT AGREEMENT

BETWEEN

SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.

AND

DEUTSCHE BANK NATIONAL TRUST COMPANY,
As Trustee

Dated as of November 1, 2006

SERIES 2006
ASSIGNMENT AGREEMENT

BETWEEN

SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.

AND

DEUTSCHE BANK NATIONAL TRUST COMPANY,
As Trustee

Dated as of November 1, 2006

Book2199/Page459 CFN#1974920

Page 1 of 14

TABLE OF CONTENTS

Section 1.	Recitals	1
Section 2.	Assignment	2
Section 3.	Administrative Provisions	6
Section 4.	Non-Recourse	7

SERIES 2006
ASSIGNMENT AGREEMENT

THIS AGREEMENT, made and entered into as of this 1st day of November, 2006, by and between the **SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.**, a not-for-profit corporation organized under the laws of the State of Florida (the "Corporation"), and **DEUTSCHE BANK NATIONAL TRUST COMPANY**, Charlotte, North Carolina, as Trustee (the "Trustee");

WITNESSETH THAT, in the joint and mutual exercise of their powers, and in consideration of \$10.00 and other good and valuable consideration and the mutual covenants herein contained, the parties hereto recite and agree as follows:

Section 1. Recitals.

1.01 The Governing Board of the South Florida Water Management District (the "Governing Board"), and the Corporation have entered into a Master Lease Purchase Agreement dated as of November 1, 2006 (as the same may be amended or supplemented from time to time, the "Master Lease"), and have executed Schedule 2006 dated as of November 1, 2006, which Master Lease together with each separate schedule constitutes a separate lease (the "Series 2006 Lease"), with respect to certain facilities, improvements and sites financed and have entered into a Series 2006 Ground Lease dated as of November 1, 2006 (as the same may be amended or supplemented from time to time, the "Series 2006 Ground Lease") with respect to the Series 2006 Facility Sites (hereinafter defined).

1.02 Pursuant to the Series 2006 Lease, the Governing Board and the Corporation have agreed that there shall be acquired, constructed, installed and equipped for lease-purchase to the Governing Board certain facilities and sites as described in Schedule 2006 to the Master Lease (the "Series 2006 Facilities"), such facilities being located on certain lands described in Schedule 2006 (which, together with the improvements thereon are hereinafter collectively referred to as the "Series 2006 Facility Sites"). Schedule 2006 sets forth the Lease Payments to be paid by the Governing Board for the Series 2006 Facilities (the "Series 2006 Lease Payments"). The Governing Board has agreed to lease-purchase the Series 2006 Facilities from the Corporation.

1.03 The Corporation and the Trustee have entered into a Master Trust Agreement dated as of November 1, 2006, as supplemented by a Series 2006 Supplemental Trust Agreement dated as of November 1, 2006 (as the same may be further amended or supplemented from time to time, the "Trust Agreement"), which acknowledges and contemplates the execution of this Agreement in conjunction therewith. This Agreement is made for the purpose of enabling the Trustee to act as lessor under the Series 2006 Lease.

1.04 The Corporation desires to assign and convey all of its right, title and interest as lessee of the Series 2006 Facility Sites under the Series 2006 Ground Lease, and as sublessor of the Series 2006 Facility Sites and lessor of the Series 2006 Facilities under the Series 2006 Lease (except for its right to indemnification under Section 5.7 of the Master Lease, its right to hold title to the Series 2006 Facilities under Section 6.1 of the Master Lease and Section 4 of the Series 2006 Ground Lease and its right to receive notices under the Master Lease), to the Trustee for the benefit of the holders of the Series 2006 Certificates to be issued under the Trust Agreement.

1.05 The Trustee is willing to accept this assignment on the terms and conditions hereinafter provided.

1.06 Each of the parties has authority to enter into this Agreement and has taken all actions necessary to authorize its execution by the officers signing it.

All terms capitalized but not defined herein shall have the meanings given to them in the Trust Agreement and the Series 2006 Lease.

Section 2. Assignment.

2.01 The Corporation hereby absolutely and unconditionally assigns and conveys to the Trustee, without recourse, for the benefit of all of the Series 2006 Certificate Holders, all of its right, title and interest under the Series 2006 Ground Lease and the Series 2006 Lease (except for its right to indemnification under Section 5.7 of the Master Lease, its right to hold title to the Series 2006 Facilities under Section 6.1 of the Master Lease and Section 4 of the Series 2006 Ground Lease and its rights to receive notices under the Master Lease and its leasehold estate in the Series 2006 Facility Sites under Section 4 of

2

perform its obligations under the Series 2006 Ground Lease, the Series 2006 Lease, the Trust Agreement and this Agreement.

B. The Corporation has full power, authority and legal right to enter into and perform its obligations under the Series 2006 Ground Lease, the Series 2006 Lease, the Trust Agreement and this Agreement; the execution, delivery and performance of the Series 2006 Ground Lease, the Series 2006 Lease, the Trust Agreement and this Agreement by the Corporation have been duly authorized by all necessary corporate actions on the part of the Corporation, and all required approvals and consents have heretofore been duly obtained; and the Series 2006 Ground Lease, the Series 2006 Lease, this Agreement and the Trust Agreement are in full force and effect.

