

In the opinion of Bond Counsel, assuming compliance by the District with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2020 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2020 Bonds.

CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT
(City of Jacksonville, Florida)
\$7,705,000 Special Assessment Bonds, Series 2020

Dated: Date of original issuance

Due: November 1, as shown below

The \$7,705,000 Cypress Bluff Community Development District Special Assessment Bonds, Series 2020 (the "Series 2020 Bonds"), are being issued by the Cypress Bluff Community Development District (the "District") pursuant to a Master Trust Indenture dated as of February 1, 2019 (the "Master Indenture"), from the District to The Bank of New York Mellon Trust Company, N.A. as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Indenture dated as of April 1, 2020, from the District to the Trustee (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Indenture").

The Series 2020 Bonds are being issued only in fully registered form, in denominations of \$5,000 and integral multiples thereof; provided, however, that delivery of the Series 2020 Bonds to the initial purchasers thereof shall be in denominations of \$100,000 or integral multiples of \$5,000 in excess of \$100,000. The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act"), the Florida Constitution, and other applicable provisions of law, and established by Ordinance 2018-335-E, enacted by the City Council of the City of Jacksonville, Florida (the "City") on June 26, 2018, effective June 29, 2018, as amended by Ordinance 2019-599-E, enacted by the City Council of the City on October 22, 2019, effective October 28, 2019 (as amended, the "Ordinance"). The Series 2020 Bonds are payable from and secured by the Pledged Revenues (as defined herein). The Pledged Revenues consist primarily of the revenues derived by the District from non-ad valorem special assessments levied against certain lands within the District. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS" herein.

The Series 2020 Bonds, when issued, will be registered in the name of Cede & Co., as the owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Series 2020 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the Series 2020 Bonds will be paid from the sources provided herein by the Trustee directly to Cede & Co. as the nominee of DTC and the registered owner thereof. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants, as more fully described herein. Any purchaser as a beneficial owner of a Series 2020 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2020 Bond. See "DESCRIPTION OF THE SERIES 2020 BONDS – Book-Entry Only System" herein. The Series 2020 Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year comprised of twelve 30-day months. Interest on the Series 2020 Bonds is payable semi-annually on each May 1 and November 1, commencing November 1, 2020.

The Series 2020 Bonds are subject to optional, mandatory and extraordinary mandatory redemption at the times, in the amounts and at the redemption prices as more fully described herein. See "DESCRIPTION OF THE SERIES 2020 BONDS – Redemption Provisions" herein.

The Series 2020 Bonds are being issued to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2020 Project (as defined herein), (ii) pay certain costs associated with the issuance of the Series 2020 Bonds, and (iii) make a deposit into the Series 2020 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2020 Bonds, without privilege or priority of one Series 2020 Bond over another.

THE SERIES 2020 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE Pledged Revenues PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE STATE OF FLORIDA (THE "STATE"), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2020 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO COLLECT SERIES 2020 SPECIAL ASSESSMENTS (AS DEFINED HEREIN) TO SECURE AND PAY THE SERIES 2020 BONDS. THE SERIES 2020 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE CITY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

THE SERIES 2020 BONDS INVOLVE A DEGREE OF RISK (SEE "BONDOWNERS' RISKS" HEREIN) AND ARE NOT SUITABLE FOR ALL INVESTORS (SEE "SUITABILITY FOR INVESTMENT" HEREIN). THE UNDERWRITER IS LIMITING THE OFFERING OF THE SERIES 2020 BONDS TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. HOWEVER, THE LIMITATION OF THE INITIAL OFFERING OF SERIES 2020 BONDS TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2020 BONDS. THE SERIES 2020 BONDS ARE NOT CREDIT ENHANCED AND ARE NOT RATED AND NO APPLICATION HAS BEEN MADE FOR A RATING WITH RESPECT TO THE SERIES 2020 BONDS, NOR IS THERE ANY REASON TO BELIEVE THAT THE DISTRICT WOULD HAVE BEEN SUCCESSFUL IN OBTAINING A RATING FOR THE SERIES 2020 BONDS HAD APPLICATION BEEN MADE.

This cover page contains information for quick reference only. It is not, and is not intended to be, a summary of the Series 2020 Bonds. Investors must read the entire Limited Offering Memorandum, including the appendices attached hereto, to obtain information essential to the making of an informed investment decision.

**PRINCIPAL AMOUNTS, INTEREST RATES, MATURITY DATES,
YIELDS, PRICES AND INITIAL CUSIP NUMBERS***

\$990,000 3.900% Term Series 2020 Bond Due November 1, 2025 Yield 3.900% Price 100.000 CUSIP No.* 232677AE4
\$845,000 4.350% Term Series 2020 Bond Due November 1, 2030 Yield 4.350% Price 100.000 CUSIP No.* 232677AF1
\$2,405,000 5.000% Term Series 2020 Bond Due November 1, 2040 Yield 5.000% Price 100.000 CUSIP No.* 232677AG9
\$3,465,000 5.200% Term Series 2020 Bond Due November 1, 2049 Yield 5.200% Price 100.000 CUSIP No.* 232677AH7

The Series 2020 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer and the receipt of the opinion of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, as to the validity of the Series 2020 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams P.A., Tallahassee, Florida, for the Master Developer and Landowner by its counsel, Gunster Yoakley & Stewart, P.A., Jacksonville, Florida, for the Trustee by its in-house counsel, and for the Underwriter by its counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida. It is expected that the Series 2020 Bonds will be available for delivery through The Depository Trust Company in New York, New York on or about April 15, 2020.

MBS Capital Markets, LLC

Dated: April 3, 2020

* The District is not responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the readers of this Limited Offering Memorandum.

CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS

Richard T. Ray*, Chairman
John Holmes, Vice Chairman
John S. Hewins, Assistant Secretary
Stephen Grossman, Assistant Secretary
Chris Price, Assistant Secretary

DISTRICT MANAGER/ASSESSMENT CONSULTANT

Governmental Management Services, LLC
St. Augustine, Florida

DISTRICT COUNSEL

Hopping Green & Sams P.A.
Tallahassee, Florida

DISTRICT ENGINEER

England, Thims & Miller, Inc.
Jacksonville, Florida

BOND COUNSEL

Bryant Miller Olive P.A.
Orlando, Florida

* Shareholder of the Master Developer.

REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM

No dealer, broker, salesman or other person has been authorized by the District, the City of Jacksonville, Florida, Duval County, Florida, the State of Florida or the Underwriter to give any information or to make any representations other than those contained in this Limited Offering Memorandum and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2020 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District, the District Manager, the District Engineer, the Assessment Consultant, the Master Developer, the Landowner and other sources that are believed by the Underwriter to be reliable.

The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

At closing, the District, the District Engineer, the District Manager, the Assessment Consultant, the Master Developer and the Landowner will each deliver certificates certifying that certain of the information supplied by each does not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change with respect to the matters described herein since the date hereof.

In connection with this offering, the Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the Series 2020 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Series 2020 Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth in such acts. The registration, qualification or exemption of the Series 2020 Bonds in accordance with the applicable securities law provisions of any jurisdictions wherein these securities have been or will be registered, qualified or exempted should not be regarded as a recommendation thereof. Neither the District, the City of Jacksonville, Florida, Duval County, Florida, the State of Florida, nor any of its subdivisions or agencies have guaranteed or passed upon the merits of the Series 2020 Bonds, upon the probability of any earnings thereon or upon the accuracy or adequacy of this Limited Offering Memorandum.

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "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 which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when any of its expectations or events, conditions or circumstances on which such statements are based occur, other than as described under "CONTINUING DISCLOSURE" herein.

The order and placement of materials in this Limited Offering Memorandum, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Limited Offering Memorandum, including the appendices, must be considered in its entirety. The captions and headings in this Limited Offering Memorandum are for convenience of reference 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 Limited Offering Memorandum.

This Limited Offering Memorandum is being provided to prospective purchasers in electronic format on the following websites: www.munios.com and www.emma.msrb.org. This Limited Offering Memorandum may be relied upon only as printed in its entirety directly from such websites.

This Limited Offering Memorandum is not, and shall not be deemed to constitute, an offer to sell, or the solicitation of an offer to buy, real estate, which may only be made pursuant to offering documents satisfying applicable federal and state laws relating to the offer and sale of real estate.

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LIMITED OFFERING MEMORANDUM

relating to

CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT (City of Jacksonville, Florida) \$7,705,000 Special Assessment Bonds, Series 2020

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information concerning the Cypress Bluff Community Development District (the "District") in connection with the offering and issuance by the District of its \$7,705,000 Special Assessment Bonds, Series 2020 (the "Series 2020 Bonds").

The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act"), the Florida Constitution, and other applicable provisions of law, and established by Ordinance 2018-335-E, enacted by the City Council of the City of Jacksonville, Florida (the "City") on June 26, 2018, effective June 29, 2018, as amended by Ordinance 2019-599E, enacted by the City Council of the City on October 22, 2019, effective October 28, 2019 (the "Boundary Amendment") to expand the boundaries of the District to include an additional 24 acres of land (as amended, the "Ordinance"). See "THE DISTRICT" herein.

The Series 2020 Bonds are being issued pursuant to the Act and a Master Trust Indenture dated as of February 1, 2019 (the "Master Indenture"), from the District to The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") as supplemented by a Second Supplemental Trust Indenture dated as of April 1, 2020, from the District to the Trustee (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), and resolutions adopted by the Board of Supervisors of the District on August 1, 2018 and February 25, 2020, authorizing the issuance of the Series 2020 Bonds. All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the Indenture which appears in composite APPENDIX C attached hereto.

The District was established for the purposes, among other things, of financing and managing the planning, acquisition, construction, maintenance and operation of the infrastructure necessary for community development in the Development (hereinafter defined). For a complete discussion of the Development, see "THE DEVELOPMENT" and "THE CAPITAL IMPROVEMENT PROGRAM" herein. The Act authorizes the District to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, equipping, operating and maintaining water management, water supply, sewer and wastewater management, bridges or culverts, district roads, recreational facilities and other basic infrastructure projects within or without the boundaries of the District, all as provided in the Act.

Under the Constitution and laws of the State of Florida (the "State"), including the Act, the District has the power and authority to levy non-ad valorem assessments upon District Lands (hereinafter defined) and to issue the Series 2020 Bonds for the purposes of providing community development services and facilities, including those financed with the proceeds of the Series 2020 Bonds as described herein.

Consistent with the requirements of the Indenture and the Ordinance, the Series 2020 Bonds are being issued to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2020 Project (as defined herein), (ii) pay certain costs associated with the issuance of the Series 2020 Bonds, and (iii) make a deposit into the Series 2020 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2020 Bonds, without privilege or priority of one Series 2020 Bond over another.

Proceeds of the Series 2020 Bonds will be used to finance the acquisition and construction of certain master infrastructure improvements for the special benefit of the lands within the District (the "District Lands"). The District Lands encompass approximately 1,274 acres located entirely within the City. The District is planned for 1,950 residential units and recreational facilities. For more complete information about the District, its Governing Body, and the District Manager, see "THE DISTRICT" herein.

The Series 2020 Bonds are payable from and secured by the Pledged Revenues, which is defined in the Second Supplemental Indenture as (a) all revenues received by the District from the Series 2020 Special Assessments levied and collected on that portion of the District Lands benefited by the Series 2020 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2020 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2020 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

"Series 2020 Special Assessments" is defined in the Second Supplemental Indenture as the Special Assessments levied on that portion of the District Lands specially benefited by the Series 2020 Project or any portion thereof, which assessments correspond in amount to the debt service on the Series 2020 Bonds.

"Special Assessments" is defined in the Master Indenture as (a) the net proceeds derived from the levy and collection of "special assessments," as provided for in Sections 190.011(14) and 190.022 of the Act (except for any such special assessments levied and collected for maintenance purposes), against the District Lands that are subject to assessment as a result of a particular Project or any portion thereof, and (b) the net proceeds derived from the levy and collection of "benefit special assessments," as provided for in Section 190.021(2) of the Act, against the District Lands that are subject to assessment as a result of a particular Project or any portion thereof, and in the case of both

"special assessments" and "benefit special assessments," including the interest and penalties on such assessments, pursuant to all applicable provisions of the Act and Chapter 170, Florida Statutes, and Chapter 197, Florida Statutes (and any successor statutes thereto), including, without limitation, any amount received from any foreclosure proceeding for the enforcement of collection of such assessments or from the issuance and sale of tax certificates with respect to such assessments, less (to the extent applicable) the fees and costs of collection thereof payable to the Tax Collector and less certain administrative costs payable to the Property Appraiser pursuant to the Property Appraiser and Tax Collector Agreement. "Special Assessments" shall not include "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act.

The Series 2020 Special Assessments represent an allocation of a portion of the costs of the Series 2020 Project, including bond financing costs, to the District Lands benefiting from the Series 2020 Project (as more particularly described herein, the "Series 2020 Assessment Area") in accordance with the Methodology Report (hereinafter defined). The Methodology Report and assessment resolutions with respect to the Series 2020 Bonds (collectively, the "Assessment Proceedings") permit the prepayment in part or in full of the Series 2020 Special Assessments at any time without penalty. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein.

Subsequent to the issuance of the Series 2020 Bonds, the District may cause one or more Series of Bonds to be issued pursuant to the Master Indenture, subject to the terms and conditions thereof. Bonds may be issued for the purpose of financing the Cost of acquisition or construction of the Capital Improvement Program or to refund all or a portion of a Series of Bonds. The District covenants and agrees in the Second Supplemental Indenture that other than refunding bonds issued to refund the Outstanding Series 2020 Bonds, the District shall not, while any Series 2020 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Pledged Revenues. The District further covenants and agrees in the Second Supplemental Indenture that so long as the Series 2020 Bonds are Outstanding, it will not impose debt service Special Assessments for capital projects on any lands subject to the Series 2020 Special Assessments without the written consent of the Majority Owners; provided, however, such consent shall not be required if the additional debt service Special Assessments, when taking into account the Series 2020 Special Assessments, does not cause the aggregate annual debt service Special Assessments on such lands to exceed \$30.00 per front footage (by way of example, the aggregate debt service on a 50' lot could not exceed \$1,500), evidence of which shall be provided by the District to the Trustee in a written certificate upon which the Trustee may conclusively rely. Notwithstanding the foregoing, the District is not precluded from imposing capital Special Assessments on property then subject to the Series 2020 Special Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS - No Parity Bonds; Limitation on Parity Liens" herein.

There follows in this Limited Offering Memorandum a brief description of the District and the Development, together with summaries of the terms of the Series 2020 Bonds, the Indenture and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents and

statutes and all references to the Series 2020 Bonds are qualified by reference to the definitive form thereof and the information with respect thereto contained in the Indenture, the form of which appears as composite APPENDIX C attached hereto.

SUITABILITY FOR INVESTMENT

Investment in the Series 2020 Bonds poses certain economic risks. No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum. Additional information will be made available to each prospective investor, including the benefit of a site visit to the District, and the opportunity to ask questions of the District, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Series 2020 Bonds. Prospective investors are encouraged to request such additional information, visit the District and ask such questions.

While the Series 2020 Bonds are not subject to registration under the Securities Act of 1933, as amended (the "Securities Act"), the Underwriter has determined that the Series 2020 Bonds are not suitable for investment by persons other than, and, as required by Chapter 189, Florida Statutes, will offer the Series 2020 Bonds only to, "accredited investors," as such term is utilized in Chapter 517, Florida Statutes, and the rules promulgated thereunder. However, the limitation of the initial offering to accredited investors does not denote restrictions on transfer in any secondary market for the Series 2020 Bonds. Prospective investors in the Series 2020 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2020 Bonds and should have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

OUTSTANDING INDEBTEDNESS OF THE DISTRICT

On February 7, 2019, the District issued its \$11,565,000 Special Assessment Bonds, Series 2019 (the "Series 2019 Bonds"), which are currently outstanding in the principal amount of \$11,235,000. Net proceeds of the Series 2019 Bonds in the amount of approximately \$10.1 million were applied to finance a portion of the Master CIP (hereinafter defined), and the Series 2019 Special Assessments that secure the Series 2019 Bonds have been allocated to Parcels E-2, E-3a, E-4, E-5, E-6 and E-7a of the Development, consisting of 398 acres planned to include 1,123 residential units (the "Series 2019 Assessment Area"). See "THE DEVELOPMENT – Development Status" herein.

The Series 2020 Special Assessments that secure the Series 2020 Bonds are not being levied on lands within the Series 2019 Assessment Area, but rather, initially, on Parcels E-3b/c, E-7b, E-7c and E-8 totaling 185 acres and planned for 706 residential units and the twenty-one (21) lots within Parcels E-2, E-4, E-5, E-6 and E-7a not included within the Series 2019 Assessment Area. See "THE DEVELOPMENT – The Assessment Areas" herein and "APPENDIX B – Methodology Report" attached hereto.

DESCRIPTION OF THE SERIES 2020 BONDS

General Description

The Series 2020 Bonds are issuable as fully registered bonds, without coupons, in denominations of \$5,000 or any multiple thereof; provided, however, with respect to the Series 2020 Bonds all initial purchasers must purchase at least \$100,000 of the Series 2020 Bonds and integral multiples of \$5,000 in excess thereof at the time of initial delivery of the Series 2020 Bonds.

The Series 2020 Bonds will be dated their date of issuance and delivery to the initial purchasers thereof and will bear interest payable on each May 1 and November 1, commencing November 1, 2020 (each, an "Interest Payment Date") and shall be computed on the basis of a 360-day year comprised of twelve 30-day months. The Series 2020 Bonds will mature on November 1 of such years, in such amounts and at such rates as set forth on the cover page of this Limited Offering Memorandum.

Interest on the Series 2020 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2020 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to November 1, 2020, in which case from the date of original issuance of the Series 2020 Bonds, or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

Except as otherwise provided in the Second Supplemental Indenture in connection with a book-entry only system of registration of the Series 2020 Bonds, the principal or Redemption Price of the Series 2020 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2020 Bonds. Except as otherwise provided in the Second Supplemental Indenture in connection with a book-entry only system of registration of the Series 2020 Bonds, the payment of interest on the Series 2020 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2020 Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2020 Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2020 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than 15 nor less than 10 days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth day prior to such mailing, at his address as it appears in the Bond Register not less than 10 days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2020 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying

Agent, upon requesting the same in a writing received by the Paying Agent at least 15 days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least 15 days prior to the relevant Interest Payment Date.

The Series 2020 Bonds will initially be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), which will act initially as securities depository for the Series 2020 Bonds and, so long as the Series 2020 Bonds are held in book-entry only form, Cede & Co. will be considered the Registered Owner for all purposes hereof. See "- Book-Entry Only System" below for more information about DTC and its book-entry only system.

Redemption Provisions

Optional Redemption. The Series 2020 Bonds may, at the option of the District in writing, be called for redemption prior to maturity in whole or in part at any time on or after November 1, 2030 (less than all Series 2020 Bonds to be specified by the District in writing), at a Redemption Price equal to 100% of the principal amount of Series 2020 Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the date of redemption.

Mandatory Sinking Fund Redemption. The Series 2020 Bond maturing on November 1, 2025, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2020 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

<u>Year</u> <u>(November 1)</u>	<u>Sinking</u> <u>Fund</u> <u>Installment</u>	<u>Year</u> <u>(November 1)</u>	<u>Sinking</u> <u>Fund</u> <u>Installment</u>
2020	\$290,000	2023	\$140,000
2021	130,000	2024	145,000
2022	135,000	2025*	150,000

* Final Maturity

The Series 2020 Bond maturing on November 1, 2030, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2020 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

<u>Year (November 1)</u>	<u>Sinking Fund Installment</u>	<u>Year (November 1)</u>	<u>Sinking Fund Installment</u>
2026	\$155,000	2029	\$175,000
2027	160,000	2030*	185,000
2028	170,000		

* Final Maturity

The Series 2020 Bond maturing on November 1, 2040, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2020 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

<u>Year (November 1)</u>	<u>Sinking Fund Installment</u>	<u>Year (November 1)</u>	<u>Sinking Fund Installment</u>
2031	\$190,000	2036	\$245,000
2032	200,000	2037	255,000
2033	210,000	2038	270,000
2034	220,000	2039	285,000
2035	235,000	2040*	295,000

* Final Maturity

The Series 2020 Bond maturing on November 1, 2049, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2020 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

<u>Year (November 1)</u>	<u>Sinking Fund Installment</u>	<u>Year (November 1)</u>	<u>Sinking Fund Installment</u>
2041	\$310,000	2046	\$400,000
2042	330,000	2047	420,000
2043	345,000	2048	445,000
2044	365,000	2049*	470,000
2045	380,000		

* Final Maturity

The above Sinking Fund Installments are subject to recalculation, as provided in the Master Indenture, as the result of the redemption of Series 2020 Bonds other than in accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of Series 2020 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term thereof.

Extraordinary Mandatory Redemption. The Series 2020 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole, on any date, or in part, on any Quarterly Redemption Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2020 Bonds to be redeemed, plus interest accrued to the date of redemption, as follows:

(i) from Series 2020 Prepayments deposited into the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund following the payment in whole or in part of Series 2020 Special Assessments on any portion of the Series 2020 Lands in accordance with the provisions of the Second Supplemental Indenture, including any excess moneys transferred from the Series 2020 Debt Service Reserve Account to the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund resulting from such Series 2020 Prepayment pursuant to the Second Supplemental Indenture; or

(ii) on or after the Completion Date of the Series 2020 Project, by application of moneys remaining in the Series 2020 Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the District for the payment of any remaining part of the Cost of the Series 2020 Project, which has been transferred as specified in the Second Supplemental Indenture to the Series 2020 General Account of the Series 2020 Bond Redemption Fund, credited toward extinguishment of the Series 2020 Special Assessments and applied toward the redemption of the Series 2020 Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2020 Special Assessments which the District shall describe to the Trustee in writing; or

(iii) following condemnation or the sale of any portion of the Series 2020 Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the Series 2020 Project to the Trustee by or on behalf of the District for deposit into the Series 2020 General Account of the Series 2020 Bond Redemption Fund in order to effectuate such redemption and which moneys shall be applied by the District to redeem Series 2020 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2020 Special Assessments which the District shall describe to the Trustee in writing; or

(iv) following the damage or destruction of all or substantially all of the Series 2020 Project to such extent that, in the reasonable opinion of the District, the repair and restoration thereof would not be economical or would be impracticable, to the extent of amounts paid by the District to the Trustee for deposit to the Series 2020 General Account of the Series 2020 Bond Redemption Fund which moneys shall be applied by the District to redeem Series 2020 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2020 Special Assessments; provided, however, that at least 45 days prior to such extraordinary mandatory redemption, the District shall cause to be delivered to the Trustee (x) notice setting forth the date of redemption and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Series 2020 Project would not be economical or would be impracticable, such certificate upon which the Trustee shall be entitled to rely; or

(v) from moneys, if any, on deposit in the Series 2020 Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2020 Bonds and accrued interest thereon to the date of redemption in addition to all amounts owed to Persons under the Indenture; or

(vi) on February 1, 2021, from amounts transferred to the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund from the Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c) of the Series 2020 Acquisition and Construction Account and from any applicable true-up payment as provided in the Second Supplemental Indenture.

