

RESOLUTION 2026-09

A RESOLUTION ADOPTING A RULE OF THE SUMTER LANDING COMMUNITY DEVELOPMENT DISTRICT AMENDING CHAPTER III; PROVIDING FOR THE RESTATEMENT OF DISTRICT RULES; PROVIDING FOR THE REVISION OF THE ASSESSMENT SCHEDULE; PROVIDING FOR AND ESTABLISHING AN UPDATED ASSESSMENT METHODOLOGY; AND PROVIDING FOR AN EFFECTIVE DATE OF THE RESTATEMENT AND AMENDMENT.

WHEREAS, Sumter Landing Community Development District (District) imposes special assessments for operation and maintenance of public facilities which provide a special benefit to property located within the District; and

WHEREAS, for fiscal years ending 2013 through 2026, the District has apportioned special assessments among property owners in accordance with a methodology adopted pursuant to Resolution 12-04; and

WHEREAS, the methodology establishes the manner in which the assessments are apportioned and paid, based on an allocation of the benefits among the parcels of real property specially benefitted by the public facilities; and

WHEREAS, The District has engaged its qualified financial advisor, PFM Financial Advisors LLC, to prepare the Operation & Maintenance Assessment Methodology Report dated September 1, 2026 (the "Report," attached hereto as Exhibit "A" and incorporated herein by reference) using recent data to confirm whether the methodology remains reasonable for future years and to suggest any appropriate updates for periods beginning with fiscal year 2027; and

WHEREAS, the Report confirms that the methodology remains reasonable and appropriate for fiscal years beginning in 2027, but suggests updating the list of land use categories and applicable units of measure with respect to parcels for certain potential uses which diverge from typical commercial-retail activity; and

WHEREAS, the District has advertised its intent to adopt an amendment to and restatement of the rule implementing a revised assessment methodology, has advertised for a hearing to consider adoption of the same, and has held the public hearing for such adoption in compliance with all applicable statutes and rules; and

WHEREAS, the District Board of Supervisors in a Public Hearing on September 1, 2026, has considered public input of staff and the public and has determined it is in the best interests of all persons and entities to be served by the District and to adopt an amended and restated rule Chapter III incorporating updates to the assessment methodology consistent with the Report;

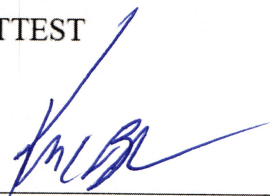
NOW, THEREFORE, BE IT RESOLVED, by THE BOARD OF SUPERVISORS OF THE SUMTER LANDING COMMUNITY DEVELOPMENT DISTRICT as follows:

1. The findings in the Report are hereby adopted as the findings of the Board of Supervisors of the District.

2. The Board hereby determines that the benefits that will accrue to the properties improved and that it is in the interest of the District and the owners of property within the District that assessments be made in proportion the benefits received as set forth in the Report.
3. There is hereby adopted an amended and restated Chapter III Rule to update the assessment methodology in accordance with the Report and make certain clarifying revisions.
4. This rule revision, upon adoption, shall become effective on October 1, 2026.

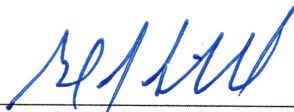
DONE AND RESOLVED at The Villages, Sumter County, Florida this 1st day of September, 2026.

ATTEST



Kenneth C. Blocker, Secretary

SUMTER LANDING COMMUNITY
DEVELOPMENT DISTRICT



Joseph Nisbett, Chair

**A RULE OF THE
SUMTER LANDING COMMUNITY DEVELOPMENT DISTRICT (District)
CHAPTER III
ESTABLISHING A STRUCTURE FOR EQUITABLY DISTRIBUTING COSTS
FOR OPERATING AND MAINTAINING DISTRICT FACILITIES, SYSTEMS
AND SERVICES AND OPERATING POLICIES AND PROCEDURES FOR THE
OPERATION AND MAINTENANCE OF
FACILITIES, SYSTEMS AND SERVICES PROVIDED TO
PROPERTIES WITHIN THE DISTRICT
AND SUCH PROPERTIES FOR WHICH THE DISTRICT
HAS ACCEPTED MAINTENANCE RESPONSIBILITY FROM THE PROPERTY
OWNER, AND PROVIDING FOR AN EFFECTIVE DATE**

PART I - GENERAL PROVISIONS AND DEFINITIONS APPLICABLE TO PROPERTIES WITHIN AND WITHOUT SUMTER LANDING COMMUNITY DEVELOPMENT DISTRICT; ESTABLISHING AN OPERATION AND MAINTENANCE FEE, AND OPERATING PROCEDURES FOR SERVICES PROVIDED BY SUMTER LANDING COMMUNITY DEVELOPMENT DISTRICT.

SECTION 1: Operation and maintenance services shall be provided by the District in accordance with the operating policy of the District which is attached hereto and made a part hereof and an operation and maintenance assessment shall be applicable to Sumter Landing Community Development District and such other properties owned by the District or dedicated for the use and benefit of areas within the District.