C. The execution, delivery and performance of the Series 2006 Ground Lease, the Series 2006 Lease, the Trust Agreement and this Agreement do not contravene any provision of the Articles of Incorporation or Bylaws of the Corporation, and do not and will not conflict with, violate or result in any breach of or constitute a default under any agreement or instrument to which the Corporation is a party or by which it or any of its property is bound or any constitutional or statutory provision, or order, rule, regulation, decree or ordinance of any Federal or State court, government or governmental body having jurisdiction over the Corporation or any of its properties and by which the Corporation or any of its property is bound.

D. The Series 2006 Ground Lease, the Series 2006 Lease, this Agreement and the Trust Agreement are in full force and effect and the Corporation is not in default thereunder; the Series 2006 Ground Lease, the Series 2006 Lease, this Agreement and the Trust Agreement are legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, all such enforcement being subject to certain laws relating to bankruptcy, reorganization, moratorium and creditors' rights generally, and to principles of equity in the event that equitable remedies are sought.

4

the Series 2006 Ground Lease, including, without limitation, all Series 2006 Lease Payments and other amounts required to be paid by the Governing Board under the Series 2006 Lease). Said assignment is absolute and unconditional and the Corporation shall have no right to receive or recover the right, title and interest herein assigned. Said assignment is not given as additional security and is not intended to be nor shall it be construed to be a mortgage, or other security agreement of any nature whatsoever, and the Corporation will hereafter have no further right or interest or claims in and to the right, title and interest herein assigned, or any part thereof, or the interest or profits and other proceeds that may be derived therefrom of any kind whatsoever. Accordingly, upon execution of this Agreement, the Corporation shall deliver to the Trustee executed counterparts of the Series 2006 Ground Lease and the Series 2006 Lease. Delivery to the Trustee of such documents shall make the assignment and conveyance of the Series 2006 Ground Lease and the Series 2006 Lease herein made, complete and effective for all purposes. Title to the Series 2006 Facilities shall remain vested in the Corporation throughout their Lease Terms; provided, however, that upon termination of the Lease Terms as a result of nonappropriation or default pursuant to Section 4.1(b) or 4.1(c) of the Master Lease, the Corporation shall, upon request of the Trustee, transfer title to such Series 2006 Facilities and its leasehold estate in the Series 2006 Facility Sites under Section 4 of the Series 2006 Ground Lease to the Trustee, or to any Permitted Transferee designated by the Trustee.

2.02 With respect to the assignment and conveyance of the rights and interests contemplated hereunder to the Trustee, the Corporation represents, warrants and covenants to and with the Trustee and the Series 2006 Certificate Holders that, upon the date of execution of this Agreement and the effective date of the assignment and conveyance of the Corporation's rights under the Series 2006 Ground Lease and the Series 2006 Lease, the facts stated below are and will be true and correct:

A. The Corporation is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of Florida, with corporate powers and authority to own its property and carry on its business as now being conducted, and is qualified wherever necessary to

3

E. The Series 2006 Ground Lease and the Series 2006 Lease delivered to the Trustee are duly executed duplicate originals and, together with all Exhibits thereto, comprise the entire writing, obligation and agreement between the Corporation and Governing Board respecting the Series 2006 Facility Sites and the Series 2006 Facilities.

F. The Corporation has complied and will at all times hereafter comply with and duly perform its obligations under the Series 2006 Ground Lease, the Series 2006 Lease, the Trust Agreement and this Agreement.

G. Except as disclosed in the Offering Statement dated October 26, 2006, there is no pending or, to the knowledge of the Corporation, threatened action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency in any way affecting the ability of the Corporation to perform its obligations under the Series 2006 Ground Lease, the Series 2006 Lease, the Trust Agreement or this Agreement.

H. The Series 2006 Ground Lease and the Series 2006 Lease being herein assigned are free and clear of all claims, liens, security interests and encumbrances arising through any act or omission of the Corporation or any person claiming by, through or under it, except (1) the rights of the Governing Board under the Series 2006 Lease and the Series 2006 Ground Lease, including the fact that fee title to the Series 2006 Facility Sites is vested in the Governing Board and (2) the limitations of use on the sites subject to the Series 2006 Ground Lease pursuant to grant agreements between the Governing Board and the United States Department of Interior, as more fully described in the Offering Statement.

2.03 Except as otherwise set forth in Section 2.01, from and after the date of delivery to the Trustee of this Agreement, the Corporation shall have no further rights or interest under the Series 2006 Ground Lease or the Series 2006 Lease or in any Series 2006 Lease Payments or other moneys due with respect thereto or to become due under the Series 2006 Lease.

5

2.04 The Corporation agrees to execute and deliver to the Trustee upon request by the Trustee, any documents deemed necessary by the Trustee to further evidence or perfect the assignment and conveyance herein made with respect to the Series 2006 Ground Lease and the Series 2006 Lease.