The Master Indenture provides that, except to the extent otherwise provided in a Supplemental Indenture, if less than all of a Series of Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of the Bonds to be called for redemption by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any partial optional redemption of Bonds of a Series, such redemption shall be effectuated by redeeming Bonds of such Series of such maturities in such manner as shall be specified by the District in writing, subject to the provisions of the Master Indenture. In the case of any partial extraordinary mandatory redemption of Bonds of a Series, such redemption shall be effectuated by redeeming Bonds of such Series pro rata among the maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds of such Series to be redeemed multiplied times a fraction the numerator of which is the principal amount of the Series of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds of such Series outstanding immediately prior to the redemption date.

Notice of Redemption

When required to redeem or purchase Bonds of a Series under any provision of the Indenture or directed to do so by the District, the Trustee shall cause notice of the redemption, either in whole or in part, to be given by Electronic Means or mailed at least 30 but not more than 60 days prior to the redemption or purchase date to all Owners of Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth day prior to such mailing), at their registered addresses and also to any Credit Facility Issuer, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Bonds of such Series for which notice was duly mailed in accordance with the Master Indenture. Such notice shall be given in the name of the District, shall be dated, shall set forth the Bonds of such Series Outstanding which shall be called for redemption or purchase and shall include, without limitation, the following additional information: (a) the redemption or purchase date; (b) the redemption or purchase price; (c) CUSIP numbers, to the extent applicable, and any other distinctive numbers and letters; (d) if less than all Outstanding Bonds of a Series to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed or purchased; (e) that on the redemption or purchase date the redemption or purchase price will become due and payable upon surrender of each such Bond or portion thereof called for redemption or purchase, and that interest thereon shall cease to accrue from and after said date; (f) the place where such

Bonds are to be surrendered for payment of the redemption or purchase price, which place of payment shall be a corporate trust office of the Trustee; and (g) any condition or conditions to be met prior to the redemption of the Bonds of such Series, including, but not limited to receipt of funds sufficient to accomplish the redemption of the Bonds.

If at the time of mailing of notice of an optional redemption or purchase, the District shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Bonds called for redemption or purchase, such notice shall state that it is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

No Acceleration

The Indenture does not permit the acceleration of the principal of the Series 2020 Bonds upon an Event of Default (as defined in the Indenture). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS – Enforcement and Collection of Series 2020 Special Assessments" herein and "APPENDIX C – Copy of Master Indenture and Form of Second Supplemental Indenture" attached hereto.

Book-Entry Only System

THE INFORMATION IN THIS CAPTION CONCERNING THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK, ("DTC") AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND NEITHER THE DISTRICT NOR THE UNDERWRITER MAKES ANY REPRESENTATION OR WARRANTY OR TAKES ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

DTC will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be issued as fully-registered bonds 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 each Series of the Series 2020 Bonds 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 and 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 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2020 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020 Bonds 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 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020 Bonds 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 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Series 2020 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2020 Bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series

2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2020 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Registrar 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 Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent for the Series 2020 Bonds. 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 2020 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2020 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2020 Bond certificates will be printed and delivered to DTC.

NEITHER THE DISTRICT NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2020 BONDS. THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2020 BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM.

SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS

General

The Series 2020 Bonds are payable from and secured by the Pledged Revenues, which is defined in the Second Supplemental Indenture as (a) all revenues received by the District from the Series 2020 Special Assessments levied and collected on that portion of the District Lands benefited by the Series 2020 Project, including, without limitation,

amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2020 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2020 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

The Series 2020 Special Assessments represent an allocation of a portion of the costs of the Series 2020 Project, including bond financing costs, to the District Lands benefiting from the Series 2020 Project in accordance with the Methodology Report, which is attached hereto as APPENDIX B.

THE SERIES 2020 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2020 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO COLLECT SERIES 2020 SPECIAL ASSESSMENTS TO SECURE AND PAY THE SERIES 2020 BONDS. THE SERIES 2020 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE CITY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

No Parity Bonds; Limitation on Parity Liens

The District covenants and agrees in the Second Supplemental Indenture that other than refunding bonds issued to refund the Outstanding Series 2020 Bonds, the District shall not, while any Series 2020 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Pledged Revenues. The District further covenants and agrees in the Second Supplemental Indenture that so long as the Series 2020 Bonds are Outstanding, it will not impose debt service Special Assessments for capital projects on any lands subject to the Series 2020 Special Assessments without the written consent of the Majority Owners; provided, however, such consent shall not be required if the additional debt service Special Assessments, when taking into account the Series 2020 Special Assessments, does not cause the aggregate annual debt service Special Assessments on such lands to exceed \$30.00 per front footage (by way of example, the aggregate debt service on a 50' lot could not exceed \$1,500), evidence of which shall be provided by the District to the Trustee in a written certificate upon which the Trustee may conclusively rely. Notwithstanding the foregoing, the District is not precluded from imposing capital Special Assessments on property then subject to the Series 2020 Special Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District.

WHILE NO FUTURE ADDITIONAL BONDS WILL BE PAYABLE FROM OR SECURED BY THE SERIES 2020 SPECIAL ASSESSMENTS PLEDGED AS SECURITY FOR THE SERIES 2020 BONDS, THE DISTRICT, THE CITY, DUVAL COUNTY, FLORIDA (THE "COUNTY"), THE SCHOOL BOARD OF DUVAL COUNTY, FLORIDA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF MAY IN THE FUTURE IMPOSE, LEVY AND COLLECT ASSESSMENTS AND TAXES THE LIENS OF WHICH WILL BE CO-EQUAL WITH THE LIEN OF ASSESSMENTS WHICH INCLUDES THE SERIES 2020 SPECIAL ASSESSMENTS SECURING THE SERIES 2020 BONDS. See "– Enforcement and Collection of Series 2020 Special Assessments" below.

Series 2020 Debt Service Reserve Account

Pursuant to the Master Indenture, the Trustee shall establish an Account within the Debt Service Reserve Fund designated as the "Series 2020 Debt Service Reserve Account."

Proceeds of the Series 2020 Bonds shall be deposited into the Series 2020 Debt Service Reserve Account in the amount set forth in the Second Supplemental Indenture, which account will be held for the benefit of all of the Series 2020 Bonds, without privilege or priority of one Series 2020 Bond over another, and such moneys, together with any other moneys deposited into such Account pursuant to the Master Indenture, shall be applied for the purposes provided in the Indenture. On each March 15, June 15, September 15 and December 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amounts on deposit in the Series 2020 Debt Service Reserve Account and transfer any excess therein (except for excess resulting from interest earnings as provided below, excess resulting from failure of receipt of notice by the Trustee from the District as provided below, and excess resulting from Prepayments as provided below) above the Series 2020 Debt Service Reserve Requirement, as follows: (A) prior to the Completion Date of the Series 2020 Project, to the Series 2020 Acquisition and Construction Subaccount – Sold Parcels of the Acquisition and Construction Fund; and (B) on and after the Completion Date of the Series 2020 Project, such amounts shall be transferred to the Series 2020 Revenue Account. The "Series 2020 Debt Service Reserve Requirement" is defined in the Second Supplemental Indenture as an amount equal to 50% of the maximum annual Debt Service Requirement for the Series 2020 Bonds as of any date of calculation as provided for therein, which initially is \$247,300.43.

Notwithstanding the foregoing paragraph, so long as no Event of Default has occurred and has not been cured, upon an optional prepayment by the owner of a lot or parcel of land of a Series 2020 Special Assessment against such lot or parcel as provided in the Second Supplemental Indenture, the District, on March 15, June 15, September 15 and December 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), shall determine the Series 2020 Debt Service Reserve Requirement, taking into account such optional prepayment and shall direct the Trustee in writing to transfer any amount on deposit in the Series 2020 Debt Service Reserve Account in excess of the Series 2020 Debt Service Reserve Requirement (except for excess resulting from interest earnings) from the Series 2020 Debt Service Reserve Account to the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund, as a credit against the Series 2020 Prepayment otherwise required to be made by the owner of such lot or parcel.

In the event that notice is not received by the Trustee from the District pursuant to the Second Supplemental Indenture, the portion of the Series 2020 Bonds relating to the Parcel E-7(c) Project are subject to redemption on February 1, 2021. On December 15, 2020 (or, if such date is not a Business Day, on the Business Day next preceding such day), the District shall determine the Series 2020 Debt Service Reserve Requirement, taking into account the extraordinary mandatory redemption of the Series 2020 Bonds related to the Parcel E-7(c) Project, and shall direct the Trustee in writing to transfer any amount on deposit in the Series 2020 Debt Service Reserve Account in excess of the Series 2020 Debt Service Reserve Requirement (except for excess resulting from interest earnings) from the Series 2020 Debt Service Reserve Account to the Series 2020 General Account of the Series 2020 Bond Redemption Fund.

Earnings on investments in the Series 2020 Debt Service Reserve Account shall be disposed of as follows:

(a) If as of the last date on which amounts on deposit in the Series 2020 Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2020 Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2020 Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2020 Debt Service Reserve Account shall be deposited to the credit of the Series 2020 Debt Service Reserve Account until the amounts on deposit therein equal the Series 2020 Debt Service Reserve Requirement; and

(b) As long as no notice of an Event of Default under the Indenture has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2020 Debt Service Reserve Account is not reduced below the then Series 2020 Debt Service Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (x) prior to the Completion Date of the Series 2020 Project, on a pro rata basis to the Series 2020 Acquisition and Construction Subaccount – Sold Parcels and the Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c) of the Acquisition and Construction Fund; and (y) on and after the Completion Date of all of the components of the Series 2020 Project, to the Series 2020 Revenue Account of the Revenue Fund. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2020 Debt Service Reserve Account shall remain therein.

Series 2020 Revenue Account

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2020 Revenue Account." Series 2020 Special Assessments (except for Series 2020 Prepayments which shall be identified as such by the District to the Trustee to be deposited in the Series 2020 Prepayment Account) shall be deposited by the Trustee into the Series 2020 Revenue Account which shall be applied as set forth in the Indenture.

The Second Supplemental Indenture provides that the Trustee shall transfer from amounts on deposit in the Series 2020 Revenue Account of the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, not later than the Business Day preceding each May 1 and November 1, to the Series 2020 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2020 Bonds due on such May 1 or November 1, less any amounts on deposit in the Series 2020 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2020 Principal Account of the Debt Service Fund, an amount equal to the principal amount of Series 2020 Bonds Outstanding and maturing on such May 1, if any, less any amounts on deposit in the Series 2020 Principal Account not previously credited;

THIRD, no later than the Business Day next preceding each May 1, to the Series 2020 Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2020 Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2020 Sinking Fund Account not previously credited;

FOURTH, upon receipt but no later than the Business Day next succeeding each Interest Payment Date, to the Series 2020 Debt Service Reserve Account an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2020 Debt Service Reserve Requirement;

FIFTH, notwithstanding the foregoing, at any time the Series 2020 Bonds are subject to redemption on a date which is not an Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2020 Interest Account the amount necessary to pay interest on the Series 2020 Bonds subject to redemption on such date; and

SIXTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2020 Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the District shall direct the Trustee in writing to make such deposit thereto.

Prior to the Completion Date of the Series 2020 Project, on each November 2, the Trustee shall transfer the balance on deposit in the Series 2020 Revenue Account to the Series 2020 Acquisition and Construction Subaccount – Sold Parcels; on or after the Completion Date of the Series 2020 Project, on each November 2, the Trustee shall transfer to the District, at the District's written direction, the balance on deposit in the Series 2020 Revenue Account on such November 2 to be used for any lawful purpose of the District; provided, however, that on the date of such proposed transfer the amount on deposit in the Series 2020 Debt Service Reserve Account shall be equal to the Series 2020 Debt Service Reserve Requirement, and provided further that no notice of an Event of Default under the Indenture has been delivered to the Trustee, including the payment of Trustee's fees and expenses then due.

Series 2020 Bond Redemption Fund

Pursuant to the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2020 Bond Redemption Fund" and within such Fund, a "Series 2020 General Account" and a "Series 2020 Prepayment Account." Except as otherwise provided in the Second Supplemental Indenture, moneys to be

deposited into the Series 2020 Bond Redemption Fund, as provided in the Master Indenture shall be deposited to the Series 2020 General Account of the Series 2020 Bond Redemption Fund. Series 2020 Prepayments shall be identified as such by the District to the Trustee to then be deposited directly into the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund, as provided in the Indenture.

Moneys in the Series 2020 General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2020 Bonds, if any, as the District may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2020 General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the Indenture;

SECOND, to be used to call for extraordinary mandatory redemption pursuant to the Second Supplemental Indenture an amount of Series 2020 Bonds equal to the amount of money transferred to the Series 2020 General Account pursuant to the Second Supplemental Indenture, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in the Second Supplemental Indenture; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2020 Bonds that are subject to optional redemption pursuant to the Second Supplemental Indenture such amount of Series 2020 Bonds as, with the redemption premium, may be practicable; provided, however, that not less than \$5,000 principal amount of Bonds shall be called for redemption at one time.

Moneys in the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund (including all earnings on investments therein) shall be accumulated therein to be used to call for extraordinary mandatory redemption pursuant to the Second Supplemental Indenture an amount of Series 2020 Bonds equal to the amount of money transferred to the Series 2020 Prepayment Account pursuant to the Second Supplemental Indenture, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in the Second Supplemental Indenture.

Series 2020 Acquisition and Construction Account

The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the "Series 2020 Acquisition and Construction Account," and within such Account, 2 Subaccounts designated as the "Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c)" and the "Series 2020 Acquisition and Construction Subaccount – Sold Parcels." Proceeds of the Series 2020 Bonds shall be deposited into the Series 2020 Acquisition and Construction Account and the Subaccounts therein in the amounts set forth in the Second Supplemental Indenture, together with any excess moneys transferred to the Series 2020 Acquisition and Construction Account. Such moneys in the subaccounts of the Series 2020 Acquisition and Construction Account shall be applied as set forth in the Indenture to pay costs to acquire and construct the respective

portion of the Series 2020 Project upon compliance with the requirements of the requisition provisions set forth in the Indenture.

After the Completion Date of the respective portion of the Series 2020 Project and after retaining in the respective subaccount of the Series 2020 Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of any portion of the respective portion of the Series 2020 Project set forth in the Consulting Engineer's Certificate establishing such Completion Date, any funds remaining in the respective subaccount of the Series 2020 Acquisition and Construction Account shall be transferred to and deposited into the Series 2020 General Account of the Series 2020 Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2020 Bonds, and the respective subaccount of the Series 2020 Acquisition and Construction Account shall be closed.

Amounts on deposit in the Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c) of the Series 2020 Acquisition and Construction Account shall be retained therein and shall not be available to pay Costs of the Parcel E-7(c) Project, unless and until the District has delivered to the Trustee a certificate, on which the Trustee may conclusively rely, to the effect that the sale of Parcel E-7(c) has closed, at which time proceeds on deposit in the Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c) of the Series 2020 Acquisition and Construction Account shall be made available to the Master Developer to pay costs of the Parcel E-7(c) Project. If on December 15, 2020, the District has not received notice from the Landowner that the sale of Parcel E-7(c) has closed, any amount remaining in the Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c) of the Series 2020 Acquisition and Construction Account shall be transferred to and deposited in the Series 2020 General Account of the Series 2020 Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2020 Bonds as prescribed in the Second Supplemental Indenture.

In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2020 Bonds, the Series 2020 Bonds are payable solely from the Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District acknowledges in the Second Supplemental Indenture that, upon the occurrence of an Event of Default with respect to the Series 2020 Bonds, (i) the Pledged Revenues include, without limitation, all unencumbered amounts on deposit in the Series 2020 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Pledged Revenues may not be used by the District (whether to pay Costs of the Series 2020 Project or otherwise) without the consent of the Majority Owners of the Series 2020 Bonds and (iii) the Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2020 Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture or as otherwise provided in the Master Indenture.

Other Funds and Accounts

The Trustee shall establish a separate subaccount within the Series 2020 Acquisition and Construction Account Acquisition and Construction Fund designated as the "Series 2020 Costs of Issuance Subaccount." Amounts in the Series 2020 Costs of Issuance

Subaccount shall be applied by the Trustee to pay the costs relating to the issuance of the Series 2020 Bonds. Six months after the date of issuance of the Series 2020 Bonds, any moneys remaining in the Series 2020 Costs of Issuance Subaccount which have not been requisitioned by the District to pay costs relating to the issuance of the Series 2020 Bonds shall be deposited into the Series 2020 Acquisition and Construction Account and applied as set forth in the Indenture, and the Series 2020 Costs of Issuance Subaccount shall be closed.

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2020 Principal Account." Moneys shall be deposited into such Account as provided in the Indenture and applied for the purposes provided therein.

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2020 Interest Account." Proceeds of the Series 2020 Bonds shall be deposited into such Account in the amount set forth in the Second Supplemental Indenture. Moneys deposited into such Account pursuant to the Indenture shall be applied for the purposes provided therein.

Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2020 Sinking Fund Account." Moneys shall be deposited into such Account as provided in the Indenture and applied for the purposes provided therein.

Collateral Assignment

Contemporaneously with the issuance of the Series 2020 Bonds, both the Master Developer and the Landowner will enter into a Collateral Assignment and Assumption of Development and Contract Rights (the "Assignment Agreement") with the District. The following description of the Assignment Agreement is qualified in its entirety by reference to the Assignment Agreement. Pursuant to the Assignment Agreement, the Master Developer and Landowner collaterally assign to the District certain of the Master Developer's and Landowner's development rights and contract rights relating to the development of the lands within the District (the "Development and Contract Rights") as security for the Master Developer and/or Landowner's payment and performance and discharge of its obligation to pay the Series 2020 Special Assessments levied against the Lands (as defined in the Assignment Agreement) when due. The assignment will become effective and absolute upon failure of the Master Developer and/or Landowner to pay the Series 2020 Special Assessments levied against the Lands owned by the Master Developer and/or Landowner. The Development and Contract Rights specifically excludes any such portion of the Development and Contract Rights which relate to any property which has been conveyed to a landowner resulting from the sale of any portion of the Lands in the ordinary course of business, the County, the City, the District, any applicable homeowner's association or other governing entity or association for the benefit of the Series 2020 Project. Pursuant to the Indenture, the District assigns its rights under the Assignment Agreement to the Trustee for the benefit of the Owners, from time to time, of the Series 2020 Bonds.

Completion Agreement

In connection with the issuance of the Series 2020 Bonds, the District and the Master Developer will enter into an agreement (the "Completion Agreement") pursuant to which the Master Developer will agree to provide funds to complete the Master CIP to the extent that proceeds of the Series 2020 Bonds and any other debt of the District are insufficient therefor. Remedies for a default under the Completion Agreement include damages and/or specific performance.

True-Up Agreements

In connection with the issuance of the Series 2020 Bonds, the District and the landowners of each of the Sold Parcels and the landowner of Parcel E-7(c) will enter into agreements pursuant to which such landowner agrees to timely pay all Series 2020 Special Assessments on lands owned by such landowner and subject to the Series 2020 Special Assessments and to pay, when requested by the District, any amount of Series 2020 Special Assessments allocated to unplatted acres on lands owned by such landowner in excess of the allocation in place at the time of issuance of the Series 2020 Bonds pursuant to the Methodology Report or any update thereto.

Events of Default

The Indenture provides that each of the following shall be an "Event of Default" under the Indenture with respect to the Series 2020 Bonds:

(a) if payment of any installment of interest on any Series 2020 Bond is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Series 2020 Bond is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the District, for any reason, fails to, or is rendered incapable of fulfilling its obligations under the Indenture or under the Act; or

(d) if the District proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the District or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the District and if such is not vacated, dismissed or stayed on appeal within 90 days; or

(e) if the District defaults in the due and punctual performance of any other covenant in the Indenture or in any Series 2020 Bond and such default continues for 60 days after written notice thereof that requires the same to be remedied shall have been given to the District by the Trustee, which notice may be given by the Trustee in its discretion and which notice shall be given by the Trustee at the written request of the

Majority Owners of the Series 2020 Bonds; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such 60 day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the District shall commence such performance within such 60 day period and shall diligently and continuously prosecute the same to completion; or

(f) the Trustee withdraws more than 25% of the available funds from the Series 2020 Debt Service Reserve Account of the Debt Service Reserve Fund established to pay Debt Service Requirements for the Series 2020 Bonds and such amount is not replenished within 12 months of the date of withdrawal (including from collections of delinquent Series 2020 Special Assessments); or

(g) more than 25% of the operation and maintenance assessments levied and collected directly by the District on District Lands subject to the Series 2020 Special Assessments securing the Series 2020 Bonds are not paid within 90 days of the date such are due and payable ("Delinquent Direct Billed Operation and Maintenance Assessments").

The District covenants and agrees in the Indenture that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Series 2020 Special Assessments, the provisions for the foreclosure of liens of delinquent Series 2020 Special Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the written direction of, and on behalf of, the Majority Owners, from time to time, of the Series 2020 Bonds. Notwithstanding anything to the contrary in the Indenture, and unless otherwise directed by the Majority Owners and allowed pursuant to Federal or State law, the District acknowledges and agrees that (i) upon failure of any property owner to pay an installment of Series 2020 Special Assessments collected directly by the District when due, that the entire Series 2020 Special Assessments related to the Series 2020 Bonds on the tax parcel as to which such delinquent Series 2020 Special Assessment pertains, with interest and penalties thereon, shall immediately become due and payable and the District shall cause to be commenced the necessary legal proceedings for the foreclosure of liens of delinquent Series 2020 Special Assessments related to the Series 2020 Bonds with respect to such tax parcel, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages. Notwithstanding anything to the contrary in the Indenture, the District shall be entitled to first recover from any foreclosure before such proceeds are applied to the payment of principal or interest on the Series 2020 Bonds, all fees and costs expended in connection with such foreclosure, regardless of whether such fees and costs are included as part of the Series 2020 Special Assessments.