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SECTION 3: PURPOSE: The purpose of this Rule is to establish an operating policy, and operation and maintenance assessment, for the District to provide operation and maintenance services to properties within the District and common areas to preserve the public health, safety, welfare and enjoyment of the area. The operation and maintenance assessment will generate sufficient revenues from users benefiting from District facilities, systems and services to pay the expenses of same, and other improvements of the District; and to provide an effective date.

SECTION 4: NECESSITY: To establish a uniform and comprehensive operating policy, and operation and maintenance assessment pertaining to properties within the District for facilities, systems and services provided by the District.

SECTION 5: DEFINITIONS: The following terms and phrases, when used herein, shall have the meaning ascribed to them in this Section, except where the context clearly indicates a different meaning. Words used in the present terms shall include the future, and the singular number includes the plural, and the plural the singular.

5.1 CONSUMER: Any person, firm, association, corporation, governmental agency or similar organization supplied with services and affected by the operating procedures, which shall also include the Developer.

5.2 DEVELOPER: Any person, corporation, or other legally recognized entity who engages in the business of making improvements to or upon real property located within or without the District as owner or legally constituted agent for the owner of such real property.

5.3 DISTRICT: The Sumter Landing Community Development District as defined in 5.9.

5.4 RESERVED.

5.5 RESERVED.

5.6 PROPERTY: The land or improvements upon land of which the consumer is owner or over which consumer has control either by contract, license, or possessory interest sufficient to authorize consumer to make application for service, or adjacent right of way which services the land or site being developed. District may require proof of such interest prior to the furnishing of service by copy of an instrument of conveyance, warranty deed, contract or appropriate verified statement contained in the application for service.

5.7 ASSESSMENT SCHEDULE: The schedule of assessments charged for the particular classification of service.

5.8 TERMS "SHALL" AND "MAY": As used herein, the word "may" is permissive, and the word "shall" is mandatory.

5.9 SUMTER LANDING COMMUNITY DEVELOPMENT DISTRICT: A unit of special purpose local government authorized pursuant to Chapter 190, Florida Statutes, and created March 27, 2002, by Ordinance Number 02-6, by the Sumter County Board of County Commissioners.

SECTION 6: GENERAL: In the absence of specific written agreement to the contrary entered into prior to the effective date of this Rule, these regulations apply without modification or change to each and every entity to whom the District renders service in accordance with this Rule.

SECTION 7: OTHER USES PROHIBITED WITHOUT THE EXPRESS WRITTEN APPROVAL OF THE DISTRICT

7.1 Fishing, motor boating*, fishing in Lake Sumter or any other water bodies within the District, swimming, scuba diving including the use of helmet diving suits, snorkeling, wading and non-approved District activities or events.

* Lake-Sumter Boat tours and motor vessels for emergency or required maintenance purposes are allowed.

7.2 Parades, street festivals, demonstrations, rallies, circus', fairs, carnivals, picket lines, flea markets, street vendors, soliciting of contributions, erecting permanent or temporary structures, and similar activities, are prohibited within the District except with the approval of the District Manager.

7.3 Stocking or releasing of fish or vegetation in Lake Sumter or other bodies of water within the District.

7.4 Use of facilities without prior application and approval.

- 7.5 Overnight camping in tents or RV's, except with the advanced permission of the District Manager.
- 7.6 Fixed or rotary wing aircraft capable of landing on water, including radio controlled model aircraft. This prohibition is not meant to prohibit emergency aircraft.
- 7.7 Skateboarding
- 7.8 Bicycles, except as operated on road right of ways or parking lots.
- 7.9 No person may leave, stand or park any motor vehicle, golf cart or merchandise on any District owned public property, including any street, parking lot, alley, or easement, or upon any public place, including vacant land, shopping center parking lots or any other similar area for the purpose of displaying such motor vehicle, golf cart or merchandise for rent or sale without the approval of the District Manager.
- 7.10 No person may leave, stand or park any motor vehicle or golf cart on any District property other than in designated parking areas without the approval of the District Manager.
- 7.11 No person or vehicle shall obstruct the free flow of traffic, either vehicular or pedestrian, within the District without the approval of the District Manager.

SECTION 8: SCHEDULED, ORGANIZED AND SUPERVISED RECREATION
USE OF LAKE SUMTER (WATER BODY)

The purpose is for approved guidelines that outline and provide for limited scheduled recreational use of Lake Sumter by sanctioned and approved District Resident Council Organizations that meet the requirements for use of Lake Sumter.

Only events or activities sponsored by the District Recreation Department that are scheduled and have approval by the District are permitted on Lake Sumter.

Permitted activities include the following:

- a) Sailing
- b) Canoeing
- c) Kayaking
- d) Rowing/Paddle Boats – i.e. dragon boats, sculling
- e) Radio Controlled Boats
- f) Approved District Special Events

The Sumter Landing Community Development District Guidelines for Use of Lake Sumter are attached hereto as exhibits, being identified as Exhibit A. These guidelines may be amended from time to time by Administrative Policy.