2.05 The Corporation hereby irrevocably constitutes and appoints the Trustee, its successors and assigns, as its lawful attorney, with full power of substitution and resubstitution, to collect and to sue on behalf of the Corporation in the name of the Corporation or otherwise in any court for any Series 2006 Lease Payment or other amounts due under the Series 2006 Lease, or any part thereof, to withdraw or settle any claims, suits or proceedings pertaining to or arising out of the Series 2006 Lease upon any terms, all without the assent of the Corporation; and, further, to take possession of and to endorse in the name of the Corporation any instrument for the payment of moneys received on account of the Series 2006 Lease Payments or other amounts due under the Series 2006 Lease.

2.06 The Corporation agrees that it will authorize and direct the Governing Board to pay to the Trustee, its successors and assigns, all Series 2006 Lease Payments and all other amounts coming due under the Series 2006 Lease.

2.07 Upon request of the Trustee, the Corporation agrees to cooperate in the Trustee's efforts to collect and cause to be remitted to the Trustee any Series 2006 Lease Payment or other amount.

2.08 In the event the Corporation receives notice from the Governing Board that it will exercise its option under Section 7.2 of the Master Lease to prepay the Series 2006 Lease Payments to become due thereunder or that the Series 2006 Lease will not be renewed as a result of any event of non-appropriation under the Series 2006 Lease, the Corporation shall notify the Trustee of this fact in writing no later than five Business Days after such receipt provided, however, that failure to provide such notice shall not create any liability on the part of the Corporation.

Section 3. Administrative Provisions.

3.01 This Agreement shall be construed and governed in accordance with the laws of the State of Florida.

3.02 Any provision of this Agreement found to be prohibited by applicable laws shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Agreement.

3.03 This Agreement may not be amended without the prior written consent of the Series 2006 Credit Facility Issuer.

3.04 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

3.05 This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement.

Section 4. Non-Recourse.

4.01 The assignment contained in this Agreement is agreed to be non-recourse with respect to the Corporation and the Corporation shall have no liability to the Trustee, or any Certificate Holders hereunder with respect to the occurrence of any event of default by the Governing Board under the Series 2006 Lease whether such default consists of failure to pay moneys, breach of covenant or otherwise; provided, however, that nothing contained in this Section 4 shall excuse the Corporation from performance of its obligations under Section 2.04 through 2.08 hereof.

All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the parties hereto, respectively, and not of any member, officer, employee or agent of the parties hereto in an individual capacity, and no recourse shall be had for the assignment effected by Section 2 hereof or for any claim based thereon under this Agreement against any member, officer, employee or agent of the parties hereto.

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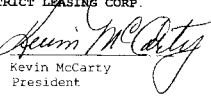
IN WITNESS WHEREOF, the parties hereto have executed this Series 2006 Assignment Agreement with their respective signatures as of the day and year first written above.

[SEAL]

**SOUTH FLORIDA WATER MANAGEMENT
DISTRICT LEASING CORP.**

ATTEST:

By:


Kevin McCarty
President

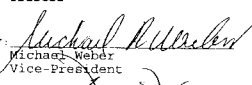
By:

Carol Ann Wehle
Secretary

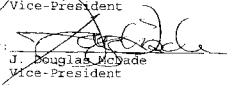
[SEAL]

**DEUTSCHE BANK NATIONAL TRUST
COMPANY,
as Trustee**

By:


Michael Weber
Vice-President

By:


J. Douglas McDade
Vice-President

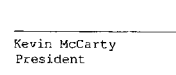
IN WITNESS WHEREOF, the parties hereto have executed this Series 2006 Assignment Agreement with their respective signatures as of the day and year first written above.

[SEAL]

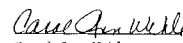
**SOUTH FLORIDA WATER MANAGEMENT
DISTRICT LEASING CORP.**

ATTEST:

By:


Kevin McCarty
President

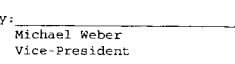
By:


Carol Ann Wehle
Secretary

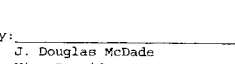
[SEAL]

**DEUTSCHE BANK NATIONAL TRUST
COMPANY,
as Trustee**

By:


Michael Weber
Vice-President

By:


J. Douglas McDade
Vice-President

COUNTY OF PALM BEACH)
) SS:
STATE OF FLORIDA)

I, Margaret E. Clark, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Kevin McCarty, personally known to me to be the same person whose name is, as President of SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 14th day of November, 2006.

NOTARY PUBLIC
SEAL OF OFFICE:



Margaret E. Clark
NOTARY PUBLIC, STATE OF FLORIDA

Margaret E. Clark

(Name of Notary Public, Print, Stamp or Type as Commissioned.)