Provisions Relating to Bankruptcy or Insolvency of Landowner

The provisions of this section shall apply both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least five percent of the Series 2020 Special Assessments (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors,

or relief of debtors (a "Proceeding"), except where such tax parcel shall be homestead property. For as long as any Series 2020 Bonds remain Outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, the Series 2020 Bonds or the Series 2020 Special Assessments, the District shall be obligated to act in accordance with direction from the Trustee with regard to all matters directly or indirectly affecting the Series 2020 Bonds or for as long as any Series 2020 Bonds remain Outstanding.

The District acknowledges and agrees in the Indenture that, although the Series 2020 Bonds may be issued by the District, the Owners of the Series 2020 Bonds are categorically a party with a financial stake in the transaction and, consequently, a party with a vested interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer: (a) the District agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2020 Special Assessments, the Series 2020 Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee; provided, however, that the Trustee shall be deemed to have consented, on behalf of the Majority Owners of Outstanding Series 2020 Bonds, to the proposed action if the District does not receive a written response from the Trustee within 45 days following written request to a Responsible Officer of the Trustee for such consent; (b) the Trustee shall have the right, but is not obligated to (unless directed in writing by the Majority Owners of Outstanding Series 2020 Bonds and receipt by Trustee of indemnity satisfactory to the Trustee), (i) vote in any such Proceeding any and all claims of the District, except for any claims the District may have related to the District's operation and maintenance assessments or other claims unrelated to the Series 2020 Special Assessments or the Series 2020 Bonds and (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the District, except for any claims the District may have related to the District's operation and maintenance assessments or other claims unrelated to the Series 2020 Special Assessments or the Series 2020 Bonds, including without limitation, motions seeking relief from the automatic stay, dismissal of the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, and objections to disclosure statements, plans of liquidation or reorganization, and motions for use of cash collateral, seeking approval of sales or post-petition financing; and, if the Trustee chooses to exercise any such rights (or is directed in writing by the Majority Owners of Outstanding Series 2020 Bonds and receipt by Trustee of indemnity satisfactory to the Trustee), the District shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including, without limitation, the right to file and/or prosecute any claims, to propose and prosecute a plan, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the United States Bankruptcy Code; and (c) the District shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of the lands owned by any Insolvent Taxpayer submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to the Trustee's enforcement of the District claim with respect to the Series 2020 Special Assessments or receipt of adequate protection (as that term is defined in the United States Bankruptcy Code). Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Series 2020 Special

Assessments, (ii) to deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

Enforcement and Collection of Series 2020 Special Assessments

The primary sources of payment for the Series 2020 Bonds are the Series 2020 Special Assessments imposed on each landowner within the District which are specially benefited by the Series 2020 Project. To the extent that landowners fail to pay such Series 2020 Special Assessments, delay payments, or are unable to pay such Series 2020 Special Assessments, the successful pursuit of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2020 Bonds. The Act provides for various methods of collection of delinquent taxes by reference to other provisions of the Florida Statutes. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein for a summary of special assessment payment and collection procedures appearing in the Florida Statutes.

Pursuant to the Indenture, the Series 2020 Special Assessments shall be directly collected and enforced by the District pursuant to the provisions of the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto; provided, however, Series 2020 Special Assessments levied on platted lots and pledged hereunder to secure the Series 2020 Bonds will be collected pursuant to the uniform method for the levy, collection and enforcement of Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended (the "Uniform Method"). The District covenants in the Indenture to enter into a Property Appraiser and Tax Collector Agreement with the County in order to comply with the provisions of the Indenture.

Notwithstanding the immediately preceding paragraph or any other provision in the Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the written direction of the Majority Owners of the Series 2020 Bonds, requests that the District not use the Uniform Method, but instead collect and enforce Series 2020 Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the District shall collect and enforce said Series 2020 Special Assessments in the manner and pursuant to the method so requested by the Trustee.

Any Series 2020 Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable landowner and be payable not later than 30 days prior to each Interest Payment Date.

If the owner of any lot or parcel of land assessed for the Series 2020 Project shall be delinquent in the payment of any Series 2020 Special Assessment, then such Series 2020 Special Assessment shall be enforced pursuant to the provisions of Chapter 197, Florida Statutes, or any successor statute thereto, including but not limited to the sale of tax certificates and tax deeds as regards such delinquent Series 2020 Special Assessment. In the event the provisions of Chapter 197, Florida Statutes, and any provisions of the Act with respect to such sale are inapplicable by operation of law, then upon the delinquency of any Series 2020 Special Assessment the District may, to the extent permitted by law,

utilize any other method of enforcement as provided in the Master Indenture, including, without limitation, declaring the entire unpaid balance of such Series 2020 Special Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed, pursuant to the provisions of Section 170.10, Florida Statutes, in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, Florida Statutes, and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law.

If any property shall be offered for sale for the nonpayment of any Series 2020 Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2020 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Series 2020 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special purpose entity title to the property for the benefit of the Owners of the Series 2020 Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners of the Series 2020 Bonds, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2020 Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the Series 2020 Bonds within 60 days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the Series 2020 Bonds.

THERE CAN BE NO ASSURANCE THAT ANY SALE, PARTICULARLY A BULK SALE, OF LAND SUBJECT TO DELINQUENT ASSESSMENTS WILL PRODUCE PROCEEDS SUFFICIENT TO PAY THE FULL AMOUNT OF SUCH DELINQUENT ASSESSMENTS PLUS OTHER DELINQUENT TAXES AND ASSESSMENTS APPLICABLE THERETO.

Additional Covenants Regarding Assessments

The District covenants in the Indenture to comply with the terms of the proceedings heretofore adopted with respect to the Series 2020 Special Assessments, including the Assessment Resolutions and the Assessment Methodology (each as defined in the Second Supplemental Indenture), and to levy the Series 2020 Special Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2020 Bonds, when due.

Prepayment

At any time any owner of property subject to the Series 2020 Special Assessments may, at its option, or under certain circumstances described in the Assessment Resolutions in connection with Series 2020 Prepayments derived from application of the "true-up" mechanism therein, require the District to reduce or release and extinguish the lien upon

its property by virtue of the levy of the Series 2020 Special Assessments by paying to the District all or a portion of the Series 2020 Special Assessment which shall constitute Series 2020 Prepayments as directed in writing by the District pursuant to the provisions of the Second Supplemental Indenture, plus accrued interest to the next succeeding Quarterly Redemption Date (or the second succeeding Quarterly Redemption Date if such prepayment is made within 45 calendar days before a Quarterly Redemption Date), attributable to the property subject to Series 2020 Special Assessment owned by such owner; provided, however, to the extent that such payments are to be used to redeem Series 2020 Bonds in the event the amount in the Series 2020 Debt Service Reserve Account will exceed the Series 2020 Debt Service Reserve Requirement as a result of a Series 2020 Prepayment and the resulting redemption of Series 2020 Bonds, the excess amount above the Series 2020 Debt Service Reserve Requirement shall be transferred from the Series 2020 Debt Service Reserve Account to the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund, as a credit against the Series 2020 Prepayment otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the District together with a certificate of a Responsible Officer of the District stating that, after giving effect to such transfers sufficient moneys will be on deposit in the Series 2020 Debt Service Reserve Account to equal or exceed the Series 2020 Debt Service Reserve Requirement and accompanied by cash flows which demonstrate that, after giving effect to the proposed redemption of Series 2020 Bonds, there will be sufficient Pledged Revenues to pay the principal and interest, when due, on all Series 2020 Bonds that will remain Outstanding. The written instructions shall be delivered to the Trustee on or prior to the 46th day prior to a Quarterly Redemption Date.

Upon receipt of Series 2020 Prepayments as described above, which includes accrued interest to the next succeeding Quarterly Redemption Date (or the second succeeding Quarterly Redemption Date if such prepayment is made within 45 calendar days before a Quarterly Redemption Date), subject to satisfaction of the conditions set forth therein, the District shall immediately pay the amount so received to the Trustee and clearly identify in writing such amounts as a Series 2020 Prepayment and the District shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by the District Manager, to the effect that the Series 2020 Special Assessment has been paid in whole or in part and that such Series 2020 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the District the Trustee shall immediately deposit the same into the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund to be applied in accordance with the Second Supplemental Indenture, to the redemption of Series 2020 Bonds in accordance with the Second Supplemental Indenture.

Re-Assessment

Pursuant to the Master Indenture, if any Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any such Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Special Assessment when it might have done so, the District shall either (i) take all necessary steps to cause a new Special Assessment to be made for the whole or any part of said improvement or against any property benefitted by said improvement, or (ii) in its sole discretion, make up the amount of such Special Assessment from any legally available

moneys, which moneys shall be deposited into the applicable Series Account in the Revenue Fund. In case such second Special Assessment shall be annulled, the District shall obtain and make other Special Assessments until a valid Special Assessment shall be made.

ENFORCEMENT OF ASSESSMENT COLLECTIONS

General

The primary source of payment for the Series 2020 Bonds is the revenues received by the District from the collection of Series 2020 Special Assessments imposed on certain lands in the District specially benefited by the Series 2020 Project pursuant to the Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B – Methodology Report" attached hereto.

The imposition, levy, and collection of Series 2020 Special Assessments must be done in compliance with the provisions of Florida law. Failure by the District, the Duval County Tax Collector (the "Tax Collector") or the Duval County Property Appraiser (the "Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2020 Special Assessments during any year. Such delays in the collection of Series 2020 Special Assessments, or complete inability to collect any Series 2020 Special Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the Debt Service Requirements on the Series 2020 Bonds. See "BONDOWNERS' RISKS" herein. To the extent that landowners fail to pay the Series 2020 Special Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2020 Bonds.

For the Series 2020 Special Assessments to be valid, the Series 2020 Special Assessments must meet two requirements: (1) the benefit from the Series 2020 Project to the lands subject to the Series 2020 Special Assessments must exceed or equal the amount of the Series 2020 Special Assessments, and (2) the Series 2020 Special Assessments must be fairly and reasonably allocated across all such benefitted properties. The Assessment Consultant will certify that these requirements have been met with respect to the Series 2020 Special Assessments.

Pursuant to the Act and the Assessment Proceedings, the District may collect the Series 2020 Special Assessments through a variety of methods. See "BONDOWNERS' RISKS" herein. Initially, and for undeveloped properties owned by the Landowner and subsequent landowners, the District will directly issue annual bills to landowners requiring payment of the Series 2020 Special Assessments and will enforce such bill through foreclosure proceedings. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B – Methodology Report" attached hereto. As lands are platted, the Series 2020 Special Assessments will be added to the County tax roll and collected pursuant to the Uniform Method. The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

Direct Billing & Foreclosure Procedures

As noted above, and pursuant to Chapter 170, Florida Statutes, and the Act, the District may directly levy, collect and enforce the Series 2020 Special Assessments. In this context, Section 170.10, Florida Statutes, provides that upon the failure of any property owner to timely pay all or any part of the annual installment of principal and/or interest of a special assessment due, including the Series 2020 Special Assessments, the whole assessment, with the interest and penalties thereon, shall immediately become due and payable and subject to foreclosure. Generally stated, the governing body of the entity levying the special assessment, in this case the District, may foreclose by commencing a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or, alternatively, by commencing an action under Chapter 173, Florida Statutes, which relates to foreclosure of municipal tax and special assessment liens. Such proceedings are in rem, meaning that the action would be brought against the land, and not against the landowner. In light of the one year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay Series 2020 Special Assessments and the ability to foreclose the lien of such Series 2020 Special Assessments upon the failure to pay such Series 2020 Special Assessments may not be readily available or may be limited because enforcement is dependent upon judicial action which is often subject to discretion and delay. Additionally, there is no guarantee that there will be demand for any foreclosed lands sufficient to repay the Series 2020 Special Assessments. See "BONDOWNERS' RISKS" herein.

Uniform Method Procedure

Subject to certain conditions, and for developed lands, the District may alternatively elect to collect the Series 2020 Special Assessments using the Uniform Method. The Uniform Method is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Series 2020 Special Assessments to be levied and then collected in this manner.

If the Uniform Method is used, the Series 2020 Special Assessments will be collected together with County, school, special district, and other ad valorem taxes and non-ad valorem assessments (together, "Taxes and Assessments"), all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of Taxes and Assessments provide that such Taxes and Assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such Taxes and Assessments, including the Series 2020 Special Assessments, are to be billed together and landowners in the District are required to pay all Taxes and Assessments without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2020 Special Assessments.

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by Florida law such as Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Therefore, in the event the Series 2020 Special Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item would cause the Series 2020 Special Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of the Debt Service Requirements on the Series 2020 Bonds.

Under the Uniform Method, if the Series 2020 Special Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. All unpaid Taxes and Assessments become delinquent on April 1 of the year following assessment.

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to the holders of the Series 2020 Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2020 Special Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2020 Special Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Assessment Proceedings to discharge the lien of the Series 2020 Special Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2020 Special Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Series 2020 Special Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax certificate process by paying the total amount of delinquent Taxes and Assessments plus all applicable interest, costs and charges. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates by public bid to the person who pays the delinquent Taxes and Assessments owing, and any applicable interest, costs and charges, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%).

If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest, which is currently 18%. The Tax Collector does not collect any money if tax certificates are issued, or "struck off," to the County. The County may sell such certificates to the public at any time after issuance, but before a tax deed application

is made, at the face amount thereof plus interest at the rate of not more than 18% per annum, costs and charges. Proceeds from the sale of tax certificates are required to be used to pay Taxes and Assessments (including the Series 2020 Special Assessments), interest, costs and charges on the real property described in the certificate.

Any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued (unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees), at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, and charges due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of five percent, unless the rate borne by the certificates is zero percent. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described above.

Any holder, other than the County, of a tax certificate that has not been redeemed has seven years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate. After an initial period ending two years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates, and before the expiration of seven years from the date of issuance, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector at the time of application all amounts required to redeem or purchase all other outstanding tax certificates covering the land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due (as well as any costs of resale, if applicable). If the County holds a tax certificate on property valued at \$5,000 or more and has not succeeded in selling it, the County must apply for a tax deed two years after April 1 of the year of issuance of the certificate or as soon thereafter as is reasonable. The County pays costs and fees to the Tax Collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale.

In any such public sale conducted by the Clerk of the Circuit Court, the private holder of the tax certificate who is seeking a tax deed for non-homestead property is deemed to submit a minimum bid equal to the amount required to redeem the tax certificate, charges for the cost of sale, including costs incurred for the service of notice required by statute, redemption of other tax certificates on the land, and all other costs to the applicant for the tax deed, plus interest thereon. In the case of homestead property, the minimum bid is also deemed to include, in addition to the amount of money required for the minimum bid on non-homestead property, an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bids, the holder receives title to the land, and the amounts paid for the certificate and in applying for a tax deed are credited toward the purchase price. The holder is also responsible for payment of any amounts included in the bid not already paid, including but not limited to, documentary stamp tax, recording fees, and, if property is homestead property, the moneys to cover the one-half value of the homestead. If there are other bids, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate, together with all subsequent unpaid taxes plus the costs and expenses of the

application for deed, with interest on the total of such sums, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholder of record, mortgagees of record, vendees of recorded contracts for deeds, and other lienholders and any other person to whom the land was last assessed on the tax roll for the year in which the land was assessed, all as their interest may appear. If the property is purchased for an amount in excess of the statutory bid of the certificate holder, but such excess is not sufficient to pay all governmental liens of record, the excess shall be paid to each governmental unit pro rata.

Except for certain governmental liens and certain restrictive covenants and restrictions, no right, interest, restriction or other covenant survives the issuance of a tax deed. Thus, for example, outstanding mortgages on property subject to a tax deed would be extinguished.

If there are no bidders at the public sale, the clerk shall enter the land on a list entitled "lands available for taxes" and shall immediately notify the governing board of the County that the property is available. At any time within 90 days from the date the property is placed on the list, the County may purchase the land for the opening bid, or may waive its rights to purchase the property. Thereafter, and without further notice or advertising, any person, the County or any other governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three years from the date the property was offered for sale, unsold lands escheat to the County in which they are located, free and clear, and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the governing board of such County.

There can be no guarantee that the Uniform Method will result in the payment of Series 2020 Special Assessments. For example, the demand for tax certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful collection of the Series 2020 Special Assessments, which are the primary source of payment of the Series 2020 Bonds. Additionally, legal proceedings under federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates. See "BONDOWNERS' RISKS" herein.

THE DISTRICT

General

The District is a local unit of special purpose government duly organized and existing under the provisions of the Act and established by the Ordinance. The boundaries of the District originally included approximately 1,250 acres located entirely within the City. The boundaries of the District were expanded by the Boundary Amendment, which

added approximately 24 acres of land to the District, increasing the District Lands to approximately 1,274 acres of land located entirely within the City.

Legal Powers and Authority

The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State. The Act provides legal authority for community development districts (such as the District) to finance the acquisition, construction, operation and maintenance of the major infrastructure for community development.

The Act provides that community development districts have the power to issue general obligation, revenue and special assessment revenue debt obligations in any combination to pay all or part of the cost of infrastructure improvements authorized under the Act. The Act further provides that community development districts have the power under certain conditions to levy and assess ad valorem taxes or non-ad valorem assessments, including the Series 2020 Special Assessments, on all taxable real property within their boundaries to pay the principal of and interest on debt obligations issued and to provide for any sinking or other funds established in connection with any such debt obligation issues. Pursuant to the Act, such assessments may be levied, collected and enforced in the same manner and time as county property taxes.

Among other provisions, the Act gives the District's Board of Supervisors the authority to (a) finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for: (i) water management and control for lands within the District and to connect any of such facilities with roads and bridges; (ii) water supply, sewer and wastewater management reclamation and re-use systems or any combination thereof, and to construct and operate connecting intercepting or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue, or other byproducts of such system or sewer system; (iii) district roads equal to or exceeding the applicable specifications of the county in which such district roads are located; roads and improvements to existing roads that are owned by or conveyed to the local general-purpose government, the State, or the federal government; street lights; alleys; landscaping; hardscaping; undergrounding of electric utility lines; buses, trolleys, transit shelters, ridesharing facilities and services, parking improvements, and related signage; (iv) conservation areas, mitigation areas, and wildlife habitat, including the maintenance of any plant or animal species, and any related interest in real or personal property; (v) any other project, facility or service required by a development approval, interlocal agreement, zoning condition, or permit issued by a governmental authority with jurisdiction in the District; and with the consent of the local general-purpose government within the jurisdiction of which the power is to be exercised, parks and facilities for indoor and outdoor recreational uses; and security, including, but not limited to, guardhouses, fences and gates, and electronic intrusion-detection systems; (b) borrow money and issue bonds of the District; (c) levy, collect and enforce special assessments; (d) impose and foreclose special assessment liens as provided in the Act; and (e) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District authorized by the Act.

The Act does not empower the District to adopt and enforce land use plans or zoning ordinances and the Act does not empower the District to grant building permits. These functions are collectively performed by the City and its departments of government.

The Act exempts all property of the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any owner of bonds of the District to pursue any remedy for enforcement of any lien or pledge of the District in connection with such bonds, including the Series 2020 Bonds.

Board of Supervisors

The Act provides for a five-member Board of Supervisors (the "Board") to serve as the governing body of the District. Members of the Board must be residents of the State and citizens of the United States. Pursuant to the Act, six years after establishment and after 250 qualified electors reside within the District, the seats of Board members whose terms expire are filled by votes of the qualified electors of the District, except as described below. A qualified elector is a registered voter who is a resident of the District and the State and a citizen of the United States. At the election where Board members are first elected by qualified electors, two Board members must be qualified electors and be elected by qualified electors, both to four-year terms. A third Board member is elected through an election of the landowners of the District. Thereafter, as terms expire, all Board members must be qualified electors and are elected to serve four-year terms with staggered expiration dates in the manner set forth in the Act. The current members of the Board and their respective term expiration dates are set forth below.

<u>Name</u>	<u>Title</u>	<u>Expiration of Term</u>
Richard T. Ray*	Chairman	November, 2022
John Holmes	Vice Chairman	November, 2020
John S. Hewins	Assistant Secretary	November, 2022
Stephen Grossman	Assistant Secretary	November, 2020
Chris Price	Assistant Secretary	November, 2020

*Shareholder of the Master Developer.

The Act empowers the Board to adopt administrative rules and regulations with respect to any projects of the District, and to enforce penalties for the violation of such rules and regulations. The Act permits the Board to levy taxes under certain conditions, and to levy special assessments, and to charge, collect and enforce fees and user charges for use of District facilities.

District Manager and Other Consultants

The Act authorizes the Board to hire a District Manager as the chief administrative official of the District. The Act provides that the District Manager shall have charge and supervision of the works of the District and shall be responsible for (i) preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, (ii) maintaining and operating the equipment owned by the District, and (iii) performing such other duties as may be prescribed by the Board.

Governmental Management Services, LLC, has been retained as the firm to provide district management services for the District (in such capacity, the "District Manager"). The District Manager's office is located at 475 West Town Place, Suite 114, St. Augustine, Florida 32092 and their phone number is (904) 940-5850.

The District Manager's typical responsibilities can briefly be summarized as directly overseeing and coordinating the District's planning, financing, purchasing, staffing, and reporting and acting as governmental liaison for the District. The District Manager's responsibilities also include requisitioning moneys to pay construction contracts and the related accounting and reporting that is required by the Indenture.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Bryant Miller Olive P.A., Orlando, Florida, as Bond Counsel; Hopping Green & Sams P.A., Tallahassee, Florida, as District Counsel; England, Thims & Miller, Inc., Jacksonville, Florida, as District Engineer; and Governmental Management Services, LLC, St. Augustine, Florida, as Assessment Consultant to prepare the Methodology Report attached hereto as APPENDIX B.

THE CAPITAL IMPROVEMENT PROGRAM

The District's Engineer has prepared the Master Engineer's Report, as amended and restated, dated September 2019 (the "Master Engineer's Report") describing the capital improvement program (the "CIP") for the District which is estimated to cost approximately \$96.7 million consisting of \$28.1 million for master infrastructure improvements (the "Master CIP") and \$68.6 million for neighborhood infrastructure improvements (the "Neighborhood CIP"). The Master CIP includes (a) improvements associated with E-Town Parkway such as utilities, landscape and irrigation, hardscape, signage, electric, and lighting (b) certain collector roadway improvements and (c) recreational facilities associated with the District. The Master CIP does not include the actual costs of the construction of E-Town Parkway which has been funded directly by the Master Developer as more fully described under the heading "THE DEVELOPMENT – Development Financing." The Neighborhood CIP includes infrastructure for each planned neighborhood including engineering/permitting, clearing and grubbing, earthwork, collector roadways and associated drainage, underground conduit to facilitate street lighting, landscaping, hardscape, irrigation, neighborhood signage, neighborhood parks, neighborhood amenity centers, sewage pump stations, water/sewer/reuse transmission lines and subdivision roadways and associated drainage. Enumeration of the costs of the CIP are provided in the table below.