SECTION 9: BILLING:

9.1 Annual Assessments: At the direction of the Board of Supervisors, the maintenance assessment shall be charged annually and may be incorporated as a non-ad valorem assessment and placed upon the County Property Tax Bill.

9.2 Bills for incidental service shall be rendered monthly or periodically at intervals not to exceed ninety (90) days at the direction of the Board of

Supervisors, and shall be due when rendered. A bill shall be deemed rendered when mailed United States mail, postage prepaid, or when delivered to the customer's address.

SECTION 10: ACCESS TO PREMISES: As a condition to providing services, the District or its authorized agents or employees shall have access to all common areas within Lake Sumter Landing during all reasonable hours and, in the event of an emergency, at any time, for the purposes of maintaining, inspecting, repairing, installing or removing District's property, and for any other purposes incident to performance.

SECTION 11: PROTECTION OF DISTRICT PROPERTY: In the event of any damage to District property located within Lake Sumter Landing Market Square which arise out of any act of consumer or agents, employees or independent contractors upon the premises, the cost of repairs or replacement shall be the responsibility of the person or persons causing the damage, and full payment or reimbursement to District shall be required.

SECTION 12: MAINTENANCE AND STANDARDS: All owners of Fee Parcels within the District acknowledge that the fee imposed by the District shall be the source of revenue to pay for ongoing operation and maintenance of owned or dedicated District facilities, systems and services not otherwise provided for in the project wide maintenance agreement.

SECTION 13: PRIVATE FIRE SERVICE CONNECTION: A private fire service connection is to be used for fire purposes only and is to have no connection whatsoever with any service lines that may be used for other than fire purposes, and because of the danger of pollution, shall have no connection with any other source of supply with the exception in case a tank or fire pump is installed as secondary supply. There shall be a backflow preventer installed by the

consumer at his expense in each District connection to prevent the water from these secondary supplies from flowing into the District mains.

The consumer shall not draw any water whatsoever through this connection for any purpose except the extinguishing of fires, or for periodic tests of the fire system, which tests shall be made upon notification to the District. Any authorized representative of the District shall have free access to the building at any reasonable time for the purpose of inspecting any of the fire service connection equipment.

SECTION 14: ASSESSMENT SCHEDULE:

14.1 Lake Sumter Landing Downtown Maintenance Assessment. Certain facilities were designed and constructed to be for the common use of, and to provide a special benefit to, the parcels located within the Sumter Landing Community Development District downtown area commonly referred to as "LSL" (the "LSL Downtown Parcels") as further appearing on the plat recorded as "Lake Sumter Landing Downtown Replat" in Plat Book 13 Page 22 of the Official Records of Sumter County, Florida (the "Plat"). The District Board of Supervisors may levy a maintenance special assessment (the "LSL CAM Assessment") from time to time to maintain and preserve such facilities as authorized by Chapter 190, Florida Statutes. The District shall apportion the LSL CAM Assessment between the benefited lands in proportion to the benefits received by each tract of land as follows:

- (a) It is the intent that all owners of lands designated as LSL Downtown Parcels, and their invitees and guests, shall commonly utilize all areas owned or dedicated to the District outside of the actual building wall and appurtenant features and therefore the District shall maintain all such properties outside of the actual building wall and appurtenant features, provided however, the owners of Building Areas No. 13, 23, 27 and 33 as

shown on the Plat shall maintain all of their Building Area. Where no structure has been constructed upon a Building Area, the District shall have access to maintain, but no obligation to maintain, the vacant Building Area.

- (b) For LSL Downtown Parcels, the LSL CAM Assessment shall be the owners' pro-rata share of the total maintenance costs determined by calculating the proportion of the habitable building area owned in relation to the total habitable building area within the LSL Downtown Parcels. For the purposes of the LSL CAM Assessment, habitable building area means: for Building Areas reasonably designated by the District as used for Commercial-retail activity, 100% of the actual interior square footage of improvements; for Building Areas in which the use of all or substantially all the habitable square feet are, as reasonably determined by the District, constructed primarily as or for the primary purpose of a hotel or performing arts center (uses which diverge from typical commercial-retail activity), 25% of the actual interior square footage of improvements.

14.2 Project Wide Maintenance Assessment. Certain facilities within and without the District known as "project-wide improvements" were designed and constructed as part of an interconnected project-wide system providing a special benefit to property owners in several community development districts. These districts are party to the Interlocal Governmental Agreement for Maintenance of Project Wide Improvements dated August 29, 2003, as amended. A portion of the project-wide improvements are owned by the District. Payment of the District's proportionate share of expenses to maintain project-wide improvements provides a special benefit to all properties within the District. Supervisors may levy a maintenance special assessment (the "Project Wide Assessment") from time to time to maintain and preserve such facilities as authorized by Chapter 190, Florida Statutes. The District shall apportion the Project Wide Assessment between the benefited lands in proportion to the benefits receive by each tract of land as follows:

The Project Wide Schedule for building areas shall be the owners' pro-rata share of the total maintenance costs determined by calculating the proportion of the habitable building area owned in relation to the total habitable building area within the District. For the purposes of the Project Wide Assessment, habitable building area means 100% of the actual interior square footage of improvements for all uses.