- ☐ Personally known to me, or
☒ Produced identification:
Notar
☐ DID take an oath, or
☒ DID NOT take an oath

9

Book2199/Page470 CFN#1974920

Page 12 of 14

COUNTY OF PALM BEACH)
) SS:
STATE OF FLORIDA)

I, CHRISTINE C. BERGERON, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Carol Ann Wehle, personally known to me to be the same person whose name is, as Secretary of SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that she, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 7th day of NOVEMBER, 2006.

NOTARY PUBLIC
SEAL OF OFFICE:

Christine C. Bergeron
NOTARY PUBLIC, STATE OF FLORIDA
Commission # DD549456
My Comm. Expires: 06/21/2010
(Name of Notary Public, Print, Stamp or Type as Commissioned.)

- ☒ Personally known to me, or
☐ Produced identification:
☐ DID take an oath, or
☐ DID NOT take an oath

10

Book2199/Page471 CFN#1974920

Page 13 of 14

COUNTY OF MECKLENBURG)
) SS:
STATE OF NORTH CAROLINA)

I, Donna Y. Kidd, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Michael Weber and J. Douglas McDade, personally known to me to be the same persons whose names are, respectively, as Vice-Presidents of Deutsche Bank National Trust Company, a national banking association, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being hereunto duly authorized, signed, sealed with the seal of said association, and delivered the said instrument as the free and voluntary act of said association and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 9th day of November, 2006.

NOTARY PUBLIC
SEAL OF OFFICE:



Donna Y. Kidd
NOTARY PUBLIC, STATE OF
North Carolina

Donna Y. Kidd
(Name of Notary Public, Print, Stamp or
Type as Commissioned.)

- ☐ Personally known to me, or
☒ Produced identification:
Notar
(Type of Identification Produced)
☐ DID take an oath, or
☒ DID NOT take an oath.

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11

Book2199/Page472 CFN#1974920

Page 14 of 14

B-88

Prepared by:

JoLinda Herring, Esquire
Bryant Miller Olive P.A.
1 S.E. Third Avenue, Suite 2200
Miami, Florida 33131
(305) 374-7349

**FIRST AMENDMENT TO
SERIES 2006 ASSIGNMENT AGREEMENT**

BETWEEN

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP.
a Florida not for profit corporation**

AND

**U.S. BANK NATIONAL ASSOCIATION
as Successor Trustee**

Dated as of February 1, 2016

FIRST AMENDMENT TO
SERIES 2006 ASSIGNMENT AGREEMENT

THIS FIRST AMENDMENT TO SERIES 2006 ASSIGNMENT AGREEMENT ("First Amendment"), made and entered into as of February 1, 2016, by and between SOUTH FLORIDA WATER MANAGEMENT LEASING CORP., a not for profit corporation organized under the laws of the State of Florida (the "Corporation"), and U.S. BANK NATIONAL ASSOCIATION, as trustee (the "Trustee") hereby amends and supplements that certain Series 2006 Assignment Agreement between the Corporation and the Trustee, dated November 1, 2006 (the "Original Assignment Agreement").

WITNESSETH THAT, in the joint and mutual exercise of their powers, and in consideration of \$10.00 and other good and valuable consideration and the mutual covenants herein contained, the parties hereto recite and agree to amend and supplement the Original Assignment Agreement as follows:

SECTION 1. Recitals.

1.01 All capitalized terms not otherwise defined herein shall have the meanings set forth in the Original Assignment Agreement.

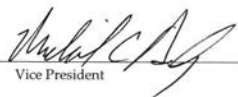
1.02 The Board issued its Refunding Certificates of Participation, Series 2015 Evidencing Undivided Proportionate Interest of the Owners thereof in Basic Lease Payments to be made by the Governing Board of the South Florida Water Management District, as Lessee, pursuant to a Master Lease-Purchase Agreement with South Florida Water Management District (the "Series 2015 Certificates"), to advance refund a portion of the outstanding Series 2006 Certificates.

1.03 The Corporation and the Trustee desire to amend the Original Assignment Agreement pursuant to the terms of this First Amendment to clarify that the assignments made therein related to the Series 2006 Certificates and the Series 2006 Lease shall include the Series 2015 Certificates and any refunding Certificates related to the Series 2006 Lease.

SECTION 2. Amendment. All references in the Original Assignment Agreement to the Series 2006 Certificates, or to the holders thereof, shall mean and include the Series 2006 Certificates, the Series 2015 Certificates and any refunding Certificates hereafter issued in connection with the Series 2006 Facilities, and all references to the Series 2006 Ground Lease and the Series 2006 Lease in the Original Assignment Agreement shall mean and include any amendments thereto.

1

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

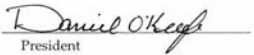
By: 
Vice President

SECTION 3. Ratification. Except as expressly modified and amended by this First Amendment, the Original Assignment Agreement and all of the terms, covenants and conditions thereof shall be and remain in full force and effect, and the Corporation and the Trustee hereby ratify all of the terms and provisions of the Original Assignment Agreement as modified and amended hereby.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Series 2006 Assignment Agreement as of the day and year first written above.