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<u>Cost Category</u>	<u>Estimated Cost</u>
Master CIP	
E-Town Parkway/R.G. Skinner Parkway Utilities, Landscaping, Hardscaping, and Electric	\$15,968,034
Apex Trail Roadway Utilities, Landscaping, Hardscaping and Electric	2,978,550
Axiom Roadway Utilities, Landscaping, Hardscaping and Electric	1,430,000
Master Recreational Improvements	<u>7,728,000</u>
Total Master CIP	\$28,104,584
Neighborhood CIP	\$68,589,600
Total	\$96,694,184

As more fully discussed under the heading "OUTSTANDING INDEBTEDNESS OF THE DISTRICT", the District previously issued its Series 2019 Bonds to construct and/or acquire a portion of the District's Master CIP in the estimated amount of \$10.1 million. Proceeds of the Series 2020 Bonds will be utilized to acquire a portion of the Master CIP in the approximate amount of \$7.1 million, referred to herein as the "Series 2020 Project." Detailed information concerning the Series 2020 Project is contained within the Supplemental Engineer's Report dated February 25, 2020 (the "Supplemental Engineer's Report" and together with the Master Engineer's Report, the "Engineer's Report"), which is attached hereto as APPENDIX A. The Master Developer estimates that it has expended approximately \$16.3 million towards the Master CIP.

It is the intent of the District to issue one additional Series of Bonds to construct and/or acquire additional portions of the Master CIP in the estimated amount of \$1.0 million. The remainder of the Master CIP not funded with proceeds of the Series 2020 Bonds or future Series of Bonds will be funded by the Master Developer. Upon issuance of the Series 2020 Bonds, the Master Developer will enter into a Completion Agreement whereby the Master Developer will agree to complete those portions of the Master CIP not funded with proceeds of the Series 2020 Bonds or future Series of Bonds. The District cannot make any representation that the Master Developer will have sufficient funds to complete the Master CIP.

As it relates to the District's Neighborhood CIP, each parcel purchaser will construct their own neighborhood infrastructure improvements. One or more of the land purchasers may request that the District issue additional Bonds to fund neighborhood infrastructure improvements located within their respective tract. As discussed further herein under the heading "THE DEVELOPMENT – Fees and Assessments," currently one parcel purchaser, Pulte Homes, has expressed its interest to the District for it to issue Bonds to fund a portion of the District's Neighborhood CIP for all subphases of Parcel E-3 planned for 518 residential units.

ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS

Governmental Management Services, LLC, (the "Assessment Consultant") has prepared the Master Assessment Methodology Report (the "Master Report") and the Supplemental Assessment Methodology Report (the "Supplemental Report," and together with the Master Report, the "Methodology Report") attached hereto as APPENDIX B. In the case of the Master CIP, the special assessments are initially levied over all assessable lands within the District based on the approved site plan on an equal acreage basis within each parcel. As parcels of land are sold by the Landowner with specific entitlements assigned thereto or parcels are platted, the special assessments are then allocated to such parcel or parcels based upon the amount of transferred entitlements or units platted, as further described in the Supplemental Report. In the case of the Neighborhood CIP, the special assessments are initially levied on the benefitted parcel on an equal acreage basis and then on a per unit basis as platting occurs.

The District previously issued its Series 2019 Bonds to fund a portion of the Master CIP in the estimated amount of \$10.1 million. The Series 2019 Bonds were sized to correspond with the special assessments allocable to the initial development plan including 1,123 units within Parcels E-2, E-3a, E-4, E-5, E-6 and E-7a. The development plan has since been revised to include an additional twenty-one (21) lots. Such lots are not subject to the special assessments securing the Series 2019 Bonds.

Initially, the Series 2020 Special Assessments securing the Series 2020 Bonds will be levied on an equal acreage basis on Parcels E-3b/c, E-7b, E-7c and E-8 consisting of 185 developable acres within the District which are intended to be developed into 706 residential lots together with the twenty-one (21) additional lots within Parcels E-2, E-4, E-5, E-6 and E-7a (collectively, the "Series 2020 Assessment Area"). Pursuant to the allocation methodology set forth in the Methodology Report and the sizing of the Series 2020 Bonds, the Series 2020 Special Assessments levied in connection with the Series 2020 Bonds will then be allocated on a per lot basis upon the sale of each parcel within the Series 2020 Assessment Area with specific entitlements transferred thereto and/or platting of each parcel within the Series 2020 Assessment Area.

As stated herein, the District is issuing its Series 2020 Bonds to acquire a portion of the Master CIP and anticipates issuing an additional Series of Bonds to fund additional portions of the Master CIP. The table below illustrates the principal and annual Series 2020 Special Assessments for the various product types planned within the Series 2020 Assessment Area.

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<u>Parcel</u>	<u>Product Type</u>	<u># Units</u>	<u>Series 2020 Special Assessment Principal Per Unit</u>	<u>Gross Series 2020 Special Assessment Annual Debt Service Per Unit</u>
Parcel E-2	Single-Family	3	\$12,073	\$838
Parcel E-3b/c	Age Restricted	172	5,842	405
Parcel E-4	Single-Family	4	12,073	838
Parcel E-5	Single-Family	4	12,073	838
Parcel E-6	Single-Family	9	12,073	838
Parcel E-7a	Single-Family	1	12,073	838
Parcel E-7b	Single-Family	72	12,073	838
Parcel E-7c	Townhomes	260	12,073	838
Parcel E-8	SF/TH/Duplex	202	12,073	838
Total		727		

THE LANDOWNER

The following information appearing under the caption "THE LANDOWNER," has been furnished by the Landowner for inclusion in this Limited Offering Memorandum as a means for the prospective Bondholders to understand the anticipated development plan and risks associated with the Development and the provision of infrastructure to the real property within the District. Although believed to be reliable, such information has not been independently verified by the District or its counsel, the Underwriter or its counsel, or Bond Counsel, and no persons other than the Landowner, subject to certain qualifications and limitations, makes any representation or warranty as to the accuracy or completeness of such information. At the time of the issuance of the Series 2020 Bonds, the Landowner will represent in writing that the information herein under the captions "THE LANDOWNER," and "LITIGATION – Landowner" does not contain any untrue statement of a material fact and does not omit to state any material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

The Landowner's obligation to pay the Series 2020 Special Assessments is limited solely to the obligation of any landowner within the District. The Landowner is not a guarantor of payment on any property within the District and the recourse for the Landowner's failure to pay or otherwise comply with its obligations to the District is limited to its ownership interest in the land subject to the Series 2020 Special Assessments.

Prior to the commencement of land sales within the District as more fully described under the heading "THE DEVELOPMENT – Land Sales/Contract Activity" or the transfer of certain lands to the Master Developer for the construction of E-Town Parkway and the planned recreational facilities (such amenity land parcel has since been dedicated to the District and such E-Town Parkway land has since been dedicated to the City of Jacksonville), the lands within the District were owned by Eastland Timber, LLC, a Florida limited liability company (the "Landowner"). The Landowner is wholly-owned by Estuary, LLC, a Florida limited liability company and an investment company that is owned by trusts established for the benefit of members of the Davis Family. Prior to the transfer of the lands to the Landowner, the lands constituting the District were previously owned by the Davis Family for more than 30 years.

The District is wholly contained within the boundaries of the e-Town development, as defined further herein, and only includes for-sale residential tracts. It is the intent of the Landowner to continue to sell undeveloped tracts of land within the District to developers/homebuilders for them to develop such tracts into finished lots for home construction thereon. Such purchasers will then develop the on-site infrastructure required for each respective tract.

Additional lands owned by entities affiliated with the Davis Family in St. Johns County and Duval County include certain undeveloped portions of the Nocatee project and the 25,000-acre Dee Dot Ranch located east of State Road 9B and north of the Nocatee project.

THE MASTER DEVELOPER

The following information appearing under the captions "THE MASTER DEVELOPER" and "THE DEVELOPMENT" has been furnished by the Master Developer for inclusion in this Limited Offering Memorandum as a means for the prospective Bondholders to understand the anticipated development plan and risks associated with the Development and the provision of infrastructure to the real property within the District. Although believed to be reliable, such information has not been independently verified by the District or its counsel, the Underwriter or its counsel, or Bond Counsel, and no persons other than the Master Developer, subject to certain qualifications and limitations, makes any representation or warranty as to the accuracy or completeness of such information. At the time of the issuance of the Series 2020 Bonds, the Master Developer will represent in writing that the information herein under the captions "THE MASTER DEVELOPER," "THE DEVELOPMENT" and "LITIGATION – Master Developer" does not contain any untrue statement of a material fact and does not omit to state any material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

To the extent it owns land subject to the Series 2020 Special Assessments, the Master Developer's obligation to pay the Series 2020 Special Assessments is limited solely to the obligation of any landowner within the District. The Master Developer is not a guarantor of payment on any property within the District and the recourse for the Master Developer's failure to pay or otherwise comply with its obligations to the District is limited to its ownership interest in the land subject to the Series 2020 Special Assessments.

The Landowner has entered into an agreement with E-Town Development, Inc., a Florida corporation (the "Master Developer") where the Master Developer has purchased right of way land from the Landowner and will develop certain infrastructure within the District to provide the Landowner the ability to sell parcels in bulk to developers/homebuilders. The Master Developer is largely owned by members of the Davis family who maintain a controlling ownership interest in the Master Developer. Roger M. O'Steen and Richard T. Ray, two of three principals of The PARC Group ("PARC"), a real estate development company established in 1989 primarily developing projects in the northeast Florida area, own the remaining minority ownership interest in the Master Developer.

The Master Developer has entered into a project management agreement with PARC. PARC's duties under the project management agreement are to provide engineering

and construction management services for the Master Developer. The Landowner has also entered into an agreement with PARC Land Management, LLC, a Florida limited liability company, of which the membership interests are held by Mr. O'Steen and Mr. Ray, providing for asset management services to the Landowner.

PARC has been named Developer of the Year for 13 consecutive years (2006 – 2018) by the Northeast Florida Builder's Association. In addition to the District, the following table summarizes some of the completed and active projects for which PARC or its affiliates serve as the master developer or in a development management capacity, most notably Nocatee, a master-planned community featuring over 11,000 single-family homes, several million square feet of mixed-use space and extensive recreational amenities.

Project	Location	Description	Status
Crosswater at Pablo Bay	Duval County	288 single-family lots	Completed
Pablo Creek Reserve	Duval County	271 single-family lots	Completed
Hickory Village	Nassau County	253 single-family lots	Completed
Pablo Bay	Duval County	449 single-family lots	Completed
Marsh Creek C. C.	St. Johns County	670 single-family lots	Completed
Reedy Branch Plantation	Duval County	203 single-family lots	Completed
Timberlin Parc	Duval County	310 single-family lots	Completed
Nocatee	St. Johns/Duval County	11,000 single-family lots	Active

THE DEVELOPMENT

Overview

e-Town (the "Development") encompasses approximately 1,715 acres located east of the Interstate 295 East Beltway and on both sides of State Road 9B. Direct access to the Development is via E-Town Parkway which extends from north to south from the recently-constructed interchange at State Road 9B, through the Development, and terminates at the existing R.G. Skinner Parkway at Atlantic Coast High School. State Road 9B currently connects County Road 2209 in St. Johns County to Interstate 295 in Duval County providing for quicker routes from St. Johns County to major highways such as Interstate 95, Philips Highway and Interstate 295.

The Development is located approximately twenty-two (22) miles south of downtown Jacksonville and fifteen (15) miles west of Ponte Vedra Beach. The Jacksonville International Airport is approximately thirty (30) miles northwest of the Development via Interstate 295 and the St. Augustine and St. Johns County Airport, a general aviation airport, is approximately twenty-five (25) miles southeast of the Development.

The Development is centrally located to recreational opportunities, shopping and restaurants including the St. Johns Town Center, a 2.0 million square foot lifestyle center located seven (7) miles northwest of the Development at the intersection of Interstate 295 and Butler Boulevard. The Avenues Mall, a multi-level shopping center offering more than 1.1 million square feet of enclosed retail shopping located at the merger of U.S. Highway 1 and Southside Boulevard in south Jacksonville, is approximately seven (7) miles from the Development. Finally, a new approximately 700,000 square foot retail center known as

Durbin Park is currently under construction and located approximately eleven (11) miles southwest of the Development on the west side of Interstate 95.

Designed as a community centered around convenience, technology and sustainability, the Development consists of approximately 1,715 acres and is planned to include 1,950 residential units in clustered neighborhoods and commercial, retail and multi-family uses situated around the interchange at the southern portion of the Development. As previously discussed, the District expanded its boundaries to include a portion of Parcel E-1 (the "Annexed Parcel") which is comprised of approximately twenty-four (24) acres planned for 100 multi-family units. The District, as expanded, is wholly contained within the boundaries of the Development and encompasses approximately 1,274 acres consisting of eleven (11) residential tracts planned for approximately 1,950 residential units.

As described below under the subheading " – The Assessment Areas," the Series 2020 Special Assessments levied in connection with the Series 2020 Bonds are levied on Parcels E-3b/c, E-7b, E-7c and E-8 of the District consisting of 185 developable acres and intended to be developed into 706 residential units together with the additional twenty-one (21) lots within Parcels E-2, E-4, E-5, E-6 and E-7a.

Land Acquisition

Prior to the commencement of land sales within the District (as more fully described under the subheading " – Land Sales/Contract Activity" below) and the land transfers to the Master Developer for the construction of E-Town Parkway and planned recreational facilities (such amenity land parcel has since been dedicated to the District and such E-Town Parkway land has since been dedicated to the City of Jacksonville), the lands within the District were owned by the Landowner. There are currently no mortgages on the land within the District owned by the Landowner. It is the intent of the Landowner to continue to sell undeveloped tracts of land to developers/homebuilders for them to develop such tracts into finished lots for home construction thereon. Such purchasers will then develop the on-site infrastructure required for each respective tract.

Development Financing

The District Engineer has prepared the Engineer's Report, attached hereto as APPENDIX A, describing the Master CIP which is estimated to cost approximately \$28.1 million. The Master CIP includes (a) improvements associated with E-Town Parkway such as utilities, landscape and irrigation, hardscape, signage, electric, and lighting (b) certain collector road improvements and (c) recreational facilities associated with the District.

In February 2019, the District issued its Series 2019 Bonds to fund a portion of the Master CIP in the estimated amount of \$10.1 million, of which approximately \$5.5 million was reserved and is now being utilized to construct certain of the recreational facilities. See "OUTSTANDING INDEBTEDNESS OF THE DISTRICT" herein. Proceeds of the Series 2020 Bonds will be utilized to acquire a portion of the Master CIP in the estimated amount of \$7.1 million. The District anticipates issuing a future Series of Bonds to acquire and/or construct a portion of the District's remaining Master CIP in the estimated amount

of \$1.0 million. The Master Developer estimates it has expended approximately \$16.3 million towards the Master CIP.

Further, the Master Developer anticipates utilizing equity to fund the remaining portions of the Master CIP not funded with proceeds of the Series 2020 Bonds or future Series of Bonds as well as the other development costs not included within the Master CIP (the "Developer Funded Improvements"). The Master Developer has self-funded additional infrastructure improvements included as part of the Developer Funded Improvements in the approximate amount of \$40.3 million that serve the Development including \$32.7 million for the construction of E-Town Parkway running north/south through the Development and offsite force main work, \$2.6 million for the construction of the Development's welcome center and an additional \$5.0 million for the roadways within the commercial tracts of the Development. As discussed in more detail herein, the Master Developer received mobility fee credits for the construction of E-Town Parkway which has been constructed and conveyed to the City of Jacksonville.

In addition to the Developer Funded Improvements described herein, the Landowner and/or its affiliates previously constructed the interchange at State Road 9B at an estimated cost of \$9.7 million. The interchange has been conveyed to the Florida Department of Transportation and opened to vehicular traffic in conjunction with the completion of E-Town Parkway.

Land Use Plan

The lands within the Development are intended to be developed into nine (9) neighborhoods and various commercial tracts. As previously discussed herein, the District was established for a portion of the Development and consists of 1,274 acres constituting Parcels E-2, E-4, E-5, E-6, E-8, all subphases of Parcels E-3 and E-7, and the recently Annexed Parcel within the Development. The information appearing in the table below illustrates the current land use plan for the Development, which information is subject to change.

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Parcel	Developable Acres	Single-Family (attached)	Age-Restricted (attached and detached)	TH/Villas
Parcels within District Boundaries				
Parcel E-1 (Annexed Parcel)	16	-	-	100
Parcel E-2	73	225	-	-
Parcel E-3a	108	-	346	-
Parcel E-3b/c	60	-	172	-
Parcel E-4	65	115	-	-
Parcel E-5	45	172	-	-
Parcel E-6	72	152	-	-
Parcel E-7a	35	134	-	-
Parcel E-7b	15	72	-	-
Parcel E-7c	40	-	-	260
Parcel E-8	70	60	-	142
Subtotal	599	930	518	502
Parcels outside District Boundaries				
Parcel E-1	132	-	-	-
Commercial W-1	161	-	-	-
Subtotal	293	-	-	-
Total	892	930	518	502

Environmental Matters

Affiliates of the Landowner have owned the lands within the District for more than thirty (30) years and to their knowledge have not used, generated, manufactured or disposed of any hazardous substances on the lands within the District in violation of any applicable laws nor has the Landowner or its affiliates received any notice of violation of environmental laws for such lands. While the Landowner has not commissioned an environmental site assessment for the acreage within the District, each entity that has purchased or is currently under contract to purchase the property within the District has commissioned an environmental site assessment during the inspection periods provided for in their respective purchase and sale contracts. The Phase I Environmental Site Assessments (the "Phase I ESAs") for all sold and contracted parcels, as further identified herein under the subheading "– Land Sales/Contract Activity" below have revealed no evidence of environmentally recognized conditions.

Land Use/Permitting

A portion of the lands within the District, specifically Parcels E-2, E-3a, E-4 and E-6 consisting of approximately 318 developable acres, are zoned as residential low density consistent with the City's underlying zoning and comprehensive plan. With the exception of 119 lots in Parcel E-3a approved for 40' wide lots, the minimum lot requirement for these parcels within the District are 50' wide lots. The remaining lands within the District, with the exception of the Annexed Parcel, consisting of approximately 265 acres constituting Parcels E-3b/c, E-5, E-8 and all subphases of Parcel E-7 are a part of a 626-acre tract that

received zoning approval from the City as a planned unit development and allows for the development of up to 1,700 dwelling units in clustered developments providing for efficient use of the lands and preservation of the conservation areas (the "e-Town PUD"). The Annexed Parcel is situated within a planned unit development separate and distinct from the eTown PUD which consists of approximately 271.84 acres zoned for mixed use development which can include a mix of office, institutional, commercial, multi-family and recreational uses (the "eTown Village Center PUD"). The residential component of the eTown Village Center PUD cannot exceed eighty percent (80%) of the site area and allows for up to 1,700 dwelling units.

As described in further detail in the Supplemental Engineer's Report, the majority of the permits for the Master CIP have been obtained. The St. Johns River Water Management District Environmental Resource Permit was issued approving a stormwater management system and wetland mitigation for the Development including the lands within the District. Additionally, permitting from the U.S. Army Corps of Engineers for wetland mitigation and permitting from Florida Department of Environmental Protection have been obtained.

Upon issuance of the Series 2020 Bonds, the District Engineer will certify that any permits and approvals necessary for the infrastructure specific to the Master CIP that have not previously been obtained are expected to be obtained in the ordinary course of business.

In addition to the permits required for the Master CIP, permits for the development of the infrastructure for each of the residential parcels are required to be obtained. Each of the contract purchasers that have purchased lands within the District are in the process of obtaining or have obtained permits necessary for the commencement of development activities within their respective tracts.

Mobility Fee Contract

The Landowner and the City entered into a mobility fee contract (the "Mobility Fee Contract"). The Landowner subsequently assigned all rights to the mobility fee credits under the Mobility Fee Contract to the Master Developer. The Master Developer undertook the construction and dedication of certain regional transportation improvements including connecting State Road 9B to Baymeadows Road through the construction of E-Town Parkway. The Master Developer in turn is eligible for mobility fee credits associated with such improvements. The Mobility Fee Contract shall remain effective for seven (7) years from its effective date of January 15, 2015, provided however the Master Developer can request a three-year extension prior to the termination of the contract.

As discussed in more detail below under the subheading "- Development Status," construction of the roadway improvements are complete and have since been dedicated to the City.

In exchange for designing, permitting, constructing and dedicating such roadway improvements and associated right-of-way to the City, the City has provided the Master Developer with mobility free credits totaling \$34,009,088 which are required to be purchased by each of the purchasers of land within the Development. The mobility fee

credits received for the cost of construction of the roadway improvements can be redeemed at any time with no expiration date.

Land Sales/Contract Activity

As previously discussed herein, the Landowner has and continues to sell undeveloped tracts of land to developers/homebuilders for them to develop such tracts into finished lots for home construction thereon. To date, the Landowner has sold nine (9) of the eleven (11) planned residential tracts planned for 1,590 residential units (collectively, the "Sold Parcels") within the District. Further, the Landowner is currently under contract for the sale of Parcel E-7c planned for 260 residential units which is the remaining unsold tract of land in the Series 2020 Assessment Area owned by the Landowner (the "Under Contract Parcel"). The table below illustrates certain information pertaining to the aforementioned land sales to date.