14.3 Road Maintenance Assessment. Certain road facilities were designed and constructed to be for the common use of, and to provide a special benefit to, all properties within the District. The District Board of Supervisors may levy a maintenance special assessment (the "Road Assessment") from time to time to maintain and preserve such facilities as authorized by Chapter 190, Florida Statutes. The District shall apportion the Road Assessment between the benefited lands in proportion to the benefits received by each tract of land as follows:

The Road Assessment Schedule for Building Areas shall be the owners' pro-rata share of the total maintenance costs determined by calculating the proportion of the habitable building area owned in relation to the total habitable building area within the District. For the purposes of the Road Assessment, habitable building area means 100% of the actual interior square footage of improvements for all uses.

14.4 The LSL CAM Assessment, Project Wide Assessment and Road Assessment Schedules may be adjusted annually by the Board of Supervisors based upon its adopted Budget. The Budget shall be adopted annually as provided for in Section 190.008 F.S.

SECTION 15: EFFECTIVE DATE: This Rule Revision shall become effective upon its approval by the Board of Supervisors of the District.

Specific Authority: 190.035 F.S., 190.011(5) F.S., 120.54 F.S.

Law Implemented: 190.035 F.S., 190.011(5) F.S., 120.54 F.S.

History: Adopted: 2005

 Amended: April 11, 2008

 Amended and Restated: August 8, 2008

 Amended and Restated: June 14, 2012

 Amended and Restated: September 1, 2026

ECONOMIC IMPACT STATEMENT

ESTABLISHING A STRUCTURE FOR EQUITABLY DISTRIBUTING COSTS FOR OPERATING AND MAINTAINING DISTRICT FACILITIES, SYSTEMS AND SERVICES AND OPERATING POLICIES AND PROCEDURES FOR THE OPERATION AND MAINTENANCE OF FACILITIES, SYSTEMS AND SERVICES PROVIDED TO PROPERTIES WITHIN THE DISTRICT AND SUCH PROPERTIES FOR WHICH THE DISTRICT HAS ACCEPTED MAINTENANCE RESPONSIBILITY FROM THE PROPERTY OWNER, AND PROVIDING FOR AN EFFECTIVE DATE

PART I - GENERAL PROVISIONS AND DEFINITIONS APPLICABLE TO PROPERTIES WITHIN AND WITHOUT SUMTER LANDING COMMUNITY DEVELOPMENT DISTRICT; ESTABLISHING AN OPERATION AND MAINTENANCE FEE, AND OPERATING PROCEDURES FOR SERVICES PROVIDED BY SUMTER LANDING COMMUNITY DEVELOPMENT DISTRICT.

1.0 Introduction

This Economic Impact Statement was prepared pursuant to Chapter 120.54, F.S. to support the rule making action of the Sumter Landing Community Development District establishing a structure for equitably distributing the costs of operating and maintaining the District's facilities, systems and services, together with operating policies and procedures for those facilities, systems and services.

The District provides operation and maintenance services to properties within the District, to common areas owned by or dedicated to the District, and to certain properties for which the District has accepted maintenance responsibility from the property owner. The maintenance special assessments and operating policies proposed to be adopted by this rule will generate revenue to pay the operating and maintenance expenses associated with these facilities, systems and services and are consistent with Chapter 190, Florida Statutes, and the District's existing obligations, including the Interlocal Governmental Agreement for Maintenance of Project Wide Improvements dated August 29, 2003, as amended.

The sections below track the requirements of Chapter 120.54, F.S. concerning economic impact statements.

2.0 Estimated Costs to the District to Implement the Proposed Rule Amendment

2.1 The proposed rule will have little if any cost impact on any federal, state or local agency outside of the District. The cost to the District in terms of paper work and similar processing fees is considered to be an insignificant amount when compared to the benefit realized by the affected property owners and the overall capital and operating costs of the District.

District costs to enact the proposed rule include:

1. Attorney's Fees
2. Advertising Costs, associated with the adoption of the rule as required by law.

3. Copying costs for any interested persons requesting the Rule, Economic Impact Statement or the notices of the adoption of said rule amendment.

2.2 Operations and Maintenance Expense

The direct costs of operating and maintaining the District's facilities, systems and services are estimated in the budget adopted annually by the District pursuant to Section 190.008, Florida Statutes, which the adoption of this rule and the establishment of the maintenance special assessments and rate schedules are meant to fund.