[SEAL]

SOUTH FLORIDA WATER MANAGEMENT
DISTRICT LEASING CORP.

By: 
President

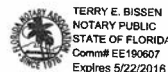
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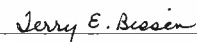
STATE OF FLORIDA
COUNTY OF ~~PALM BEACH~~ ORANGE

I, a Notary Public in and for the County in the State above, do hereby certify that Daniel O'Keefe, as President of the SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASING CORP., appeared before me this day in person and acknowledged that he, being thereunder duly authorized, signed and delivered this instrument as the free and voluntary act of the Corporation and as his own free and voluntary act, for the uses and purposes therein set forth.

Such person is personally known to me or provided identification in the form of _____ and did not take an oath in connection with the foregoing acknowledgment.

GIVEN under my hand and notarial seal this 4TH day of February, 2016.




Name: Terry E. Bissen
Notary Public

[NOTARIAL SEAL]

My commission expires:

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

I, a Notary Public in and for the County in the State above, do hereby certify that Michael C. Daly, a Vice President of U.S. BANK NATIONAL ASSOCIATION (the "Trustee"), appeared before me this day in person and acknowledged that she, being thereunder duly authorized, signed and delivered this instrument as the free and voluntary act of the Trustee and as her own free and voluntary act, for the uses and purposes therein set forth.

Such person is personally known to me or provided identification in the form of _____ and did not take an oath in connection with the foregoing acknowledgment.

GIVEN under my hand and notarial seal this 2nd day of February, 2016.



Rosario Hernandez
Name: Rosario Hernandez
Notary Public

[NOTARIAL SEAL]

My commission expires: MAR. 16, 2019

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APPENDIX C

FORM OF OPINION OF SPECIAL TAX COUNSEL

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Attorneys at Law
SunTrust International Center
1 SE 3rd Avenue
Suite 2200
Miami, FL 33131
Tel 305.374.7349
Fax 305.374.0895

FORM OF SPECIAL TAX COUNSEL OPINION

Upon delivery of the Series 2026 Certificates in definitive form, Bryant Miller Olive P.A., Special Tax Counsel, proposes to render an approving opinion with respect to the Series 2026 Certificates in substantially the following form:

[Date of Delivery]

South Florida Water Management District
West Palm Beach, Florida

\$_____

**REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2026
Evidencing Undivided Proportionate Interests of the Owners
thereof in Basic Lease Payments to be Made by the Governing Board of the
SOUTH FLORIDA WATER MANAGEMENT DISTRICT,
as Lessee, Pursuant to a Master Lease Purchase Agreement
with South Florida Water Management District Leasing Corp., as Lessor**

Ladies and Gentlemen:

We have acted as Special Tax Counsel to the Governing Board (the "Governing Board") of the South Florida Water Management District (the "District") in connection with the execution and delivery of \$_____ aggregate principal amount of the Refunding Certificates of Participation, Series 2026 Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Lease Payments to be Made by the Governing Board of the South Florida Water Management District as Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor (the "Series 2026 Certificates"). In that capacity, we have examined various documents including (i) the Master Lease Purchase Agreement, dated as of November 1, 2006 (the "Master Lease"), as amended and supplemented by the Second Amended and Restated Schedule 2006, dated as of March 1, 2026 each between the Governing Board, as lessee, and the South Florida Water Management District Leasing Corp., a Florida not-for-profit corporation (the "Corporation"), as lessor (together with the Master Lease, the "Series 2006 Lease"); (ii) the Master Trust Agreement, dated as of November 1, 2006, as supplemented by the Series 2026 Supplemental Trust Agreement, dated as of March 1, 2026 (collectively, the "Trust Agreement"), each by and among the Governing Board, the

Corporation and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"), pursuant to which the Series 2026 Certificates are issued; (iii) the Series 2006 Ground Lease, dated as of November 1, 2006, between the Governing Board, as lessor, and the Corporation, as lessee (the "Series 2006 Ground Lease"), pursuant to which the Governing Board has granted to the Corporation for the benefit of the Series 2026 Certificate Owners a leasehold estate in and to the Series 2006 Facilities and the land on which the Series 2006 Facilities is located; and (iv) the Series 2006 Assignment Agreement, dated as of November 1, 2006, as amended by a Second Amendment to Assignment Agreement, dated as of March 1, 2026 (collectively, the "Series 2006 Assignment Agreement"), each between the Corporation and the Trustee, pursuant to which the Corporation has assigned its rights, title and interest in the Series 2006 Lease and the Series 2006 Ground Lease to the Trustee. We have also examined a record of proceedings of the Governing Board relating to the Series 2006 Lease.