<u>Parcel</u>	<u>Contract Purchaser/Owner</u>	<u>Estimated Units</u>	<u>Closing Date</u>
Sold Parcels within the Series 2019 Assessment Area			
	ICI Homes/ Weekley Homes	222	January 31, 2018
Parcel E-2	Weekley Homes	222	January 31, 2018
Parcel E-3a (North)	Pulte Homes	185	July 31, 2018
Parcel E-3a (South)	Pulte Homes	161	September 30, 2019
Parcel E-4	Toll Brothers	111	February 28, 2018
Parcel E-5	ICI Homes	168	February 28, 2019
Parcel E-6	Toll Brothers	143	May 1, 2018
Parcel E-7a	Providence Homes	133	February 28, 2019
Subtotal		1,123	
Sold Parcels within the Series 2020 Assessment Area			
	ICI Homes/ Weekley Homes	3	January 31, 2018
Parcel E-2	Weekley Homes	3	January 31, 2018
Parcel E-4	Toll Brothers	4	February 28, 2018
Parcel E-6	Toll Brothers	9	May 1, 2018
Parcel E-5	ICI Homes	4	February 28, 2019
Parcel E-7a	Providence Homes	1	February 28, 2019
Parcel E-7b	Providence Homes	72	January 15, 2020
Parcel E-8	Toll Brothers	202	February 3, 2020
Parcel E-3b/c	Pulte Homes	172	February 3, 2020
Subtotal		467	
Total Sold Parcels		1,590	
Under Contract Parcel within the Series 2020 Assessment Area			
Parcel E-7c	Pulte Homes	260	June 30, 2020

The narratives below provide a summary of the contract activity for the Sold Parcels within the Series 2020 Assessment Area exclusive of the twenty-one (21) lots that were previously included within the purchase of Parcels E-2, E-4, E-5, E-6 and E-7a.

Parcel E-3b/c

Pulte Home Company, LLC, a Michigan limited liability company ("Pulte Homes"), previously entered into a purchase and sale contract with the Landowner that was subsequently amended to include the purchase of the lands comprising Parcel E-3b/c containing approximately sixty (60) developable acres planned for 172 single-family residential homes to be included within the existing age-restricted active adult community within the District (the "Pulte Contract"). Closing on Parcel E-3b/c occurred on February 3, 2020 for a purchase price of \$8,400,000.

Parcel E-7b

Providence Construction Company, a Florida corporation ("Providence"), previously entered into a purchase and sale contract with the Landowner that was subsequently amended to include the purchase of approximately fifteen (15) developable acres comprising Parcel E-7b of the Development and planned for seventy-two (72) single-family units for a fixed purchase price of \$2,650,000 (the "Providence Contract"). Closing on Parcel E-7b occurred on January 15, 2020.

Parcel E-8

On February 3, 2020, Toll Bros., Inc., a Pennsylvania corporation ("Toll Brothers"), acquired Tract E-8 containing approximately seventy (70) developable acres and planned for 202 single-family residential homes for \$8,000,000 (the "Toll Brothers Contract").

Contemporaneously with entering into the Toll Brothers Contract, Toll Brothers entered into a development agreement with the Master Developer. Pursuant to the development agreement, Toll Brothers is required to construct and install, at their sole cost, the Axiom collector road included within the Master CIP together with all related utilities including water, sewer, reuse and electric lines. Toll Brothers is required to commence construction on such access road on or before September 30, 2020, substantially complete the construction of the access road on or before August 31, 2021 and obtain final acceptance from the JEA and the City by January 15, 2022.

The narrative below provides a summary of the contract activity for the Under Contract Parcel within the Series 2020 Assessment Area which includes Parcel E-7c.

Parcel E-7c

Pulte Home Company, LLC, a Michigan limited liability company ("Pulte"), entered into a purchase and sale contract for the purchase of Parcel E-7c containing approximately forty (40) developable acres and planned for 260 residential homes for \$6,825,000 (the "Pulte Contract"). Pulte made an initial deposit of \$100,000 which is refundable prior to the termination of the Inspection Period which is set to expire on May 14, 2020. An additional deposit of \$150,000 will follow one (1) day after the Inspection Period. The deposit in its entirety will ultimately be applied to the fixed purchase price upon close. The closing is scheduled to occur on June 30, 2020.

Participating Homebuilders/Developers

Brief descriptions of the participating homebuilders/developers within the Development are provided below. The information appearing below has been obtained from the homebuilder/developer websites and their publicly available sources and the District makes no representation as to the accuracy or completeness of such information.

David Weekley Homes was founded in 1976 and is now the largest privately-held home builder in America. The company has sold more than 90,000 homes and expanded to 22 cities across the nation. As a result of the company's progressive management methodologies where people are the primary focus of the organization, the company has been named to FORTUNE "100 Best Companies to Work For®" list 12 times. David Weekley Homes was the first builder in the United States to be awarded the Triple Crown of American Home Building, an honor which includes "America's Best Builder," "National Housing Quality Award" and "National Builder of the Year."

ICI Homes®, headquartered in Daytona Beach, is the leading new home builder in Florida dedicated to excellence in quality and service. ICI Homes® offers a wide variety of new home product offerings in communities across the State, continuously gaining recognition for its home designs. In 2019, ICI Homes® was named the 2019 Builder of the Year for the Northeast Florida Builder Association. Ranked in the Top Builders in the nation for many years, ICI Homes® has been at the forefront of the new home building industry as the standard bearer of excellence. Always on the cutting edge of Florida new home designs and technology, ICI Homes® takes pride in offering a wide variety of architectural styles and floorplans.

Providence Homes is a privately-held home builder founded by CEO Bill Cellar as a home builder dedicated to beautifully designed, 100% Energy Star certified homes at an affordable price. On average, their homes are 33% more energy efficient than typical new code-built homes and over 48% more efficient than a home built to code five years ago. In 2015, 2016, 2017, 2018 and 2019, Providence Homes received the ENERGY STAR® Partner of the Year Award honoring their leadership in building comfortable, durable and healthy high-performance homes.

Pulte is a Michigan limited liability company and, as of December 31, 2016, is the successor by conversion of Pulte Home Corporation and is wholly owned by PulteGroup, Inc., a Michigan corporation. Pulte, based in Atlanta, Georgia, is one of America's largest homebuilding companies with operations in approximately 50 markets throughout the country. As a publicly-traded company on the New York Stock Exchange, PulteGroup, Inc. is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended (the "SEC Act"), and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "SEC"). The registration statement and these other SEC filings are available at the SEC's website at <https://www.sec.gov> and at the SEC's Public Reference Room at the SEC's Headquarters, located at 100 F Street, NE, Washington, D.C. 20549. All documents subsequently filed by Pulte pursuant to the requirements of the SEC Act after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

Toll Brothers, a Fortune 500 company, is the nation's leading builder of luxury homes. The company began business 50 years ago in 1967 and became a public company in 1986. The company serves move-up, empty-nester, active-adult, and second-home buyers and operates in 22 states. Toll Brothers builds an array of luxury residential single-family detached and attached home, master planned resort-style golf, and urban low-, mid-, and high-rise communities, principally on land it develops and improves. The company operates its own architectural, engineering, mortgage, title, land development and land sale, golf course development and management, home security, and landscape subsidiaries. Toll Brothers is a publicly-traded company the common stock of which is listed on the New York Stock Exchange under the symbol "TOL." Toll Brothers is subject to the informational requirements of the SEC Act, and in accordance therewith files reports, proxy statements, and other information with the SEC. The file number for Toll Brothers is No. 001-09186. The registration statement and other SEC filings are available at the SEC's website at <https://www.sec.gov> and at the SEC's Public Reference Room at the SEC's Headquarters, located at 100 F Street, NE, Washington, D.C. 20549. All documents subsequently filed by Toll Brothers pursuant to the requirements of the SEC Act after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

Development Status

Master Infrastructure

As discussed above, the Master Developer engineered, permitted, designed and constructed E-Town Parkway running north/south through the Development. The roadway starting at the State Road 9B interchange and ending at the existing R.G. Skinner Parkway at Atlantic Coast High School is complete and has been conveyed to the City. Landscaping on Phase II of E-Town Parkway is ongoing and is anticipated to be complete in the first quarter of 2020. The Master Developer has expended approximately \$40.3 million on certain improvements that serve the Development including \$32.7 million for the construction of E-Town Parkway running north/south through the Development and offsite force main work, \$2.6 million for the construction of the Development's welcome center and an additional \$5.0 million for the roadways within the commercial tracts of the Development. Such costs are not included within the scope of the Master CIP.

Construction on the two (2) collector roads extending from the northern and southern roundabouts on E-Town Parkway has yet to commence. Construction on Apex Trail extending from the existing southern roundabout on E-Town Parkway is anticipated to begin in early 2020 with completion slated to occur prior to year-end. Construction on Axiom Road extending from the existing northern roundabout on E-Town Parkway will begin in the third quarter of 2020 with completion anticipated in the following year. Further, construction on the District's recreation facilities commenced in the fourth quarter of 2019 with completion expected by third quarter of 2020.

Neighborhood Infrastructure

Below is a description of the development status and anticipated product offerings in the currently active neighborhoods within the District.

The Weekley Homes and ICI Homes® neighborhood, Parcel E-2, planned for 225 single-family units is being marketed as a residential community known as "Marconi." Situated on 50' to 60' homesites, homes feature a range of modern coastal, craftsman and farmhouse elevations. The neighborhood opened for sale in May 2019 with home prices starting in the mid-\$300s. Approximately 150 homesites have been developed with another seventy-five (75) lots under development. Approximately seventy-eight (78) homes have been sold and/or are under contract with retail buyers.

The Pulte Homes neighborhood, which includes all subphases of Parcel E-3, is being marketed as an age-restricted residential community known as Del Webb e-Town and is planned for 518 residential units. Homesites are situated on 40' to 65' lots with homes ranging in size from 1,347 to 3,000 square feet and home prices starting in the mid-\$200s. The gated neighborhood is planned to feature recreational amenities for the use of the residents therein including a clubhouse with fitness center and social area, tennis courts and a resort style pool. Construction of six (6) model homes is complete and the neighborhood opened for sale in September 2019. 194 units of the planned 518 residential units within Del Webb e-Town have been developed and another 151 residential lots are currently being developed. Approximately forty-four (44) homes have been sold and/or are under contract to end-users.

The Toll Brothers neighborhood, Parcel E-4 and Parcel E-6, is being marketed as a residential community known as "Edison." The neighborhood offers one and two-story home designs ranging from 2,583 to over 4,300 square feet with prices starting in the low \$400's. Horizontal development within the neighborhood has commenced and will be completed in multiple phases. The neighborhood held its grand opening in October 2019 and features three (3) model homes. Approximately 113 homesites have been developed with another sixty-one (61) lots under development. Thirty (30) homes have been sold and/or are under contract to retail buyers.

Providence Homes will introduce its energy efficient homes in the Kettering at E-town Community, Parcel E-7a, planned for 134 residential units. Homes will range in size from 1,500 to 2,750 square-feet with home prices starting in the high \$200s. Development activities are underway with pre-sales scheduled to commence in early 2020. Further, model homes are scheduled for completion in the summer of 2020.

ICI Homes® will offer new homes in its Nobel at eTown neighborhood, Parcel E-5, planned for 172 residential units in the Spring of 2020. The gated community will feature homes starting in the high \$200s. Horizontal construction on Phase 1 of the development commenced in the first quarter of 2019 and is anticipated to be complete in the second quarter of 2020.

Parcels E-3b/c, E-7b and E-8 closed within the last forty-five (45) days and have yet to commence horizontal construction on such development tracts.

The Assessment Areas

The District previously issued its Series 2019 Bonds to fund a portion of the Master CIP in the estimated amount of \$10.1 million. The Series 2019 Bonds were sized to correspond with the special assessments allocable to Parcels E-2, E-3a, E-4, E-5, E-6 and E-

7a consisting of 398 acres planned for 1,123 residential units per the allocation set forth in the Methodology Report, which prescribes the assignment of special assessments from a per acre amount to a per unit amount upon the sale of property with specific entitlements transferred thereto or platting. Such parcels have since sold and closed and as such the special assessments securing the Series 2019 Bonds have been allocated to such tracts accordingly (the "Series 2019 Assessment Area"). The Series 2019 Assessment Area represents a subset of the lands comprising the District. The table below illustrates the planned number of units to be developed in the Series 2019 Assessment Area.

<u>Parcel</u>	<u>Contract Purchaser/Owner</u>	<u># Units</u>
Parcel E-2	ICI Homes/Weekley Homes	222
Parcel E-3a (North)	Pulte Homes	185
Parcel E-3a (South)	Pulte Homes	161
Parcel E-4	Toll Brothers	111
Parcel E-5	ICI Homes	168
Parcel E-6	Toll Brothers	143
Parcel E-7a	Providence Homes	133
Total		1,123

Initially, the Series 2020 Special Assessments securing the Series 2020 Bonds will be levied on an equal acreage basis on Parcels E-3b/c, E-7b, E-7c and E-8 totaling 185 acres and planned for 706 residential units in addition to the twenty-one (21) lots within Parcels E-2, E-4, E-5, E-6 and E-7a (as previously defined, the "Series 2020 Assessment Area"). The Series 2020 Bonds have been sized to correspond with the amount of special assessments allocable to the parcels within the Series 2020 Assessment Area per the allocation set forth in the Methodology Report, which prescribes the assignment of special assessments from a per acre amount to a per unit amount upon sale of property with specific entitlements transferred thereto or platting.

As described in further detail herein under the subheading "– Land Sales/Contract Activity" above, all parcels with the exception of Parcel E-7c within the Series 2020 Assessment Area have been sold. Accordingly, and as illustrated in the table below, approximately \$4.6 million or 59.3% of the Series 2020 Special Assessments have been allocated to the Sold Parcels within the Series 2020 Assessment Area and planned for 467 residential units. The remaining approximately \$3.1 million or 40.7% of the Series 2020 Special Assessments has been allocated to Parcel E-7c which is currently under contract with Pulte Homes and planned for 260 residential units.

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<u>Parcel</u>	<u>Contract Purchaser/Owner</u>	<u># Units</u>	<u>Series 2020 Special Assessment Principal</u>	<u>% of Series 2020 Special Assessments Principal</u>
Sold Parcels				
Parcel E-2	ICI Homes/ Weekley Homes	3	\$ 36,218	0.5%
Parcel E-3b/c	Pulte	172	1,004,746	13.0%
Parcel E-4	Toll Brothers	4	48,290	0.6%
Parcel E-5	ICI Homes	4	48,290	0.6%
Parcel E-6	Toll Brothers	9	108,653	1.4%
Parcel E-7a	Providence Homes	1	12,073	0.2%
Parcel E-7b	Providence Homes	72	869,222	11.3%
Parcel E-8	Toll Brothers	202	2,438,651	31.7%
Subtotal		467	\$4,566,143	59.3%
Remaining Parcels				
Parcel E-7c	Pulte Homes	260	\$3,138,858	40.7%
Total		727	\$7,705,000	100.0%

Upon issuance of the Series 2020 Bonds, \$3.16 million of net proceeds will be deposited and held in the Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c) in the Series 2020 Acquisition and Construction Account established for Parcel E-7c that is currently under contract with Pulte Homes. The proceeds held in the Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c), together with the allocable share of the Series 2020 Debt Service Reserve Account, represent an amount equal to the principal amount of the Series 2020 Bonds allocable to Parcel E-7c plus interest to the applicable redemption date. To the extent Parcel E-7c does not close by December 15, 2020, the monies held in such applicable Subaccount (together with proceeds from the Series 2020 Debt Service Reserve Account) will be transferred to the Series 2020 Prepayment Account and applied to the extraordinary mandatory redemption of the Series 2020 Bonds applicable to Parcel E-7c. Accordingly, the Series 2020 Assessment Area will ultimately include only those parcels that have been sold by the Landowner. The date on which such transfer and subsequent redemption will occur, to the extent the sale is not consummated, has been established in accordance with the anticipated closing date for Parcel E-7c. Upon Parcel E-7c closing, the moneys in the Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c) will be released to pay for the construction and/or acquisition of the applicable portion of the Series 2020 Project. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS – Series 2020 Acquisition and Construction Account" herein.

The chart below provides a summary of the information set forth above with respect to the Parcel E-7c:

Parcel	Anticipated Closing Date	Transfer Date*	Principal Amount of Series 2020 Bonds to be Redeemed	Redemption Date
E-7c	July 30, 2020	December 15, 2020	\$3,164,628	February 1, 2021

*The Transfer Date is the date on which, if the District has not received notice that the sale of Parcel E-7c has closed, the amount in the Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c) is transferred to the Series 2020 General Account of the Series 2020 Bond Redemption Fund to be used for the redemption of the applicable principal amount of Series 2020 Bonds.

Utilities

JEA will provide water services, wastewater treatment services and reclaimed water services to the Development conditioned on the Master Developer meeting its obligations under the JEA Utility Service Agreement by and between the Master Developer and JEA dated July 15, 2015. The Master Developer will permit and construct certain water mains and reuse water mains to serve the Development. Certain of these improvements include the construction of water and reuse mains running along E-Town Parkway. JEA will also provide sewer services conditioned on the Master Developer constructing an in-line booster pump station and certain sewer mains including sewer mains located within the E-Town Parkway right of way and extending to the intersection of U.S. Highway 1 and Judith Road.

The Master Developer has completed the construction of the water mains and reuse water mains at an estimated cost of \$4.8 million, the entire amount of which has been reimbursed. The Master Developer anticipates receiving an additional \$0.7 million in reimbursement upon the acceptance of the offsite force main which is expected to occur in the first quarter of 2020. The in-line booster pump station is also complete and awaiting acceptance from the County which is anticipated to occur in the first quarter of 2020. Electric (including for street lighting) is also provided by JEA.

Schools

Based upon current school zoning, children residing in the Development would generally attend Twin Lakes Elementary School, Twin Lakes Academy Middle School, and Atlantic Coast High School all 'A' or 'B' rated schools for 2019 according to the Florida Department of Education.

Marketing

The Master Developer is currently undertaking a comprehensive marketing effort for the Development in its entirety that is being funded primarily with a marketing fee from each developer/homebuilder, inclusive of those that have or will purchase lands within the Development, which is required to be paid upon the closing of the sale of a new home in the Development. The marketing fee is calculated as 1% of the gross sales price of each home sold by the developer/homebuilder. The Master Developer is currently utilizing a marketing campaign that includes third party account management and services, creative materials, branded content, social and interactive media, direct marketing support staff, and a website and public relations. Further, each of the tract developers that have

purchased tracts within the Development are employing their own marketing efforts to market their respective neighborhoods.

The e-Town community offers a welcome center acting as a first-stop for future residents. The welcome center, known as the "Hub" is staffed with representatives that share information on e-Town's neighborhoods, amenities, and the overall lifestyle.

Recreational Amenities

The District is currently planned to include certain amenities, which may include a clubhouse featuring a state-of-the-art fitness center, a large resort-style pool, playgrounds, fishing piers, walking paths and dog parks. Construction on the recreational facilities commenced in the fourth quarter of 2019 with completion expected by the third quarter of 2020. The recreational facilities are included as part of the Master CIP at an estimated cost of \$7.7 million.

In addition to the District's recreational facilities, it is anticipated that Pulte will construct recreational facilities for its age-restricted neighborhood. Such facilities will be reserved for the use of the residents within such neighborhood.

Fees and Assessments

Each homeowner residing in the Series 2020 Assessment Area will pay annual taxes, assessments and fees on an ongoing basis as a result of their ownership of property within the District, including ad valorem property taxes, Series 2020 Special Assessments, HOA fees, and administrative, operation and maintenance assessments levied by the District as described in more detail below.

Property Taxes

The 2019 millage rate for the area of the County where the Development is located is approximately 17.8653. Accordingly, by way of example, the annual property taxes for a \$350,000 taxable value home would be approximately \$6,253.

Homeowner's Association Fee

All homeowners will be subject to annual homeowner's association ("HOA") fees for architectural review, deed restriction enforcement, as well as operation and maintenance of the HOA-owned facilities located within the respective neighborhoods planned in the Development. The HOA fees will vary annually based on the adopted budget by the HOA for a particular year. Each neighborhood within the Development will carry its own HOA fee specific to its community.

District Special Assessments

All homeowners residing in the Series 2020 Assessment Area will be subject to the Series 2020 Special Assessments levied in connection with the Series 2020 Bonds. In addition to the Series 2020 Special Assessments, all homeowners will be subject to annual operation and maintenance assessments ("O&M Assessments") levied by the District which are derived from the District's annual budget and are subject to change each year. The

table below illustrates the annual Series 2020 Special Assessments and estimated O&M Assessments at build-out that will be levied by the District for each respective product type within the Series 2020 Assessment Area.

Unit Type	Annual Series 2020 Special Assessment Per Unit (Gross)	Est. Annual O&M Assessment Per Unit at Build-Out (Gross)
Single-Family	\$838	\$541
Age-Restricted Single-Family	405	351

As previously mentioned, one or more of the land purchasers may request that the District issue additional Bonds to fund the portion of the District's Neighborhood CIP located within each respective tract in the Series 2020 Assessment Area. Such Bonds will be secured by special assessments levied on such tract and therefore will overlap with the Series 2020 Special Assessments. Currently, one parcel purchaser, Pulte Homes, has expressed its interest to the District for it to issue Bonds to fund a portion of the District's Neighborhood CIP for all subphases of Parcel 3 of which subphase E-3-b/c is located in the Series 2020 Assessment Area. It is anticipated that such Series of Bonds will be issued in the third quarter of 2020. The information appearing in the chart below provides the estimated annual special assessment debt service levels for Parcel E-3b/c when taking into account the Series 2020 Special Assessments and future special assessments that may be levied in conjunction with the additional Series of Bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2020 BONDS – No Parity Bonds; Limitation on Parity Liens" herein.

Product-Type	Est. Gross Annual Debt Service Assessment Levels
Single-Family 40'	\$1,141
Single-Family 50'	1,325
Single-Family 65'	1,601

Competition

The Master Developer anticipates the primary competition for the residential land uses planned for the District will come from certain active communities along the County Road 210 corridor as well as one in Duval County on Beach Boulevard. However, the District is advantageously situated in closer proximity to the Butler Boulevard employment corridor just north of the District and downtown Jacksonville, providing future residents with convenient access to employment centers relative to its primary competitors. The information appearing below has been obtained from publicly available sources and the District makes no representation as to the accuracy or completeness of such information. Further information regarding the bonds issued by each of these CDDs may be obtained at <http://www.emma.msrb.com>.

Nocatee (Tolomato CDD) is an approximately 14,000-acre mixed-use master planned community located approximately 20 miles south of downtown Jacksonville and 15 miles northwest of historic St. Augustine that is being developed by affiliates of the Master Developer. Nocatee currently has 31 distinct neighborhoods and provides residents with

extensive resort-style amenities including the Splash Water Park featuring adult and children's pools, poolside cabanas, a 377-foot zip line, a lagoon pool, a children's spray ground and the Lazy Tide River for tube floating.