2.3 Findings of Fact

- 2.3.1 The District's holdings and responsibilities include facilities, systems and services operated and maintained for the common use and special benefit of properties within the District, including road facilities, project-wide improvements owned by the District, and other common areas owned by or dedicated to the District, for which the District has operational and maintenance expenses.
- 2.3.2 The maintenance costs, repair and replacement costs, and rehabilitation costs of the facilities, systems and services described in Section 2.3.1 have increased over time.
- 2.3.3 The District has undertaken a preventative maintenance program for its facilities, systems and features as reflected in its adopted general revenue budget.
- 2.3.4 The operating costs and maintenance expenses reflected in the adopted budget of the Sumter Landing Community Development District require the establishment of maintenance special assessments and rate schedules for the referenced facilities, systems and services consistent with the marketplace and the costs related to the operation and maintenance of those facilities, systems and services.
- 2.3.5 The District is required to comply with, and benefits from compliance with, the statutory requirements for purchasing materials and services, and realizes economic benefit through access to state contracts for purchase and economies of scale through joint bidding with other governmental entities, including through the Interlocal Governmental Agreement for Maintenance of Project Wide Improvements.

3.0 Economic Costs and Benefits to all Affected Parties

- 3.1 Factors governing economic impacts through the imposition of maintenance special assessments.

The maintenance special assessments established by this rule are levied under Chapter 190, Florida Statutes, upon the properties determined by the Board of Supervisors to receive a special benefit from the District's facilities, systems and services, and are apportioned among the benefited properties in proportion to the special benefits received. Through the adoption of this rule the District will be able to fund the operation and maintenance of those facilities, systems and services, including facilities maintained pursuant to the Interlocal Governmental Agreement for Maintenance of Project Wide Improvements, and to provide those services to properties within the District at a level that preserves the public health,

safety, welfare and enjoyment of the area. The economic benefit realized by the benefited properties exceeds the costs that are anticipated to be incurred through the adoption of this Rule and the establishment of the assessments and rate schedules.

3.2 Impacts on Visitors, Citizens of Florida, and Local Residents and Business.

The continued operation and maintenance of the District's facilities, systems and services will enhance and preserve the area's economy. In so doing, visitors, citizens, local residents and business should benefit. The monetary amount of these benefits is difficult to measure but they are real and are believed to be significant and positive.

4.0 Impact on Competition and the Open Market for Employment

The adoption of the rule and the implementation of the maintenance special assessments and rate schedules will have a positive impact on competition and the open market for employment. The continued operation and maintenance of properties, facilities and systems within the District will support the local economy and the utilization of those properties to their highest and best use, thereby supporting jobs and income.

5.0 Small Business Impacts

There is no estimated adverse impact on small business as defined in the Florida Small and Minority Business Assistance Act of 1985.

6.0 Data and Methodology

A detailed statement of the data and method used in preparing the Economic Impact Statement is available at the offices of the Sumter Landing Community Development District located at 3571 Kiessel Road, The Villages, Florida.



OPERATION & MAINTENANCE ASSESSMENT METHODOLOGY REPORT FOR SUMTER LANDING COMMUNITY DEVELOPMENT DISTRICT

FISCAL YEAR 2026-2027

September 2026

Prepared for:

**Members of the Board of Supervisors,
Sumter Landing Community Development District**

Prepared on September 1, 2026

PFM Financial Advisors LLC
3501 Quadrangle Boulevard, Ste 270
Orlando, FL 32817



OPERATION & MAINTENANCE ASSESSMENT METHODOLOGY REPORT FOR SUMTER LANDING COMMUNITY DEVELOPMENT DISTRICT FISCAL YEAR 2026-2027

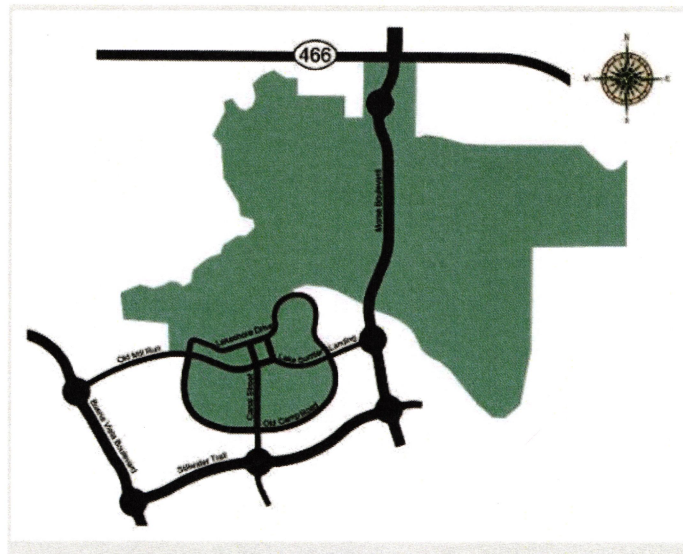
September 1, 2026

1.0 Introduction

1.1 District Overview

Sumter Landing Community Development District ("Sumter Landing" or "SLCDD" or "District") was established pursuant to Florida Statutes Chapter 190 and Sumter County Ordinance No. 02-06 on March 19, 2002. The lands that are encompassed by the District are located in the Sumter County, FL and consist of approximately 432 acres. The geographical boundaries of the District include a mix of non-residential properties inclusive of but not necessarily limited to commercial retail, institutional, and governmental properties.