Pursuant to the Series 2006 Lease, the Corporation leased certain real property, facilities and related equipment for the restoration, protection and preservation of the Everglades to the Governing Board and the Governing Board shall make lease payments to the Trustee, as assignee of the Corporation pursuant to the Series 2006 Assignment Agreement, which shall include Basic Lease Payments (as defined in the Trust Agreement). The Series 2026 Certificates each evidence an undivided proportionate interest in the Basic Lease Payments to be made under the Series 2006 Lease. The proceeds of the Series 2026 Certificates shall be used for the principal purposes of (i) refunding all of the District's outstanding Refunding Certificates of Participation, Series 2015 (the "Refunded Certificates") and thereby refinancing the lease-purchase of a portion of the Series 2006 Facilities, and (ii) paying certain costs of issuance of the Series 2026 Certificates.

The Basic Lease Payments are payable solely from the Governing Board's available funds budgeted and appropriated for such purpose. The Governing Board is not legally required to budget and appropriate funds for this purpose. Basic Lease Payments are subject to annual appropriation by the Board. Neither the Governing Board, the State of Florida, nor any political subdivision or agency thereof shall be obligated to pay any sums due under the Series 2006 Lease from any source other than appropriated funds, and the faith and credit of the Governing Board are not pledged for payment of such sums due thereunder and such sums do not constitute debt of the Governing Board within the meaning of any constitutional or statutory provision or limitation.

The Governing Board has and may in the future, from time to time, lease other Facilities (as defined in the Trust Agreement) from the Corporation pursuant to the Master Lease. The acquisition, construction, and installation of each such Facility shall be financed by the issuance of a series of certificates of participation pursuant to the Trust Agreement. Each series of certificates of participation issued to finance a Facility shall relate solely to that Facility

independent of other series of certificates of participation. The Governing Board has agreed in the Series 2006 Lease to budget and appropriate in each fiscal year from available funds, sufficient moneys to make the Basic Lease Payments for all Facilities or for none of them.

As to questions of fact material to our opinion, we have relied upon the representations of the Governing Board contained in the Series 2006 Lease and in the certified proceedings and other certifications of officials furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation, or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of the Governing Board's counsel as to the due creation and valid existence of the District, the due adoption of the Resolution, the due authorization, execution and delivery of the Series 2006 Lease, the Trust Agreement, the Series 2006 Ground Lease Agreement, the Series 2006 Assignment Agreement, and the compliance by the Governing Board with all conditions contained in the resolutions of the Governing Board precedent to the issuance of the Series 2026 Certificates.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion that, under existing law:

1. The Series 2006 Lease, the Trust Agreement, the Series 2006 Assignment Agreement and the Series 2006 Ground Lease Agreement have each been duly authorized, executed and delivered by the Governing Board and each constitutes a valid and binding obligation of the Governing Board, enforceable against the Governing Board in accordance with its respective terms.

2. The Series 2026 Certificates, upon proper execution and authentication, are valid and binding special obligations of the Governing Board enforceable in accordance with their terms and shall evidence a proportionate undivided interest in the Basic Lease Payments made by the Governing Board under the Series 2006 Lease and shall be entitled to the benefits and security of the Trust Agreement.

3. The interest portion of the Basic Lease Payments received by the Owners of the Series 2026 Certificates is excludable from gross income for federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax; however, the interest portion of the Basic Lease Payments received by the Owners of the Series 2026 Certificates may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Governing Board complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Series 2026 Certificates in order that the interest portion of the Basic Lease Payments received by the Owners of the Series 2026 Certificates be, and continue to be, excludable from gross income for federal income tax purposes. The Governing Board has covenanted in the Trust Agreement to comply with all such requirements. Failure to comply with certain of such requirements may cause the interest portion of the Basic Lease Payments received by the Owners of the Series 2026 Certificates to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2026 Certificates. No opinion is expressed with respect to the federal income tax consequences of any payments received or to be received with respect to the Series 2026 Certificates following termination of the Series 2006 Lease as a result of an event of non-appropriation or the occurrence of an Event of Default thereunder.

It is to be understood that the rights of the Owners of the Series 2026 Certificates and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity; to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America; and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of the Offering Statement or any other offering material relating to the Series 2026 Certificates. This opinion should not be construed as offering material, an offering circular, prospectus, or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2026 Certificates. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Series 2026 Certificates. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Governing Board or the underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2026 Certificates. Further, we express no opinion regarding federal income tax consequences arising with respect to Series 2026 Certificates other than as expressly set forth herein.

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

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

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APPENDIX D

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of [CLOSING DATE], 2026, is executed and delivered by the GOVERNING BOARD (the "Governing Board") OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT (the "District") and DIGITAL ASSURANCE CERTIFICATION LLC, as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Certificates (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Certificates in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Governing Board through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Governing Board or anyone on the Governing Board's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Offering Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

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

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements (if any) of the Governing Board for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Governmental Accounting Standards Board, or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(c) of this Disclosure Agreement.

"Certificates" means the certificates as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Governing Board and include the full name of the Certificates and the 9-digit CUSIP numbers for all Certificates to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification LLC, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Governing Board pursuant to Section 9 hereof.