Shearwater (Trout Creek CDD) is an approximately 1,520-acre master planned development situated east of Greenbriar Road, north of County Road 16A and south of County Road 210. Shearwater is being developed by an affiliate of Freehold Communities and is currently planned to include 2,498 residential units and may include up to approximately 27,000 square feet of office space and approximately 225,000 square feet of commercial space. Single-family homes range in size from 1,600 to 5,000 square feet and base prices range from \$240,000 to \$750,000. Current builders include Lennar Homes, LLC, Weekley Homes, LLC, Mastercraft Builder Group, LLC, Richmond American Homes of Florida, LP, D.S. Ware Homes, LLC, Drees Homes of Florida, LLC and Dream Finders Homes, LLC. Amenities are expected to include a 6,400 square foot Kayak Club, 7,800 square foot Fitness Lodge, Aquatics Complex, scenic overlook and kayak launch, and more than 20,000 linear feet of bikeways and recreational trails.

Meadow View at Twin Creeks (Beacon Lakes CDD) is a residential master planned community consisting of approximately 630 acres located within the Twin Creeks Development of Regional Impact. The project is entitled for a maximum of 1,400 single-family residential units. Heartwood 23, LLC, is the developer of Meadow View at Twin Creeks. Meadow View builders include Mattamy Homes and Dream Finders Homes. Home sizes range from 2,000 to 3,500 square feet, with home prices ranging from \$300,000 to \$425,000.

Beachwalk (Twin Creeks North CDD) is being developed as a mixed-use, master planned community consisting of approximately 2,150 acres situated on the north side of County Road 210 and west of US Highway 1. Twin Creeks North, also known as Beachwalk, is located within the Twin Creeks Development of Regional Impact. Twin Creeks Development Associates, LLC, is the developer of the Twin Creeks North development. Current builders include Lennar Homes, AmeriCrest Luxury Homes and Vintage Estate Homes. Home sizes range from 2,000 to 4,000 square feet with home prices ranging from \$300,000 to more than \$1 million.

Tamaya (Beach CDD) is an approximately 781 gross acre mixed-use gated community planned for 2,400 single and multi-family residential units and 300,000 square feet of commercial/retail space. Tamaya is located at the northeastern intersection of Beach Boulevard and Kernan Boulevard. Tamaya offers homes ranging from 1,800 to 4,000 square feet along with Tuscan, Mediterranean and Spanish architectural styles. Home prices start in the mid \$300s. Amenities include a 10,000 square foot amenity center that includes two pools and a cabana. The outdoor recreation areas include tennis courts and an event lawn.

Approvals are currently being sought for the initial phase of a new approximately 1,500-unit master-planned community situated in the Boggy Branch CDD located northwest of the Development at the southeast quadrant of State Road 9B and Butler Boulevard. The developer is a joint venture between affiliates of ICI Homes® and Weekley Homes. Development activities are reportedly scheduled to commence in the second quarter of 2020.

This section does not purport to summarize all of the existing or planned communities in the area of the Development, but rather to provide a description of those that the Master Developer feels may pose primary competition to the Development.

BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds secured by special assessments issued by a public authority or governmental body in the State. Certain of these risks are described in the section above entitled "ENFORCEMENT OF ASSESSMENT COLLECTIONS"; however, certain additional risks are associated with the Series 2020 Bonds offered hereby. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2020 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum including all appendices hereto in its entirety to identify investment considerations relating to the Series 2020 Bonds.

Limited Pledge

The principal security for the payment of the Debt Service Requirements on the Series 2020 Bonds is the timely collection of the Series 2020 Special Assessments. The Series 2020 Special Assessments do not constitute a personal indebtedness of the owners of the land subject thereto but are secured by a lien on such land. There is no assurance that the Landowner or any subsequent landowner will be able to pay the Series 2020 Special Assessments or that they will pay such Series 2020 Special Assessments even though financially able to do so. Neither the Landowner nor any subsequent landowner is a guarantor of payment of any Series 2020 Special Assessment and the recourse for the failure of the Landowner or any subsequent landowner to pay the Series 2020 Special Assessments is limited to the collection proceedings against the land. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein. The District has not granted, and may not grant under State law, a mortgage or security interest in the Series 2020 Project. Furthermore, the District has not pledged the revenues, if any, from the operation of the Series 2020 Project as security for, or a source of payment of, the Series 2020 Bonds. The Series 2020 Bonds are payable solely from, and secured solely by, the Series 2020 Special Assessments. The failure of the Landowner or any subsequent landowner to pay the required Series 2020 Special Assessment on its property will not result in an increase in the amount of Series 2020 Special Assessments other landowners are or would be required to pay.

Concentration of Land Ownership and Bankruptcy Risks

Until further development takes place in the Series 2020 Assessment Area and assessable properties are sold to end users, payment of the Series 2020 Special Assessments is substantially dependent upon their timely payment by the Landowner and the other landowners that have purchased tracts within the Series 2020 Assessment Area. In the event of the institution of bankruptcy or similar proceedings with respect to the Landowner or any other subsequent significant owner of property subject to the Series 2020 Special Assessments, delays and impairment could occur in the payment of the Debt Service Requirements on the Series 2020 Bonds as such bankruptcy could negatively impact the ability of (a) the Landowner or any other landowner being able to pay the Series

2020 Special Assessments, (b) the County to sell tax certificates in relation to such property with respect to the Series 2020 Special Assessments being collected pursuant to the Uniform Method, and (c) the District's ability to enforce collection with respect to the Series 2020 Special Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2020 Bonds, the Trustee and the District upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including during a bankruptcy of the Landowner or any other landowner, the remedies specified by federal, state and local law and in the Indenture and the Series 2020 Bonds, including, without limitation, enforcement of the obligation to pay Series 2020 Special Assessments and the ability of the District to foreclose the lien of the Series 2020 Special Assessments, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2020 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available respecting the Series 2020 Bonds could have a material adverse impact on the interest of the Owners thereof.

Delay and Discretion Regarding Remedies

Beyond legal delays that could result from bankruptcy, the ability of the County to sell tax certificates in regard to delinquent Series 2020 Special Assessments collected pursuant to the Uniform Method will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two years. Similarly, the ability of the District to enforce collection of delinquent Series 2020 Special Assessments collected directly by the District will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the Series 2020 Special Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. If the District should commence a foreclosure action against a landowner for nonpayment of Series 2020 Special Assessments which are not being collected pursuant to the Uniform Method and that are delinquent, such landowners may raise affirmative defenses to such foreclosure action, which although such affirmative defenses would likely be proven to be without merit, could result in delays in completing the foreclosure action.

Limitation on Funds Available to Exercise Remedies

In the event of a default by a landowner in payment of Series 2020 Special Assessments that are not collected pursuant to the Uniform Method, the District is required under the Indenture to fund the costs of foreclosure of such delinquent Series 2020 Special Assessments. It is possible that the District will not have sufficient funds and will be compelled to request the Owners of the Series 2020 Bonds to allow funds on deposit under the Indenture to be used to pay such costs. Under the Internal Revenue Code of 1986, as amended (the "Code"), there are limitations on the amount of Series 2020 Bond proceeds that can be used for such purpose. As a result, there may be insufficient funds for the exercise of remedies.

Determination of Land Value upon Default

The assessment of the benefits to be received by the benefited land within the District as a result of implementation and development of the Series 2020 Project is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. In other words, the value of the land could potentially be ultimately less than the debt secured by the Series 2020 Special Assessments associated with it. To the extent that the realizable or market value of the land benefited by the Series 2020 Project is lower than the assessment of benefits, the ability of the Tax Collector to sell tax certificates relating to such land, or the District to realize sufficient value from a foreclosure action, may be adversely affected. Such adverse effect could render the District unable to collect delinquent Series 2020 Special Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of the Debt Service Requirements on the Series 2020 Bonds.

Landowner Challenge of Assessed Valuation

Florida law provides a procedure whereby a taxpayer may contest a "tax assessment." It is unclear whether this procedure applies to non-ad valorem assessments such as the Series 2020 Special Assessments and there are judicial decisions that support both views. Under the procedure, a taxpayer may bring suit to contest a "tax assessment" if the taxpayer pays the amount of "tax" that the taxpayer admits to owing. Upon the making of such payment, all procedures for the collection of the unpaid taxes are suspended until the suit is resolved. If it is determined that the procedure applies to non-ad valorem assessments such as the Series 2020 Special Assessments, it is possible that such a challenge could result in collection procedures for delinquent Series 2020 Special Assessments being held in abeyance until the challenge is resolved. This would result in a delay in the collection of the Series 2020 Special Assessments which could have a material adverse effect upon the ability of the District to make full or punctual payment of the Debt Service Requirements on the Series 2020 Bonds. If the Series 2020 Special Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold while the challenge is pending with respect to the Series 2020 Special Assessments even if the landowner is not contesting the amount of such assessments.

Failure to Comply with Assessment Proceedings

The District is required to comply with statutory procedures in levying the Series 2020 Special Assessments. Failure of the District to follow these procedures could result in the Series 2020 Special Assessments not being levied or potential future challenges to such levy.

Other Taxes and Assessments

The willingness and/or ability of a landowner within the Series 2020 Assessment Area to pay the Series 2020 Special Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District, such as the City, the Duval County School District and other

special districts could, without the consent of the owners of the land within the Series 2020 Assessment Area, impose additional taxes or assessments on the property within the Series 2020 Assessment Area. County, municipal, school and special district taxes and assessments, including the Series 2020 Special Assessments, and any additional voter-approved ad valorem taxes, are payable at the same time when collected pursuant to the Uniform Method. If a taxpayer does not make complete payment, such taxpayer cannot designate specific line items on the tax bill as deemed paid in full. In such case, the Tax Collector does not accept partial payment. Therefore, any failure by a landowner to pay any one line item, whether or not it is the Series 2020 Special Assessments, would result in such landowner's Series 2020 Special Assessments to not be collected, which could have a significant adverse impact on the District's ability to make full or punctual payment of the Debt Service Requirements on the Series 2020 Bonds.

As referenced herein, the Series 2020 Special Assessments are levied on lands within the Series 2020 Assessment Area that are also subject to O&M Assessments. In addition, lands within the Series 2020 Assessment Area will also be subject to assessments by a homeowner's association. See "THE DEVELOPMENT – Fees and Assessments" herein.

Limited Secondary Market

The Series 2020 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2020 Bonds in the event an Owner thereof determines to solicit purchasers of the Series 2020 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2020 Bonds may be sold. Such price may be lower than that paid by the current Owner of the Series 2020 Bonds, depending on the progress of the Development, existing market conditions and other factors.

Inadequacy of Series 2020 Debt Service Reserve Account

Some of the risk factors described herein, if materialized, could result in a delay in the collection of the Series 2020 Special Assessments or a failure to collect the Series 2020 Special Assessments, but may not affect the timely payment of the Debt Service Requirements on the Series 2020 Bonds because of the Series 2020 Debt Service Reserve Account established by the District for the Series 2020 Bonds. However, the ability of the District to fund deficiencies caused by delinquent or delayed Series 2020 Special Assessments is dependent upon the amount, duration and frequency of such deficiencies or delays. If the District has difficulty in collecting the Series 2020 Special Assessments, the Series 2020 Debt Service Reserve Account could be rapidly depleted and the ability of the District to pay the Debt Service Requirements on the Series 2020 Bonds could be materially adversely affected. Owners should note that although the Indenture contains the Series 2020 Debt Service Reserve Requirement for the Series 2020 Debt Service Reserve Account, and a corresponding obligation on the part of the District to replenish the Series 2020 Debt Service Reserve Account to the Series 2020 Debt Service Reserve Requirement, the District does not have a designated revenue source for replenishing the Series 2020 Debt Service Reserve Account. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2020 Special Assessments in order to provide for the replenishment of the Series 2020 Debt Service Reserve Account.

Moneys on deposit in the Series 2020 Debt Service Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys available in the Series 2020 Debt Service Reserve Account to make up deficiencies or delays in collection of Series 2020 Special Assessments.

Regulatory and Environmental Risks

The Development is subject to comprehensive federal, State and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of planned improvements, both public and private, and construction of the infrastructure in accordance with applicable zoning, land use and environmental regulations. Although all such approvals required to date have been received and any further approvals are anticipated to be received as needed, failure to obtain any such approvals in a timely manner could delay or adversely affect the completion of the Development.

The value of the land within the District, the ability to complete the Series 2020 Project or develop the Development, and the likelihood of timely payment of the Debt Service Requirements on the Series 2020 Bonds could be affected by environmental factors with respect to the lands in the District, such as contamination by hazardous materials. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future whether originating within the District or from surrounding property, and what effect such may have on the development of the lands within the District. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the District.

Economic Conditions

The proposed Development may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Master Developer or the District. Although the Development is anticipated to be developed as described herein, there can be no assurance that such development will occur or be realized in the manner or schedule currently anticipated.

Infectious Viruses and/or Diseases

A novel coronavirus outbreak first identified in 2019 is causing coronavirus disease 2019 ("COVID-19"), which was characterized by the World Health Organization on March 11, 2020, as a pandemic. Responses to COVID-19 have varied at the local, state and national levels. On March 16, 2020, President Donald J. Trump and the Centers for Disease Control and Prevention issued guidance advising individuals to adopt far-reaching social distancing measures, including avoiding gatherings of more than ten people. On March 29, 2020, the President extended such guidance to be in effect until April 30, 2020. On April 1, 2020, Florida Governor Ron DeSantis signed Executive Order Number 20-91 providing that all Florida senior citizens and those with underlying health conditions shall stay at home and take all measures to limit the risk of exposure to COVID-19 and additionally providing all persons in Florida shall limit their movements and personal

interactions outside of their home to only those necessary to obtain or provide essential services or conduct essential activities. Several other states experiencing community outbreak of COVID-19 have also issued similar "Safer at Home" or "Shelter in Place" type orders. Since the pandemic declaration, COVID-19 has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue to negatively affect economic growth and financial markets worldwide, including within Florida. How long this negative impact will last cannot be determined at this time; however, these negative impacts could reduce property values, slow or cease development and sales within the Development and/or otherwise have a negative financial impact on the Master Developer, the Landowner or subsequent landowners. While the foregoing describes certain risks related to the current outbreak of COVID-19, the same risks may be associated with any contagious epidemic or pandemic or disease.

Completion of Series 2020 Project

In the event the District does not have sufficient moneys on hand to complete the Series 2020 Project, there can be no assurance that the District will be able to raise, through the issuance of bonds or otherwise, the moneys necessary to complete the Series 2020 Project. Pursuant to the Indenture, the District will covenant not to issue any other Bonds or other forms of indebtedness secured by the Series 2020 Special Assessments levied against the assessable lands within the District to finance any capital improvement other than the Series 2020 Project financed with the proceeds of the Series 2020 Bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS – No Parity Bonds; Limitation on Parity Liens" for more information.

The Master Developer will agree to fund or cause to be funded the completion of the CIP and will enter into a Completion Agreement with the District as evidence thereof. There can be no assurance that the Master Developer will have sufficient resources to do so. Such obligation of the Master Developer is an unsecured obligation. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS – Completion Agreement," "THE DEVELOPMENT" and "THE MASTER DEVELOPER" herein.

District May Not be Able to Obtain Permits

In connection with a foreclosure of lien of assessments prior to completion of a development, the Circuit Court in and for Lake County, Florida concluded that a community development district had no right, title or interest in any permits and approvals owned by the owner of the parcels so foreclosed. In the event that the District forecloses on the property subject to the lien of the Series 2020 Special Assessments to enforce payment thereof, the District may not have the right, title or interest in the permits and approvals owned by the Master Developer or the Landowner and failure to obtain any such permits or approvals in a timely manner could delay or adversely affect the completion of the Development.

Damage to District from Natural Disasters

The value of the lands subject to the Series 2020 Special Assessments could be adversely affected by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing

development or construction in or near the District, such catastrophic events could potentially render the lands within the District unable to support the construction of the Series 2020 Project. The occurrence of any such events could materially adversely affect the District's ability to collect Series 2020 Special Assessments and pay the Debt Service Requirements on the Series 2020 Bonds. The Series 2020 Bonds are not insured and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

Interest Rate Risk; No Rate Adjustment for Taxability

The interest rate borne by the Series 2020 Bonds is, in general, higher than interest rates borne by other bonds of political subdivisions that do not involve the same degree of risk as investment in the Series 2020 Bonds. These higher interest rates are intended to compensate investors in the Series 2020 Bonds for the risk inherent in the purchase of the Series 2020 Bonds. However, such higher interest rates, in and of themselves, increase the amount of Series 2020 Special Assessments that the District must levy in order to provide for payment of the Debt Service Requirements on the Series 2020 Bonds and, in turn, may increase the burden of landowners within the Series 2020 Assessment Area, thereby possibly increasing the likelihood of non-payment or delinquency in payment of such Series 2020 Special Assessments.

The Indenture does not contain an adjustment of the interest rate on the Series 2020 Bonds in the event of a determination of taxability of the interest thereon. Such a change could occur as a result of the District's failure to comply with tax covenants contained in the Indenture or the Arbitrage Certificate executed by the District upon issuance of the Series 2020 Bonds or due to a change in the United States income tax laws. Should interest on the Series 2020 Bonds become includable in gross income for federal income tax purposes, Owners of the Series 2020 Bonds will be required to pay income taxes on the interest received on such Series 2020 Bonds and related penalties. Because the interest rate on such Series 2020 Bonds will not be adequate to compensate Owners of the Series 2020 Bonds for the income taxes due on such interest, the value of the Series 2020 Bonds may decline. Prospective purchasers of the Series 2020 Bonds should evaluate whether they can own the Series 2020 Bonds in the event that the interest on the Series 2020 Bonds becomes taxable and/or the District is ever determined to not be a political subdivision for purposes of the Code and/or Securities Act.

IRS Examination and Audit Risk

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. In 2016, the IRS concluded its lengthy examination of certain issues of bonds (for purposes of this paragraph, the "Audited Bonds") issued by Village Center Community Development District ("Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local governmental body. Such a conclusion could lead to the further conclusion that the interest

on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015, which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements was closed without change to the tax-exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS letter to Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption. Although the TAMs and the letters to Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to Village Center CDD.

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

It has been reported that the IRS has closed audits of other community development districts in the State with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within five years of the issuance of tax-exempt bonds or their bonds may be determined to be taxable retroactive to the date of issuance. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. Currently, all members of the Board were elected by the Landowner

and none were elected by qualified electors. Although it is impossible to predict whether the IRS will select the Series 2020 Bonds for audit, the District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable State or federal law.

Owners of the Series 2020 Bonds are advised that, if the IRS does audit the Series 2020 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Series 2020 Bonds may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Series 2020 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2020 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2020 Bonds would adversely affect the availability of any secondary market for the Series 2020 Bonds. Should interest on the Series 2020 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2020 Bonds be required to pay income taxes on the interest received on such Series 2020 Bonds and related penalties, but because the interest rate on such Series 2020 Bonds will not be adequate to compensate Owners of the Series 2020 Bonds for the income taxes due on such interest, the value of the Series 2020 Bonds may decline. See also "TAX MATTERS" herein.

Legislative Proposals and State Tax Reform

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 2020 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2020 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2020 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2020 Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been made and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2020 Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for or marketability of the Series 2020 Bonds.

Loss of Exemption from Securities Registration

Since the Series 2020 Bonds have not been, and will not be, registered under the Securities Act, or any state securities laws, pursuant to the exemption for political subdivisions and regardless of any potential IRS determination that the District is not a political subdivision for purposes of the Code, it is possible that federal or state regulatory

authorities could independently determine that the District is not a political subdivision for purposes of federal and state securities laws. Accordingly, the District and purchasers of the Series 2020 Bonds may not be able to rely on the exemption from registration relating to securities issued by political subdivisions. In that event, the Owners of the Series 2020 Bonds would need to ensure that subsequent transfers of the Series 2020 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

Performance of District Professionals

The District has represented to the Underwriter that it has selected its District Manager, District Counsel, District Engineer, Assessment Consultant, Trustee and other professionals with the appropriate due diligence and care. While the foregoing professionals have each represented that they have the requisite experience to accurately and timely perform the duties assigned to them in such roles, the District does not guarantee the performance of such professionals.

No Credit Enhancement

No application for credit enhancement or a rating on the Series 2020 Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining either for the Series 2020 Bonds had application been made.

Mortgage Default and FDIC

In the event a bank forecloses on property in the Series 2020 Assessment Area because of a default on a mortgage with respect thereto and then the bank itself fails, the Federal Deposit Insurance Corporation (the "FDIC"), as receiver, will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Series 2020 Special Assessments. In addition, the District would be required to obtain the consent of the FDIC prior to commencing a foreclosure action on such property for failure to pay Series 2020 Special Assessments.

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ESTIMATED SOURCES AND USES OF BOND PROCEEDS

Source of Funds

Par Amount of Series 2020 Bonds	\$ 7,705,000.00
Total Sources	<u>\$7,705,000.00</u>

Uses of Funds

Deposit to Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c)	\$ 3,164,628.45
Deposit to Series 2020 Acquisition and Construction Subaccount – Sold Parcels	3,968,971.12
Deposit to Series 2020 Debt Service Reserve Account	247,300.43
Costs of Issuance ⁽¹⁾	<u>324,100.00</u>
Total Uses	<u>\$7,705,000.00</u>

⁽¹⁾ Costs of issuance include, without limitation, underwriter's discount, legal fees and other costs associated with the issuance of the Series 2020 Bonds.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the Series 2020 Bonds:

Period Ending November 1st	Principal	Interest	Annual Debt Service
2020	\$ 290,000.00	\$ 204,600.86	\$ 494,600.86
2021	130,000.00	364,487.50	494,487.50
2022	135,000.00	359,417.50	494,417.50
2023	140,000.00	354,152.50	494,152.50
2024	145,000.00	348,692.50	493,692.50
2025	150,000.00	343,037.50	493,037.50
2026	155,000.00	337,187.50	492,187.50
2027	160,000.00	330,445.00	490,445.00
2028	170,000.00	323,485.00	493,485.00
2029	175,000.00	316,090.00	491,090.00
2030	185,000.00	308,477.50	493,477.50
2031	190,000.00	300,430.00	490,430.00
2032	200,000.00	290,930.00	490,930.00
2033	210,000.00	280,930.00	490,930.00
2034	220,000.00	270,430.00	490,430.00
2035	235,000.00	259,430.00	494,430.00
2036	245,000.00	247,680.00	492,680.00
2037	255,000.00	235,430.00	490,430.00
2038	270,000.00	222,680.00	492,680.00
2039	285,000.00	209,180.00	494,180.00
2040	295,000.00	194,930.00	489,930.00
2041	310,000.00	180,180.00	490,180.00
2042	330,000.00	164,060.00	494,060.00
2043	345,000.00	146,900.00	491,900.00
2044	365,000.00	128,960.00	493,960.00
2045	380,000.00	109,980.00	489,980.00
2046	400,000.00	90,220.00	490,220.00
2047	420,000.00	69,420.00	489,420.00
2048	445,000.00	47,580.00	492,580.00
2049	470,000.00	24,440.00	494,440.00
Total	\$7,705,000.00	\$7,063,863.36	\$14,768,863.36

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TAX MATTERS

General

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2020 Bonds in order that interest on the Series 2020 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2020 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2020 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2020 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The District has covenanted in the Indenture with respect to the Series 2020 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2020 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2020 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2020 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2020 Bonds. Prospective purchasers of Series 2020 Bonds should be aware that the ownership of Series 2020 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2020 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by 15% of certain items, including interest on Series 2020 Bonds; (iii) the inclusion of interest on Series 2020 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2020 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2020 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the District, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2020 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2020 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND

CORPORATE BONDOWNERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDOWNERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2020 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2020 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate Owners of Series 2020 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2020 Bonds and proceeds from the sale of Series 2020 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such Owner of Series 2020 Bonds. This withholding generally applies if the Owner of Series 2020 Bonds (i) fails to furnish the payor such Owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such Owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such Owner is not subject to backup withholding. Prospective purchasers of the Series 2020 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters

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 2020 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2020 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2020 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2020 Bonds.