Map 1. District Map



Source: District Manager

The District currently funds Operation and Maintenance ("O&M") of its existing public improvements and community facilities (the "Improvements"). These O&M expenses are funded via the collection of annual non-ad valorem special assessments. As the District's O&M responsibilities vary over time, the District's O&M expenses will vary to meet the District's needs. This Operation and Maintenance Assessment Methodology Report ("O&M Methodology Report") provides a methodology to allocate the annual O&M expenses among the properties within the District that receive a special benefit from the O&M of the Improvements.



Certain Improvements provide a special benefit to all properties in the District. Other Improvements primarily provide a benefit to certain property located within the portion of the District known as Lake Sumter Landing Downtown ("LSL Downtown"). Accordingly, while certain elements of the budget are for the benefit of, and can be allocated across, the entire District, other elements of the O&M budget are identified as specially benefiting the properties within the LSL Downtown (the "Downtown Parcels"). To date, the only development in the District has been within the Lake Sumter Downtown area, so the Downtown Parcels are the only assessable development within the District. As a practical matter, unless and until there is development in the District outside the LSL Downtown, the assessment roll will be the same for District-wide and downtown-area assessments.

The District has acquired or constructed roads and related improvements for the benefit of all properties within its boundaries. All development in the District receives the special benefit of roads and related improvements. The roads and related improvements must be maintained and preserved, which maintenance, preservation and related services are funded in part by the imposition of a special assessment on all assessable parcels in the District (the "Road Assessment") received into the District's Sumter Landing Special Revenue Fund.

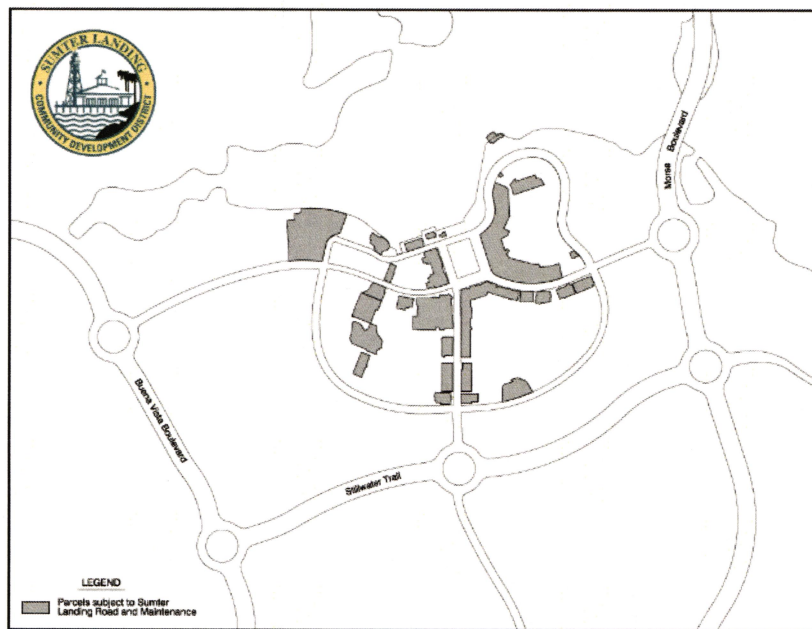
Similarly, the District has acquired or constructed various District infrastructure areas such as landscaped spaces, stormwater basins, multimodal paths, and decorative features for the benefit of all properties within its boundaries. All developable lands in the District receive the special benefit of these infrastructure areas. The related improvements, irrigation and landscaping must be maintained and preserved, which maintenance, preservation and related services are funded in part by the imposition of a special assessment on all assessable parcels in the District (the "Project Wide Maintenance Assessment") received into the District's Sumter Landing Special Revenue Fund.

Finally, the District constructed or acquired various infrastructure improvements, equipment and public facilities within and adjacent to the LSL Downtown which must be maintained and preserved specifically for the special benefit of the Downtown Parcels. These improvements, equipment and public facilities provide certain services, which maintenance, preservation and services are funded in part by the imposition of a special assessment (the "LSL CAM Assessment") within the LSL Downtown received into the District's Sumter Landing Special Revenue Fund.

Map 2 below displays, with shading, all areas subject to District Assessments. All shaded areas are subject to the Road Assessment and the Project Wide Maintenance Assessment. Since, at present, the Downtown Parcels are the only assessable development within the district, all shaded areas are also Downtown Parcels.



Map 2. District Maintenance Assessment Area



Sumter Landing Community Development District Maintenance Assessment Area
Source: District Manager

The methodology described here allocates the District's annual O&M expenses to properties based upon the benefits each receives from the infrastructure program. This report is designed to conform to the requirements of Chapters 190, F.S. with respect to special assessments and is consistent with PFM Financial Advisors LLC ("PFMFA" or "Assessment Consultant") understanding of Florida state statutes and the case law on this subject.