"Disclosure Representative" means the Executive Director, Assistant Executive Director or Treasurer of the District or their designee, or such other person as the Governing Board shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Governing Board's failure to file an Annual Report on or before the Annual Filing Date.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of an obligation or instrument described in either clause (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any

other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries) or (b) treated as the owner of any Certificates for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Governing Board, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Certificates (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Offering Statement" means that Offering Statement prepared by the Governing Board in connection with the Certificates, as listed on Appendix A.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports. (a) The Governing Board shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB via the Electronic Municipal Market Access System ("EMMA") not later than June 30 of each fiscal year of the District, commencing June 30, 2026. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as

separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Governing Board of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Governing Board will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Governing Board irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Governing Board are prepared but not available prior to the Annual Filing Date, the Governing Board shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Governing Board pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies";
2. "Non-Payment related defaults, if material";
3. "Unscheduled draws on debt service reserves reflecting financial difficulties";
4. "Unscheduled draws on credit enhancements reflecting financial difficulties";
5. "Substitution of credit or liquidity providers, or their failure to perform";
6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security";
7. "Modifications to rights of securities holders, if material";
8. "Bond calls or tender offers, if material";
9. "Defeasances";
10. "Release, substitution, or sale of property securing repayment of the securities, if material";
11. "Rating changes";
12. "Bankruptcy, insolvency, receivership or similar event of the obligated person";
13. "Merger, consolidation, or acquisition of the obligated person, if material";
14. "Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material";

15. "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties"; and
16. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material";

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Governing Board pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking";
2. "change in obligated person";
3. "notice to investors pursuant to bond documents";
4. "certain communications from the Internal Revenue Service";
5. "secondary market purchases";
6. "bid for auction rate or other securities";
7. "capital or other financing plan";
8. "litigation/enforcement action";
9. "change of tender agent, remarketing agent, or other on-going party";
10. "derivative or other similar transaction"; and
11. "other event-based disclosures";

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Governing Board pursuant to Section 7(b)

(being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information";
2. "change in fiscal year/timing of annual disclosure";
3. "change in accounting standard";
4. "interim/additional financial information/operating data";
5. "budget";
6. "investment/debt/financial policy";
7. "information provided to rating agency, credit/liquidity provider or other third party";
8. "consultant reports"; and
9. "other financial/operating data."

(viii) provide the Governing Board evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Governing Board may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports. (a) Each Annual Report shall contain Annual Financial Information with respect to the District, including the financial information and operating data of the type included with respect to the District, in the Offering Statement, including but not limited to:

(a) Updates of information set forth in the Offering Statement relating to:

1. Table entitled "Demographic Statistics - District Population by County for the Last Ten Calendar Years" under the heading "THE DISTRICT."

2. Table entitled "Summary of Revenues Available for Certificates Payments" under the heading "REVENUES AVAILABLE FOR BASIC LEASE PAYMENTS."

3. Tables entitled "Assessed Value of Taxable Property Within the District for the last Ten Fiscal Years," "Schedule of Ad Valorem Property Tax Rates for the District and Watershed Basins (Per \$1,000 Assessed Valuation) for the Last Ten Fiscal Years" and "Property Tax Revenues by County Within the District for the Last Ten Years" under the heading "AD VALOREM TAX PROCEDURES."

4. Tables entitled "Combined-Condensed Schedule of Revenues, Expenditures and Changes in Fund Balances All Governmental Fund Types" and "Other Obligations Outstanding" under the heading "SELECTED FINANCIAL AND OTHER INFORMATION."

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Governmental Accounting Standards Board will be included in the Annual Report. If Audited Financial Statements are not available, then, unaudited financial statements, prepared in accordance with generally accepted accounting principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Governmental Accounting Standards Board will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Governing Board is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final offering statement, it must be available from the MSRB. The Governing Board will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events. (a) The occurrence of any of the following events with respect to the Certificates constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
7. Modifications to rights of Certificate holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a

court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

The Disclosure Representative shall, in a timely manner not in excess of ten (10) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) of this Section 4 and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Governing Board desires to make, contain the written authorization of the Disclosure Representative for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Disclosure Representative desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Governing Board or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of

the Notice Event, if the Governing Board or the Disclosure Representative determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Governing Board desires to make, contain the written authorization of the Disclosure Representative for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Disclosure Representative desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Disclosure Representative as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall, in a timely manner not in excess of ten business days after the occurrence of such Notice Event, file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Governing Board shall indicate the full name of the Certificates and the 9-digit CUSIP numbers for the Certificates as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Governing Board acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Governing Board, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Governing Board acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing. (a) The Governing Board may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of