Prospective purchasers of the Series 2020 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2020 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

On February 22, 2016, the Internal Revenue Service ("IRS") issued a notice of proposed rulemaking containing proposed regulations (the "Proposed Regulations") that provide guidance as to the definition of a political subdivision for purposes of the rules for tax-exempt bonds. If adopted, the Proposed Regulations would have affected certain State and local governments that issue tax-exempt bonds, including community development

districts such as the District. However, on July 24, 2017, in response to Executive Order 13789 issued by President Trump (the "Executive Order"), the Secretary of the Treasury (the "Secretary") identified the Proposed Regulations among a list of eight regulations that (i) impose an undue financial burden on U.S. taxpayers; (ii) add undue complexity to the federal tax laws; or (iii) exceed the statutory authority of the IRS. On October 2, 2017, in his Second Report to the President on Identifying and Reducing Tax Regulatory Burdens, the Secretary reported that Treasury and the IRS believe that the Proposed Regulations should be withdrawn in their entirety, and the Treasury Department and the IRS withdrew the Proposed Regulations on October 20, 2017. The Secretary further provided that Treasury and the IRS will continue to study the legal issues relating to political subdivisions and may propose more targeted guidance in the future.

Because the Proposed Regulations have been withdrawn, it is not possible to determine the extent to which all or a portion of the discussion herein regarding the Villages and the Villages TAM (each as defined below) may continue to be applicable in the absence of further guidance from the IRS. Bond Counsel will render its opinion regarding the exclusion from gross income of interest on the Series 2020 Bonds as described below.

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

The Villages TAM, as a private, non-precedential, ruling, binds only the IRS and the Village Center CDD, and only in connection with the Audited Bonds. Moreover, the cited legal basis for the Villages TAM is extremely limited, and, therefore, the value of the Villages TAM as guidance is also limited. Nonetheless, the breadth and force of the language used in the Villages TAM may reflect the disfavor of the IRS toward governmental entities with governing boards elected by landowners, and this position may lead the enforcement branch of the IRS to select bonds of other issuers with landowner-controlled boards for examination.

In July 2016, the IRS closed the examination of the Audited Bonds with no change to their tax-exempt status. Although the audit was closed with no adverse impact on the Audited Bonds, the IRS's motivations and rationale for closing the examination are unknown. The Village Center CDD refunded the Audited Bonds with taxable bonds in 2014.

Unlike the board of the Village Center CDD, the Board of Supervisors of the District is elected by the landowners residing in the District. The Act, which contains the uniform statutory charter for all community development districts and by which the District is governed, delegates to the District certain traditional sovereign powers including, but not limited to, eminent domain, ad valorem taxation and regulatory authority over rates, fees and charges for district facilities. It does not appear from the facts and circumstances that

the District was organized to avoid indefinitely responsibility to a public electorate. On the basis of the foregoing and other factors, Bond Counsel has concluded that under current law the District is a political subdivision for purposes of Section 103 of the Code, notwithstanding that its Board of Supervisors is temporarily elected by landowners. Bond counsel intends to deliver its unqualified approving opinion in the form attached hereto as "APPENDIX D – Form of Opinion of Bond Counsel."

The release of the Villages TAM may cause an increased risk of examination of the Series 2020 Bonds. Owners of the Series 2020 Bonds are advised that if the IRS does audit the Series 2020 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Series 2020 Bonds may have limited rights to participate in such procedure. The Indenture does not provide for any adjustment to the interest rates borne by the Series 2020 Bonds in the event of a change in the tax-exempt status of the Series 2020 Bonds. The commencement of an audit or an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2020 Bonds could adversely impact both liquidity and pricing of the Series 2020 Bonds in the secondary market.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975. The District is not and has not ever been in default as to principal and interest on its bonds or other debt obligations.

VALIDATION

The Series 2020 Bonds are a portion of the Bonds that were validated by a Final Judgment of the Circuit Court of the Fourth Judicial Circuit of Florida, in and for Duval County, entered on October 31, 2018. The period during which an appeal can be taken has expired.

LITIGATION

District

There is no pending or, to the knowledge of the District, any threatened litigation against the District of any nature whatsoever which in any way questions or affects the validity of the Series 2020 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the execution of the Indenture. Neither the creation, organization or existence of the District, nor the title of the present members of the Board has been challenged.

From time to time, the District expects to experience routine litigation and claims incidental to the conduct of its affairs. In the opinion of District Counsel, there are no actions presently pending or threatened, the adverse outcome of which would have a

material adverse effect on the availability of the Pledged Revenues or the ability of the District to pay the Series 2020 Bonds from the Pledged Revenues.

Master Developer

In connection with the issuance of the Series 2020 Bonds, the Master Developer will represent to the District that there is no litigation of any nature now pending or, to the knowledge of the Master Developer, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Master Developer to complete the Development as described herein or materially and adversely affect the ability of the Master Developer to perform its obligations described in this Limited Offering Memorandum.

Landowner

In connection with the issuance of the Series 2020 Bonds, the Landowner will represent to the District that there is no litigation of any nature now pending or, to the knowledge of the Landowner, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Landowner to pay the Series 2020 Special Assessments imposed against the land within the District owned by the Landowner or materially and adversely affect the ability of the Landowner to perform its obligations described in this Limited Offering Memorandum.

CONTINUING DISCLOSURE

In order to comply with the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule"), the District, the Landowner and Governmental Management Services, LLC, as dissemination agent (the "Dissemination Agent") will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement"), the form of which is attached hereto as APPENDIX E. Pursuant to the Disclosure Agreement, the District and the Landowner have each covenanted for the benefit of the Owners of the Series 2020 Bonds to provide to the Dissemination Agent certain financial information and operating data relating to the District, the Development and the Series 2020 Bonds (the "Reports"), and to provide notices of the occurrence of certain enumerated material events. Such covenants by the District and the Landowner shall only apply so long as the Series 2020 Bonds remain Outstanding under the Indenture or so long as the District or the Landowner remains an "obligated person" pursuant to the Rule.

The Reports will be filed by the Dissemination Agent with the Municipal Security Rulemaking Board's Electronic Municipal Markets Access ("EMMA") repository described in the form of the Disclosure Agreement attached hereto as APPENDIX E. The notices of material events will also be filed by the Dissemination Agent with EMMA. The specific nature of the information to be contained in the Reports and the notices of material events are described in APPENDIX E. The Disclosure Agreement will be executed at the time of issuance of the Series 2020 Bonds. With respect to the Series 2020 Bonds, no parties other than the District and the Landowner are obligated to provide, nor are expected to provide, any continuing disclosure information with respect to the Rule. The foregoing covenants have been made in order to assist the Underwriter in complying with the Rule.

The District and the Landowner have previously entered into a continuing disclosure undertaking pursuant to the Rule with respect to the Series 2019 Bonds (the "2019 CDA"). To date, the District has not materially failed to comply with its requirements under the 2019 CDA. As required by the 2019 CDA, the Landowner failed to timely file the Landowner Report (as defined in the 2019 CDA) for the quarter ending September 30, 2019. Such failure to file has since been cured.

UNDERWRITING

The Underwriter will agree, pursuant to a contract to be entered into with the District, subject to certain conditions, to purchase the Series 2020 Bonds from the District at a purchase price of \$7,550,900.00 (representing the par amount of the Series 2020 Bonds of \$7,705,000.00, less an Underwriter's discount of \$154,100.00. See "ESTIMATED SOURCES AND USES OF BOND PROCEEDS" herein. The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the Series 2020 Bonds if any are purchased.

The Underwriter intends to offer the Series 2020 Bonds at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Underwriter may offer and sell the Series 2020 Bonds to certain dealers (including dealers depositing the Series 2020 Bonds into investment trusts) at prices lower than the initial offering prices and such initial offering prices may be changed from time to time by the Underwriter.

LEGAL MATTERS

The Series 2020 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer and the receipt of the opinion of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, as to the validity of the Series 2020 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams P.A., Tallahassee, Florida, for the Master Developer and Landowner by its counsel, Gunster Yoakley & Stewart, P.A., Jacksonville, Florida, for the Trustee by its in-house counsel, and for the Underwriter by its counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida.

AGREEMENT BY THE STATE

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2020 Bonds, that it will not limit or alter the rights of the issuer of such bonds to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

FINANCIAL INFORMATION

The District was established in 2018 and since that time, it has met the requirements necessary under Florida law to prepare audited financial statements for its Fiscal Year which ended on September 30, 2019 (the "2019 Audited Financials"). However, under State law, the 2019 Audited Financials are not required to be completed until nine (9) months following the end of the Fiscal Year. The District is currently in the process of completing the 2019 Audited Financials and will post the same to the EMMA website when completed. See "CONTINUING DISCLOSURE" herein.

EXPERTS AND CONSULTANTS

The references herein to England, Thims & Miller, Inc., as District Engineer have been approved by said firm. The Engineer's Report prepared by such firm has been included as APPENDIX A attached hereto in reliance upon such firm as an expert in engineering. References to and excerpts herein from such Engineer's Report do not purport to be adequate summaries of the CIP or the Series 2020 Project or complete in all respects. Such Engineer's Report is an integral part of this Limited Offering Memorandum and should be read in its entirety for complete information with respect to the subjects discussed therein.

The references herein to Governmental Management Services, LLC, as Assessment Consultant have been approved by said firm. The Methodology Report prepared by such firm has been included as APPENDIX B attached hereto in reliance upon such firm as an expert in developing assessment methodologies. References to and excerpts herein from such Methodology Report do not purport to be adequate summaries of such Methodology Report or complete in all respects. Such Methodology Report is an integral part of this Limited Offering Memorandum and should be read in its entirety for complete information with respect to the subjects discussed therein.

CONTINGENT AND OTHER FEES

The District has retained Bond Counsel, District Counsel, the Assessment Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee, with respect to the authorization, sale, execution and delivery of the Series 2020 Bonds. Except for the payment of fees to District Counsel and the Assessment Consultant, the payment of the fees of the other professionals retained by the District is each contingent upon the issuance of the Series 2020 Bonds.

NO RATING OR CREDIT ENHANCEMENT

No application for credit enhancement or a rating on the Series 2020 Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining either for the Series 2020 Bonds had application been made.

MISCELLANEOUS

Any statements made in this Limited Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Limited Offering Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2020 Bonds.

The information contained in this Limited Offering Memorandum has been compiled from official and other sources deemed to be reliable, and is believed to be correct as of the date of the Limited Offering Memorandum, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The Underwriter listed on the cover page hereof has reviewed the information in this Limited Offering Memorandum in accordance with and as part of its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expression of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum 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 Master Developer, the Landowner or the Development from the date hereof. However, certain parties to the transaction will, on the closing date of the Series 2020 Bonds, deliver certificates to the effect that nothing has come to their attention that would lead them to believe that applicable portions of the Limited Offering Memorandum contain an untrue statement of a material fact or omit to state a material fact that should be included herein for the purpose for which the Limited Offering Memorandum is intended to be used, or that is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading and to the effect that from the date of the Limited Offering Memorandum to the date of closing of the Series 2020 Bonds that there has been no material adverse change in the information provided.

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This Limited Offering Memorandum 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. The appendices hereof are integral parts of this Limited Offering Memorandum and must be read in their entirety together with all foregoing statements.

**CYPRESS BLUFF COMMUNITY
DEVELOPMENT DISTRICT**

By: /s/ Richard T. Ray
Name: Richard T. Ray
Its: Chairman

APPENDIX A
ENGINEER'S REPORT

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**CYPRESS BLUFF
COMMUNITY DEVELOPMENT DISTRICT
SUPPLEMENTAL ENGINEER'S REPORT**

for the

SERIES 2020 CAPITAL IMPROVEMENTS

Prepared for

Board of Supervisors

Cypress Bluff Community Development District

Prepared by

England, Thims & Miller, Inc.
14775 St. Augustine Road
Jacksonville, Florida 32258
904-642-8990

13-102-26

February 25, 2020

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BACKGROUND

The Cypress Bluff Community Development District (CDD) is a ±1,273.9-acre residential development located in Duval County Florida. The authorized land uses within the Cypress Bluff CDD may include conservation and residential development as well as open space and recreational amenities. The full development within the Cypress Bluff CDD boundary will include approximately the number of units listed in Table I.

TABLE I

**CYPRESS BLUFF COMMUNITY
DEVELOPMENT DISTRICT
SUMMARY OF DEVELOPMENT**

TYPE	Estimated Units	Estimated Areas
Residential Development	1,949 units	465.1 acres
Road Rights-of-Way	n/a	153.7 acres
Parks and Recreation	n/a	39.7 acres
Wetland/Open Space, Miscellaneous	n/a	615.4 acres
TOTALS		1,273.9 acres

(Note: Certain land uses may change provided that such changes are consistent with the land use)

The Cypress Bluff Community Development District developed an Improvement Plan dated July 30, 2018 and later revised on September 24, 2019 (Capital Improvement Plan or “CIP”) to allow it to finance and construct certain facilities within and without the CDD boundaries. The Improvement Plan is estimated to cost approximately \$96.7 million consisting of \$28.1 million for master infrastructure improvements (Master CIP) and \$68.6 million for neighborhood infrastructure improvements (Neighborhood CIP). In order to serve the residents of the Cypress Bluff CDD, the CDD plans to design, permit, finance, and/or construct, operate and maintain all or part of certain utility, transportation, landscaping, and recreational facilities within and without the CDD. The CIP has been planned, designed, and permitted to function as one interrelated system of improvements benefiting the lands to be developed within the district.

Proceeds of the 2020 Bonds will be utilized to construct and/or acquire a portion of the Master CIP. That portion of the Master CIP funded with the proceeds of the 2020 Bonds is referred to as the “2020 Project”. The remainder of the Master CIP not funded with proceeds of the 2020 Bonds, have been funded by the 2019 bonds, or will be funded by a future series of Bonds or by E-Town Development (the “Master Developer”). The summary of the Master CIP costs are listed in Table II. A description and basis of costs for each improvement category is included in the body of this report.

TABLE II
SUMMARY OF
MASTER INFRASTRUCTURE COSTS

Improvement Category Description	Estimated Total CDD Cost
E-Town Pkwy/R.G. Skinner Pkwy Utilities, Landscape, Hardscape, Ancillary Infrastructure and Electric	\$15,968,034
Apex Trail Roadway Utilities, LS/HS, and Electric	\$2,978,550
Axium Road Roadway Utilities, LS/HS, and Electric	\$1,430,000
Master Recreational Improvements	\$7,728,000
Total Master Infrastructure Costs	\$28,104,584

Cost estimates contained in this report have been prepared based on the best available information and in some cases without the benefit of final engineering design or environmental permitting. England, Thims & Miller, Inc. believes the enclosed estimates to be accurate based upon the available information, however, actual costs will vary based on planning, final engineering and approvals from regulatory agencies.

MASTER INFRASTRUCTURE IMPROVEMENTS

The majority of the Permits for the Master CIP have been obtained. The delineation of jurisdictional wetlands for all land within the Cypress Bluff CDD has been surveyed, reviewed and approved by the St. Johns River Water Management District (SJRWMD). The SJRWMD has approved an Environmental Resource Permit #126414 to establish the jurisdictional wetlands, impacts, and overall mitigation plan. The U.S. Army Corps of Engineers (USACOE) has issued permit #SAJ-2012-00511. The City of Jacksonville has issued permits for E-Town Parkway/R.G. Skinner Parkway under CDN 8902.000 and CDN 8902.001. The Florida Department of Environmental Protection (FDEP) has issued permits for the water and sewer mains under permit numbers 0159044.644-DSGP and 0011224-771-DWC respectively.

Ongoing design and permitting is occurring for the design modifications, hardscape, and improvements in the Master CIP. There is a reasonable expectation that the permits for the balance of the CDD improvements are obtainable, however, all permits are subject to final engineering and permitting.

E-TOWN PKWY/R.G. SKINNER PKWY IMPROVEMENTS

The Cypress Bluff CDD presently intends to finance and construct transportation facilities within and without the boundaries of the District, consistent with Chapter 190, Florida Statutes. E-Town Parkway/R.G. Skinner Parkway is a collector road that extends the north-south direction through the Cypress Bluff Community Development District boundary. E-Town Parkway extends from the interchange at SR-9B to the R.G. Skinner Parkway at Atlantic Coast High School intersection, with the road name changing from E-Town Parkway to R.G. Skinner Parkway at the intersection just southerly of the R.G. Skinner Parkway at Atlantic Coast High School intersection. There is also a multi-use path along E-Town Parkway/R.G. Skinner Parkway. Roadway construction began early 2018 and was completed late 2019. The roadway Right-of-Way, survey, engineering, permitting, and construction costs of E-Town/R.G. Skinner Roadway were not and will not be funded by the CDD. However, certain infrastructure within and adjacent to the E-Town Parkway/R.G. Skinner Parkway right of way have/may be funded, designed and constructed by the CDD. These improvements included utilities, landscape and irrigation, hardscape and signage, electric and lighting. Additional improvements such as improved hardscape, landscape, and future signalized intersections within and adjacent to the E-Town Parkway/R.G. Skinner Parkway may be funded by the CDD. E-Town Parkway/R.G. Skinner Parkway has been accepted by and is owned and maintained by the City of Jacksonville.

Ancillary Roadway Infrastructure

The roadway right-of-way, survey, engineering, permitting, and construction costs for the primary thoroughfare of E-Town/R.G. Skinner Parkway have been paid for by the Master Developer and were not and will not be funded or reimbursed by the CDD. However, the CDD may fund ancillary roadway infrastructure and modifications to the original road design. This roadway infrastructure may include; turn lanes, road extensions, road widening, and roadway modifications from the original design.

Utilities

The entirety of the Cypress Bluff CDD will be provided with potable water, sanitary sewer, and reuse water services by the Jacksonville Electric Authority (JEA) utility system.

The Cypress Bluff CDD presently intends to finance certain master utility facilities within and adjacent to the District boundary. These facilities included the transmission (trunk) water main and sewer main (forcemain). These mains are located within the right of way of E-Town Parkway/R.G. Skinner Parkway. There are also gravity sewer crossings installed under E-Town Parkway/R.G. Skinner Parkway to serve future neighborhoods that will share pump stations. The reuse transmission (trunk) main also runs along R.G. Skinner Parkway, however, was not and will not be funded by the Cypress Bluff CDD. These improvements are depicted on Exhibit 5, pages 1-3.

To serve the development per the JEA utility service agreement, the construction of a booster pump station was required. The CDD presently intends to finance all or part of this booster pump station, which has been constructed and is pending final JEA acceptance. The master utility

improvements will be designed and constructed in accordance with JEA standards and will be owned and maintained by JEA upon dedication.

Landscape and Irrigation

The CDD presently intends to finance the landscape, sod, planting, berm, irrigation and other decorative features along E-Town Parkway/R.G. Skinner Parkway. The irrigation system may include JEA reuse refill stations that will discharge into stormwater ponds adjacent to E-Town Parkway/R.G. Skinner Parkway and irrigation pump station that will pump from those ponds. The CDD may fund and construct landscape and irrigation costs along the entire length of E-Town Parkway/R.G. Skinner Parkway, including those areas outside of the CDD boundary.

Hardscape and Signage

The CDD presently intends to finance and construct hardscape features within and adjacent to the E-Town Parkway/R.G. Skinner Parkway right of way. Features may include, but are not limited to, signage and entry features, masonry walls, fencing, etc.

Electric and Lighting

The electric distribution system thru the Cypress Bluff CDD is currently planned to be underground. The CDD presently intends to finance the electric conduit, transformer/cabinet pads, and electric manholes required by JEA electric. Electric facilities have been accepted by and are owned and maintained by JEA.

The CDD presently intends to finance the cost to purchase and install the roadway lighting along E-Town Parkway/R.G. Skinner Parkway. These lights have been accepted by and are owned, operated and maintained by the City of Jacksonville.

The total E-Town Pkwy/R.G. Skinner Pkwy Ancillary Roadway Infrastructure, Utilities, Landscape, Hardscape, and Electric Improvements costs is **\$15,968,034**.

APEX TRAIL IMPROVEMENTS

Apex Trail is a collector road that will extend east from the existing southern roundabout on E-Town Pkwy approximately 1,000 feet. Roadway construction began early 2020 and is anticipated to be complete in 2020. The roadway, survey, engineering, permitting, and construction costs of Apex Trail may be funded by the CDD. Once completed, Apex Trail will be owned and maintained by the City of Jacksonville.

Utilities

The Cypress Bluff CDD presently intends to finance and construct certain master utility facilities within Apex Trail. These facilities include the transmission (trunk) water main, sewer main (forcemain), and reuse main. These mains are located within the right of way of Apex Trail. There may also be gravity sewer crossings installed under Apex Trail to serve future development that will share pump stations. These improvements are depicted on Exhibit 5, pages 1-3. The master utility improvements will be designed and constructed in accordance with JEA standards and will be owned and maintained by JEA upon dedication.

Landscape and Irrigation

The CDD presently intends to finance and construct the landscape, sod, planting, berm, irrigation and other decorative features along Apex Trail. The irrigation system may include JEA reuse refill stations that will discharge into stormwater ponds adjacent to Apex Trail and irrigation pump stations that will pump from those ponds.