1.2 Budget Overview

The Board of Supervisors ("Board") of the District are in the process of establishing the District's Proposed Budget for Fiscal Year 2027 ("2026-2027 O&M Budget"). The District currently funds O&M of its existing infrastructure. These O&M expenses are funded via the collection of an annual non-ad valorem special assessments pursuant to a methodology set out in a rule adopted by Board Resolution 2012-04. As the District's operation and maintenance responsibilities vary over time, the O&M expenses will vary to meet the District's needs.

The lands within the District have undergone development since 2002. It is appropriate for the District to consider and, if appropriate, refine the methodology for allocating the cost of its O&M operations associated with its existing infrastructure. This O&M Methodology Report is associated with the 2026-2027 O&M Budget. This O&M Methodology Report contains the recommended O&M assessment methodology ("O&M Methodology") to be used for allocating the District's Fiscal Year 2026-2027 O&M Budget, also, for the allocation of O&M assessments in future years. Table 1 summarizes the proposed



2026-2027 O&M Budget on a net basis exclusive of estimated costs of collection via the county and tax collector.

In addition, per discussions with The Villages District Management ("District Manager"), certain infrastructure primarily benefits a certain area of the District, the LSL Downtown. Therefore, while elements of the budget can be allocated across the entire District, certain elements of the O&M budget benefit the distinct area of the District.

Table 1. District Fiscal Year 2026-2027 O&M Budget ⁽¹⁾

REVENUES	\$
CAM & ROAD MAINTENANCE ASSESSM	2,675,032
MISCELLANEOUS REVENUE	20,000
INT INCOME - CFB	2,000
INT INCOME - CASH EQUIV	50,000
LTP REALIZED GAIN/LOSS	20,000
FLFIT-REALIZED GAIN/LOSS	3,500
RENTS & LEASES/T-S	22,148
RENTS & LEASES/NT-S	5,741
(ADD)/USE-WORKING CAPITAL	(60,880)
(ADD)/USE-GENERAL R&R	0
(ADD)/USE-ROADS R&R	371,591
TOTAL	3,109,132
APPROPRIATIONS	\$
MANAGEMENT FEES	90,714
ENGINEERING SERVICES	717
TAX COLLECTOR FEES	55,730
OTHER PROFESSIONAL SVCS	15,396
JANITORIAL SVCS	169,032
SYSTEMS MGMT SUPPORT	126,477
ELECTRICITY	349,303
WATER & SEWER	11,487
IRRIGATION WATER	10,985
IRRIGATION PHONES	700
SOLID WASTE	19,341
CHILLED WATER	11,492
STORAGE UNIT RENTAL	2,000
BUILDING/STRUCTURE MAINT	418,573
LANDSCAPE MAINT-RECURRING	439,340
LANDSCAPE MAINT-NON RECURRING	80,000



IRRIGATION REPAIR	11,457
OTHER MAINTENANCE	314,145
PROJECT WIDE FEES	146,806
MISC CURRENT CHARGES	61,525
OPERATING SUPPLIES	2,500
NON CAPITAL FF&E	20,853
BUILDINGS	371,591
TRANS TO GENERAL R&R	0
TRANS TO OTHER ROADS (2)	378,968
TOTAL	3,109,132
NET OF REVENUES/APPROPRIATIONS	0

Source: Sumter Landing CDD Proposed Budget for Fiscal Year 2027

(1) preliminary budget subject to change at final adoption

(2) funds transferred to the road reserve fund

1.3 Requirements of a Valid Assessment Methodology

In PFMFA's experience, there are two primary requirements for special assessments to be valid under Florida law. First, the properties assessed must receive a special benefit from the improvements paid for via the assessments. Second, the assessments must be fairly and reasonably allocated to the properties being assessed. If these two characteristics of valid special assessments are adhered to, Florida law provides some latitude to legislative bodies, such as the District's Board of Supervisors, in approving special assessments. Indeed, Florida courts have found that the mathematical perfection of calculating special benefit is likely impossible. Our research suggests that only if the District's Board was to act in an arbitrary, capricious, or grossly unfair fashion would its assessment methods be overturned.

2.0 Assessment Methodology

2.1 Overview

The assessment methodology is a process by which the District will allocate the costs associated with its O&M activities to properties in the District benefiting from the improvements. The allocation is based upon the benefits that each property receives.

2.2 Allocation of Annual O&M Budget

As noted in Section 1.3, as long as two basic principles are adhered to, Florida law generally allows the District Board some latitude in determining the appropriate methodology to allocate the O&M budget to benefiting properties in the District. In allocating special assessments to benefiting property, Florida governments have used a variety of methods including, but not limited to, front footage, area, trip rates,



building square feet, equivalent residential units ("ERU"), dwelling units, and acreage. For purposes of this analysis, use of non-residential commercial building square feet is applied. The use of square feet to estimate the benefit derived from O&M activities is recognized as a simple, fair, and reasonable method for apportioning benefit.