the disclosure that the Governing Board desires to make, contain the written authorization of the Governing Board for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Governing Board desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Governing Board as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Governing Board may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Governing Board desires to make, contain the written authorization of the Governing Board for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Governing Board desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Governing Board as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Governing Board is not obligated pursuant to the Rule or the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Governing Board from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Governing Board chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Governing Board shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Governing Board and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Certificates upon the legal defeasance, prior prepayment or payment in full of all of the Certificates, when the Governing Board is no longer an obligated person with respect to the Certificates, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Governing Board has appointed Digital Assurance Certification LLC as the initial Disclosure Dissemination Agent under this Disclosure Agreement. The Governing Board may, in its sole discretion and upon thirty (30) days written notice to the Disclosure Dissemination Agent, terminate or replace and appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Governing Board or DAC, the Governing Board agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Certificates. Notwithstanding any termination, replacement or appointment of a successor, the Governing Board shall remain liable for any and all sums owed and payable to the Disclosure Dissemination Agent up to the effective date of such termination, replacement or appointment of a successor (determined on a pro rata basis based on the annual fee due to the Disclosure Dissemination Agent for its services related to the Certificates and any other debt of the District). The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Governing Board.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Governing Board or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Certificates or under any other document relating to the Certificates, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent. (a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Governing Board has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination

Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Governing Board and shall not be deemed to be acting in any fiduciary capacity for the Governing Board, the Holders of the Certificates or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Governing Board's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Governing Board has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Governing Board at all times.

The obligations of the Governing Board under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, prepayment or payment of the Certificates.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. If the Governing Board has given its consent to the use of external counsel, the reasonable fees and expenses of such external counsel shall be payable by the Governing Board.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Governing Board and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Governing Board and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Certificates and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Governing Board or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days'

written notice of the intent to do so together with a copy of the proposed amendment to the Governing Board. No such amendment shall become effective if the Governing Board shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Governing Board, the Disclosure Dissemination Agent, the underwriters of the Certificates, and the Holders from time to time of the Certificates, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Governing Board have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION
LLC, as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

GOVERNING BOARD OF THE SOUTH
FLORIDA WATER MANAGEMENT
DISTRICT

By: _____
Chair

EXHIBIT A
NAME AND CUSIP NUMBERS OF CERTIFICATES

Name of Issuer:	South Florida Water Management District
Obligated Person(s):	Governing Board of South Florida Water Management District
Name of Bond Issue:	REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2026 Evidencing Undivided Proportionate Interests of the Owners thereof in Basic Lease Payments to be Made by the Governing Board of the SOUTH FLORIDA WATER MANAGEMENT DISTRICT, as Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor
Date of Issuance:	[CLOSING DATE], 2026
Date of Offering Statement:	[SALE DATE], 2026
Initial CUSIP Numbers:	See below

CUSIP Numbers

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: South Florida Water Management District

Obligated Person(s): Governing Board of South Florida Water Management District

Name of Bond Issue: REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2026 Evidencing Undivided Proportionate Interests of the Owners thereof in Basic Lease Payments to be Made by the Governing Board of the SOUTH FLORIDA WATER MANAGEMENT DISTRICT, as Lessee, Pursuant to a Master Lease Purchase Agreement with South Florida Water Management District Leasing Corp., as Lessor

Date of Issuance: [CLOSING DATE], 2026

Date of Disclosure Agreement: [CLOSING DATE], 2026

CUSIP Numbers

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Certificates as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification LLC, as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.]

Dated: _____

DIGITAL ASSURANCE CERTIFICATION
LLC, as Disclosure Dissemination Agent, on
behalf of the Issuer

cc: _____

EXHIBIT C-1 EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Governing Board of South Florida Water Management District

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies";
2. _____ "Non-Payment related defaults, if material";
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties";
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties";
5. _____ "Substitution of credit or liquidity providers, or their failure to perform";
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security";
7. _____ "Modifications to rights of securities holders, if material";
8. _____ "Bond calls, if material";
9. _____ "Defeasances";
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material";
11. _____ "Rating changes";
12. _____ "Tender offers";
13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person";
14. _____ "Merger, consolidation, or acquisition of the obligated person, if material"; and
15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification LLC
315 East Robinson Street
Suite 300
Orlando, FL 32801-1674
407-515-1100

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [CLOSING DATE], 2026 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

Governing Board of South Florida Water Management District

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking";
2. _____ "change in obligated person";
3. _____ "notice to investors pursuant to bond documents";
4. _____ "certain communications from the Internal Revenue Service";
5. _____ "secondary market purchases";
6. _____ "bid for auction rate or other securities";
7. _____ "capital or other financing plan";
8. _____ "litigation/enforcement action";
9. _____ "change of tender agent, remarketing agent, or other on-going party";
10. _____ "derivative or other similar transaction"; and
11. _____ "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification LLC
315 East Robinson Street
Suite 300
Orlando, FL 32801-1674
407-515-1100

Date: _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [CLOSING DATE], 2026 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

Governing Board of South Florida Water Management District

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ "quarterly/monthly financial information";
2. _____ "change in fiscal year/timing of annual disclosure";
3. _____ "change in accounting standard";
4. _____ "interim/additional financial information/operating data";
5. _____ "budget";
6. _____ "investment/debt/financial policy";
7. _____ "information provided to rating agency, credit/liquidity provider or other third party";
8. _____ "consultant reports"; and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification LLC
315 East Robinson Street
Suite 300
Orlando, FL 32801-1674
407-515-1100

Date: _____

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