For purposes of square footage assessments, a property's proportionate share is determined using the property's heated/cooled ("habitable") square footage as provided by the county's property appraiser; however, there are exceptions made with respect to square footage associated with certain types of uses which are identified as not being primarily commercial retail (e.g., performing arts facilities, hotels, etc.) The benefit from the O&M of the District facilities is related to and generally the function of the overall traffic activity from the commercial end user combined with the mix of budget expenditures.

For example, all property owners benefit equally from general and administrative costs, while certain parcels may benefit more (or less) from infrastructure maintenance on roads based on the parcel-specific traffic activity. For purposes of allocation and use of square feet, the collection of commercial end users is viewed as a commercial-retail center assuming similar benefit and traffic activity (while acknowledging that some commercial users may generate comparatively more or less traffic).

With respect to parcels in which all or substantially all the habitable square footage is used for a hotel or performing arts center (which use diverges from typical commercial-retail activity), a more tailored unit of measure is applied (see Table 2). Based on a trips-based analysis, for purposes of the District and consistent with the other commercial districts within The Villages, a discount of 75% is applied to the reported square footage (application of 25% of the square footage) of hotel and performing arts center land use for the Downtown common area maintenance budget. Community-wide O&M budget expenses are associated with infrastructure development (and its associated maintenance) which is initially financed and allocated on acreage basis and allocated to development densities accordingly. Similarly, road maintenance is associated with extending the useful life of road/transportation infrastructure development which is initially financed and allocated on acreage basis and allocated to development densities accordingly. As a result, these budget categories will allocate assessments based on total habitable square footage of development without the discount.

Table 2. Commercial Land Use Trips / Square Footage Summary*

Comparable Benefit Review				
Code	Use	Units of Measure	Trips per Unit	
			Peak AM	Peak PM
820	Commercial Retail Center	1,000 SQFT	2.87	4.25
310	Hotel	Room	0.53	0.6
441	Live Theatre	Seats	-	0.02

Trip Estimates (Using Commercial - Retail Trip Generation)		
<u>Hotel</u>	<u>Bldg SQFT</u>	<u>Trips (Peak PM)</u>
Waterfront Inn	70,847	300.75
Hotel Eastport	91,752	389.49
Towne Place Suites Marriott	69,182	293.68



Performing Arts Center / Theatre
The Sharon

Bldg SQFT
43,686

Trips (Peak PM)
185.45

Trip Estimates (Using Hotel & Theatre Trip Generation)

<u>Hotel</u>	<u>Rms</u>	<u>Trips (Peak PM)</u>	<u>% of Retail Trips</u>
Waterfront Inn	116	69.6	23.1%
Hotel Eastport	120	72.0	18.5%
Towne Place Suites Marriott	119	71.4	24.3%

<u>Performing Arts Center / Theatre</u>	<u>Seats</u>	<u>Trips (Peak PM)</u>	<u>% of Retail Trips</u>
The Sharon	1,022	20.44	11.02%

	<u>Recommended Discount Factor</u>
WTD AVG (Non-Commercial Retail Uses)	21.0% 25.0%

Source: Institute of Transportation Engineers, Trip Generation Manual, 11th Edition, Developer, and PFM Financial Advisors

*Represents The Villages data used across commercial districts for discount factor calculation purposes

As described above, based on the nature of the O&M budget and that various elements of the overall budget are identified as benefitting the areas within the District, PFMFA reviewed and allocated the budget accordingly. Table 3 details that allocation and the resulting budget amount per square foot.

Table 3. Summary of Budget Allocation Across the District's Areas

<u>Area</u>	<u>Total Assessment (net)</u>	<u>Total Assessment (gross)</u>	<u>SqFt</u>	<u>Rate per SqFt</u>
Maintenance Assessment	\$2,484,559.94	\$2,588,083.27	516,017	\$5.0155
Road Assessment	\$54,638.59	\$56,915.20	569,152	\$0.1000
Project Wide	<u>\$140,933.76</u>	<u>\$146,806.00</u>	569,152	<u>\$0.2579</u>
Total Road & Maintenance	\$2,680,132.29	\$2,791,804.47		\$5.3734

Source: PFM Financial Advisors LLC

(1) Gross assessments include a 4.0% gross-up to account for the statutory early payment discount.

Based upon the analysis set forth in this O&M Methodology Report, the Assessment Consultant has determined that the allocation of the District's Fiscal Year 2026-2027 O&M Budget among the District's property owners, results in an assessment methodology that is fair, reasonable, and consistent with the requirements of Florida law. Notwithstanding material changes to the facts within the O&M Methodology Report, it is reasonable for the Board to adopt the assessment methodology for the District's Fiscal Year 2026-2027 O&M Assessments and for future fiscal years.