Hardscape and Signage

The CDD presently intends to finance and construct hardscape features within and adjacent to the Apex Trail right of way. Features may include, but are not limited to, signage and entry features, masonry walls, fencing, etc.

Electric and Lighting

The electric distribution system thru the Cypress Bluff CDD is currently planned to be underground. The CDD presently intends to finance and construct the electric conduit, transformer/cabinet pads, and electric manholes required by JEA electric. Electric facilities will be owned and maintained by JEA after dedication.

The CDD presently intends to finance the cost to purchase and install the roadway lighting along Apex Trail. These lights will be owned, operated and maintained by the City of Jacksonville after dedication.

The total Apex Trail Roadway, Utilities, Landscape, Hardscape, and Electric Improvements costs is **\$2,978,550**.

AXIUM ROAD IMPROVEMENTS

Axium Road is a collector road that will extend from the existing northern roundabout on E-Town Pkwy approximately 2,200 feet. Roadway construction to begin mid 2020 and is anticipated to be complete in 2021. The roadway, survey, engineering, permitting, and construction costs of Axium Road may be funded by the CDD. Once completed, Axium Road will be owned and maintained by the City of Jacksonville.

Utilities

The Cypress Bluff CDD presently intends to finance and construct certain master utility facilities within Axium Road. These facilities include the transmission (trunk) water main, sewer main (forcemain), and reuse main. These mains are located within the right of way of Axium Road. There may also be gravity sewer crossings installed under Axium Road to serve future development that will share pump stations. These improvements are depicted on Exhibit 5, pages 1-3. The master utility improvements will be designed and constructed in accordance with JEA standards and will be owned and maintained by JEA upon dedication.

Landscape and Irrigation

The CDD presently intends to finance and construct the landscape, sod, planting, berm, irrigation and other decorative features along Axium Road. The irrigation system may include JEA reuse refill stations that will discharge into stormwater ponds adjacent to Axium Road and irrigation pump stations that will pump from those ponds.

Hardscape and Signage

The CDD presently intends to finance and construct hardscape features within and adjacent to the Axium Road right of way. Features may include, but are not limited to, signage and entry features, masonry walls, fencing, etc.

Electric and Lighting

The electric distribution system thru the Cypress Bluff CDD is currently planned to be underground. The CDD presently intends to finance and construct the electric conduit, transformer/cabinet pads, and electric manholes required by JEA electric. Electric facilities will be owned and maintained by JEA after dedication.

The CDD presently intends to fund the cost to purchase and install the roadway lighting along Axium Road. These lights will be owned, operated and maintained by the City of Jacksonville after dedication.

The total Axium Roadway, Utilities, Landscape, Hardscape, and Electric Improvements costs is **\$1,430,000**.

MASTER RECREATIONAL IMPROVEMENTS

MASTER AMENITY CENTER

The Cypress Bluff CDD may finance and construct a master amenity center located near the middle of the Cypress Bluff CDD boundary. This amenity center is planned to be the largest within the Cypress Bluff CDD and may serve all the neighborhoods within the CDD. The basic components of this facility may include, but is not limited to:

- ▶ Clubhouse
- ▶ Fitness equipment
- ▶ Tennis Courts
- ▶ Bathrooms and locker area
- ▶ Pool(s)
- ▶ Playground equipment
- ▶ Barbeque grills and picnic tables
- ▶ Parking
- ▶ Landscape, irrigation, hardscape and lighting
- ▶ Dog park
- ▶ Trails
- ▶ Ball fields
- ▶ Soccer fields

Construction has begun on the master amenity center and it is expected to be complete and open to residents in 2020.

The total Master Recreational Improvements costs is **\$7,728,000**.

BASIS OF COST ESTIMATES

The following is the basis for the master infrastructure cost estimates; actual project bid information was used where available:

- Costs utilized for landscaping and signage were obtained from recent historical bids for similar work in this area and are not based on approved plans.
- Signalization may be required as development occurs. Design and construction costs for one signalized intersection have been included.
- Costs for underground electric conduit has been included.
- Costs for roadway lighting have been included.
- Engineering fees are included in the estimate.
- For the purposes of this report, a 15% contingency factor has been included for master infrastructure (except Apex Trail and Axium Road).
- Costs for Apex Trail based on contractor estimates.
- Costs for Axium Road based on FDOT cost per mile estimates for 2-lane collector.
- Cost estimates included in this report have been prepared based upon the best available information. England, Thims & Miller, Inc. believes the enclosed estimates to be accurate based upon best available information, however, actual costs will vary based upon final engineering, planning and approvals from regulatory authorities.

APPENDIX **Description**

Exhibits

- 1 General Location Map
- 2 Legal Description
- 3 Intentionally Excluded
- 4 Existing Future Land Use
- 5 Utility Exhibits
 - a. Master Water Plan
 - b. Master Waste Water Plan
 - c. Master Reuse Water Plan
- 6 District Facilities and Services
- 7 Cost Estimate Sheet


Cypress Bluff Community Development District

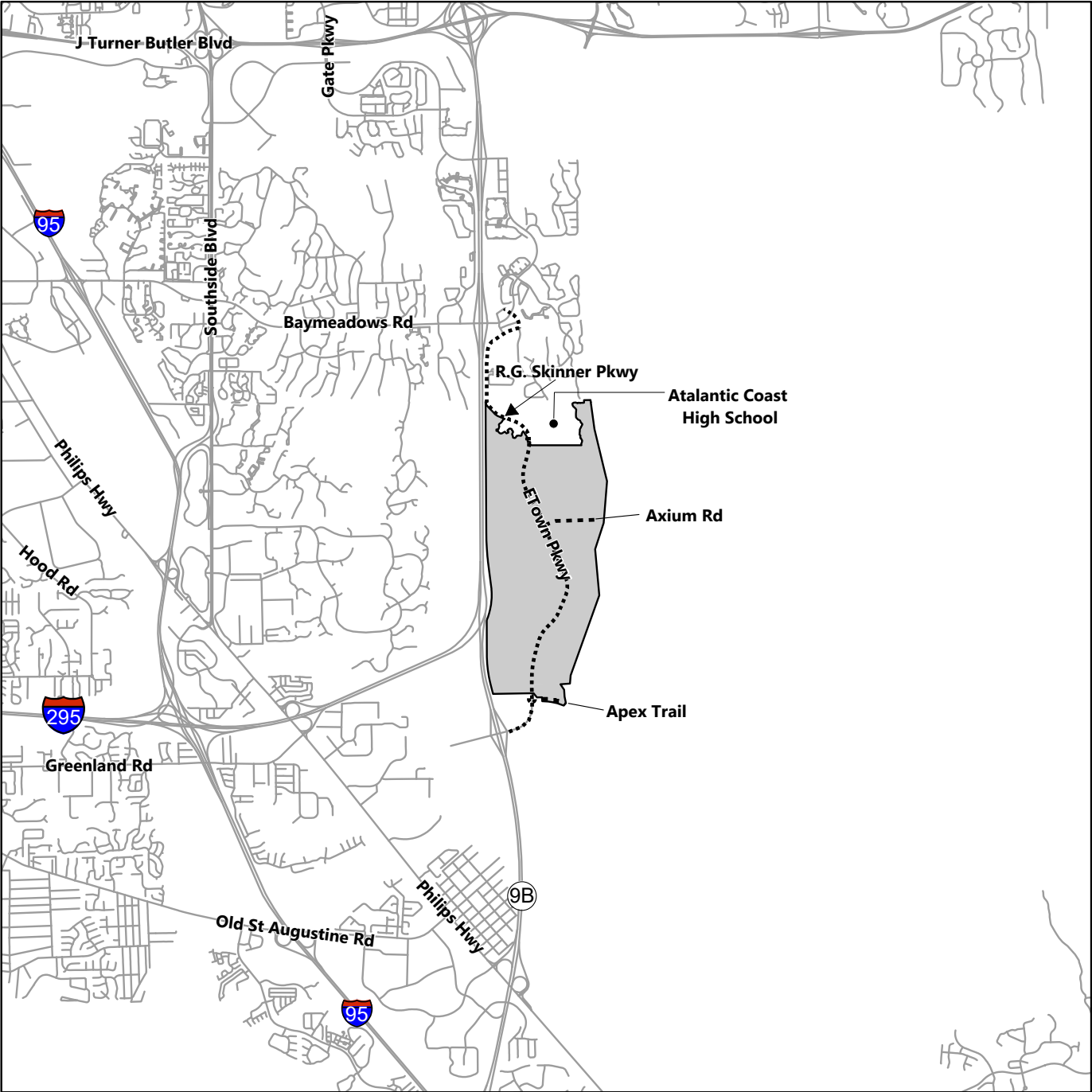
EXHIBIT 1

GENERAL LOCATION

9/24/2019

LEGEND

 Amended Cypress Bluff CDD





VISION • EXPERIENCE • RESULTS

www.etm-inc.com
tel 904-642-8550 • fax 904-642-4165
14775 Old St. Augustine Road • Jacksonville, Florida 32258

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Cypress Bluff CDD Parcel

A portion of Sections 32 and 33, Township 3 South, Range 28 East, together with a portion of Sections 4, 5, 8 and 9, Township 4 South, Range 28 East, Duval County, Florida, being more particularly described as follows:

For a Point of Reference, commence at the Northwest corner of said Section 33; thence North $88^{\circ}37'28''$ East, along the Northerly line of said Section 33, a distance of 1343.30 feet to the Point of Beginning.

From said Point of Beginning, thence continue North $88^{\circ}37'28''$ East, along said Northerly line of Section 33, a distance of 289.49 feet; thence South $07^{\circ}44'34''$ East, departing said Northerly line, 1305.77 feet; thence South $13^{\circ}31'53''$ East, 2389.14 feet; thence South $04^{\circ}33'08''$ West, 1865.63 feet; thence South $18^{\circ}03'25''$ West, 1232.39 feet; thence South $05^{\circ}12'52''$ East, 2061.31 feet; thence South $19^{\circ}40'49''$ West, 3784.88 feet; thence South $04^{\circ}56'56''$ West, 366.20 feet; thence South $89^{\circ}37'47''$ West, 431.01 feet to a point lying on the Westerly line of Conservation Easement 8, as described and recorded in Official Records Book 18267, page 1141, of said current Public Records; thence Southerly along said Westerly line the following 20 courses: Course 1, thence South $12^{\circ}52'42''$ East, 31.45 feet; Course 2, thence South $49^{\circ}04'12''$ East, 34.92 feet; Course 3, thence South $06^{\circ}46'13''$ East, 33.44 feet; Course 4, thence South $75^{\circ}37'16''$ East, 34.45 feet; Course 5, thence South $57^{\circ}37'04''$ East, 24.93 feet; Course 6, thence South $39^{\circ}57'00''$ West, 11.14 feet; Course 7, thence South $07^{\circ}06'04''$ East, 16.65 feet; Course 8, thence South $74^{\circ}33'02''$ East, 26.64 feet; Course 9, thence South $24^{\circ}21'19''$ East, 26.32 feet; Course 10, thence South $30^{\circ}50'16''$ East, 38.32 feet; Course 11, thence South $78^{\circ}17'35''$ East, 35.22 feet; Course 12, thence South $35^{\circ}32'33''$ East, 27.38 feet; Course 13, thence South $48^{\circ}04'33''$ West, 19.58 feet; Course 14, thence South $13^{\circ}39'53''$ West, 32.03 feet; Course 15, thence South $12^{\circ}29'15''$ East, 21.25 feet; Course 16, thence South $15^{\circ}51'38''$ East, 46.12 feet; Course 17, thence South $09^{\circ}40'08''$ West, 21.22 feet; Course 18, thence South $14^{\circ}10'13''$ West, 38.58 feet; Course 19, thence South $01^{\circ}26'03''$ East, 27.93 feet; Course 20, thence South $13^{\circ}24'54''$ West, 42.64 feet; thence South $14^{\circ}34'28''$ East, continuing along said Westerly line and its Southerly prolongation, 58.56 feet; thence South $10^{\circ}02'43''$ East, 64.99 feet; thence South $25^{\circ}30'48''$ East, 45.36 feet; thence South $26^{\circ}09'32''$ West, 28.03 feet; thence South $10^{\circ}12'31''$ East, 38.90 feet; thence South $32^{\circ}26'25''$ East, 36.30 feet; thence South $20^{\circ}30'54''$ East, 37.44 feet; thence South $03^{\circ}57'39''$ East, 56.77 feet; thence South $08^{\circ}18'25''$ East, 58.19 feet; thence South $15^{\circ}39'26''$ West, 33.00 feet; thence

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South 54°46'33" West, 49.02 feet; thence South 48°13'43" West, 50.94 feet; thence South 31°03'31" West, 17.90 feet to a point on a curve concave Southerly having a radius of 2400.00 feet; thence Westerly along the arc of said curve, through a central angle of 23°29'51", an arc length of 984.26 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 78°37'17" West, 977.38 feet; thence South 89°37'47" West, 10.74 feet to a point lying on the Easterly right of way line of ETown Parkway, a variable width right of way as depicted on ETown Parkway Phase 1, recorded in Plat Book 72, pages 76 through 82, of said current Public Records; thence along said Easterly right of way line the following 4 courses: Course 1, thence North 00°22'13" West, 175.00 feet; Course 2, thence South 89°37'47" West, 225.00 feet; Course 3, thence North 45°22'13" West, 212.13 feet; Course 4, thence North 00°22'13" West, 37.30 feet; thence South 88°55'30" West, departing said Easterly right of way line, 1799.90 feet to a point lying on the Easterly limited access right of way line of State Road No. 9B, a 400 foot limited access right of way per Florida Department of Transportation right of way map Section 72002-2513, Financial Project No. 209294-1; thence Northerly along said Easterly limited access right of way line the following 3 courses: Course 1, thence North 14°27'30" West, 403.98 feet to the point of curvature of a curve concave Easterly having a radius of 5529.58 feet; Course 2, thence Northerly along the arc of said curve, through a central angle of 14°09'36", an arc length of 1366.57 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 07°22'42" West, 1363.10 feet; Course 3, thence North 00°17'54" West, 1535.00 feet to a point of intersection with the Easterly limited access right of way line of State Road No. 9A, a variable width limited access right of way per Florida Department of Transportation right of way map Section 72002-2511, Work Program Identification No. 2114883, said point also being on a non-tangent curve concave Westerly having a radius of 3000.00 feet; thence Northerly along said Easterly limited access right of way line the following 4 courses: Course 1, thence Northerly, departing said Easterly limited access right of way line of State Road No. 9B and along the arc of said curve, through a central angle of 29°31'23", an arc length of 1545.82 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 07°27'47" East, 1528.78 feet; Course 2, thence North 07°17'54" West, 984.62 feet to the point of curvature of a curve concave Easterly having a radius of 11600.00 feet; Course 3, thence Northerly along the arc of said curve, through a central angle of 07°00'00", an arc length of 1417.21 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 03°47'54" West, 1416.33 feet; Course 4, thence North 00°17'54" West, 5839.87 feet to its intersection with the Southwesterly right of way line of R.G. Skinner Parkway, a 110 foot right of way as presently established; thence Southeasterly along said Southwesterly right of way line the following 3 courses: Course 1, thence Southerly departing said Easterly limited access right of way line and along the arc of a curve concave Easterly having a radius of 300.00 feet, through a central angle of 43°17'06", an arc length of 226.64 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 21°56'27" East, 221.29 feet; Course 2, thence South 43°35'00" East, 446.83 feet to the point of

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curvature of a curve concave Northeasterly having a radius of 600.00 feet; Course 3, thence Southeasterly along the arc of said curve, through a central angle of $25^{\circ}15'01''$, an arc length of 264.42 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South $56^{\circ}12'31''$ East, 262.29 feet; thence South $68^{\circ}50'01''$ East, continuing along said Southwesterly right of way line, 263.07 feet to a point lying on the boundary line of those lands described and recorded in Official Records Book 14340, page 1809, of the current Public Records of said county; thence Southerly along said boundary line the following 62 courses: Course 1, thence South $56^{\circ}47'19''$ West, departing said Southwesterly right of way line, 34.93 feet; Course 2, thence South $59^{\circ}53'26''$ West, 60.77 feet; Course 3, thence South $28^{\circ}07'37''$ West, 63.38 feet; Course 4, thence South $36^{\circ}12'31''$ West, 52.77 feet; Course 5, thence South $44^{\circ}25'16''$ West, 53.99 feet; Course 6, thence South $60^{\circ}24'13''$ West, 59.40 feet; Course 7, thence South $37^{\circ}46'20''$ West, 47.85 feet; Course 8, thence South $12^{\circ}02'36''$ East, 52.58 feet; Course 9, thence South $13^{\circ}05'33''$ East, 42.42 feet; Course 10, thence South $16^{\circ}44'01''$ West, 33.11 feet; Course 11, thence South $18^{\circ}07'14''$ West, 49.93 feet; Course 12, thence South $23^{\circ}19'42''$ West, 58.13 feet; Course 13, thence North $84^{\circ}25'00''$ West, 84.95 feet; Course 14, thence South $00^{\circ}24'25''$ East, 68.26 feet; Course 15, thence South $81^{\circ}52'44''$ East, 73.42 feet; Course 16, thence South $35^{\circ}00'24''$ East, 50.94 feet; Course 17, thence South $42^{\circ}29'27''$ East, 63.28 feet; Course 18, thence South $72^{\circ}15'25''$ East, 65.91 feet; Course 19, thence North $73^{\circ}27'14''$ East, 68.75 feet; Course 20, thence North $51^{\circ}47'07''$ East, 59.88 feet; Course 21, thence North $65^{\circ}14'07''$ East, 63.44 feet; Course 22, thence South $44^{\circ}57'44''$ East, 51.37 feet; Course 23, thence South $41^{\circ}27'00''$ East, 50.99 feet; Course 24, thence North $68^{\circ}09'16''$ East, 90.76 feet; Course 25, thence North $00^{\circ}26'34''$ West, 52.95 feet; Course 26, thence North $39^{\circ}25'04''$ West, 59.68 feet; Course 27, thence North $46^{\circ}31'57''$ East, 62.01 feet; Course 28, thence North $50^{\circ}00'38''$ East, 57.16 feet; Course 29, thence North $88^{\circ}38'44''$ East, 49.62 feet; Course 30, thence South $67^{\circ}21'23''$ East, 54.16 feet; Course 31, thence South $14^{\circ}50'50''$ East, 56.43 feet; Course 32, thence South $48^{\circ}06'29''$ East, 55.42 feet; Course 33, thence South $04^{\circ}06'11''$ East, 57.55 feet; Course 34, thence South $38^{\circ}52'42''$ West, 48.46 feet; Course 35, thence South $08^{\circ}09'16''$ West, 60.88 feet; Course 36, thence South $29^{\circ}03'41''$ East, 51.97 feet; Course 37, thence South $07^{\circ}41'54''$ East, 90.90 feet; Course 38, thence South $75^{\circ}57'31''$ East, 33.30 feet; Course 39, thence South $80^{\circ}17'39''$ East, 50.60 feet; Course 40, thence North $57^{\circ}17'36''$ East, 58.75 feet; Course 41, thence North $17^{\circ}44'41''$ East, 38.19 feet; Course 42, thence North $41^{\circ}44'07''$ East, 55.91 feet; Course 43, thence South $78^{\circ}01'28''$ East, 36.71 feet; Course 44, thence North $76^{\circ}54'19''$ East, 50.12 feet; Course 45, thence South $78^{\circ}17'09''$ East, 69.51 feet; Course 46, thence North $85^{\circ}04'13''$ East, 33.16 feet; Course 47, thence North $35^{\circ}50'17''$ East, 30.71 feet; Course 48, thence North $05^{\circ}06'56''$ East, 69.39 feet; Course 49, thence North $25^{\circ}14'24''$ East, 59.38 feet; Course 50, thence North $36^{\circ}08'27''$ East, 68.81 feet; Course 51, thence North $42^{\circ}18'11''$ West, 56.04 feet; Course 52, thence North $01^{\circ}48'23''$ East, 43.34 feet; Course 53, thence South $71^{\circ}57'16''$ East, 51.30 feet; Course 54, thence South $45^{\circ}25'16''$ East, 54.76 feet; Course 55, thence South $19^{\circ}52'56''$ West, 39.91 feet; Course 56, thence South $14^{\circ}36'39''$ East, 42.26 feet; Course 57, thence South $40^{\circ}20'23''$ East, 57.10 feet;

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Course 58, thence South 59°04'18" East, 52.23 feet; Course 59, thence South 13°07'44" East, 44.38 feet; Course 60, thence South 24°46'40" East, 56.39 feet; Course 61, thence South 26°06'15" East, 32.51 feet; Course 62, thence South 02°12'11" West, 41.80 feet; thence South 45°09'13" East, departing said boundary line, 35.48 feet to the Northeast corner of those lands described and recorded in Official Records Book 14863, page 469, of said current Public Records; thence North 89°59'26" West, along the Northerly line of said Official Records Book 14863, page 469, a distance of 70.00 feet to the Northwest corner thereof; thence South 00°00'34" West, along the Westerly line of last said lands, 65.00 feet to the Southwest corner thereof; thence South 89°59'26" East, along the Southerly line of said lands, 70.00 feet to the Southeast corner thereof, said corner lying on said Southwesterly right of way line of R.G. Skinner Parkway; thence South 00°00'34" West, along said Southwesterly right of way line, 107.34 feet to a point lying on the Southerly terminus of said R.G. Skinner Parkway; thence South 89°59'26" East, departing said Southwesterly right of way line and along said Southerly terminus, 110.00 feet to a point lying on the Southerly line of said Official Records Book 14340, page 1809; thence Easterly and Northerly along the Southerly and Easterly lines of last said lands the following 62 courses: Course 1, thence South 00°00'34" West, departing said Southerly terminus, 145.55 feet; Course 2, thence South 89°59'26" East, 2280.15 feet; Course 3, thence North 07°41'27" West, 12.17 feet; Course 4, thence North 20°26'25" West, 28.98 feet; Course 5, thence North 06°37'03" East, 35.94 feet; Course 6, thence North 26°09'20" East, 47.24 feet; Course 7, thence North 10°50'26" East, 18.12 feet; Course 8, thence North 19°27'45" East, 19.37 feet; Course 9, thence North 10°56'37" East, 57.23 feet; Course 10, thence North 31°50'19" West, 53.99 feet; Course 11, thence North 25°51'04" West, 36.99 feet; Course 12, thence North 29°13'43" West, 21.65 feet; Course 13, thence North 71°51'12" West, 34.33 feet; Course 14, thence North 04°17'54" East, 38.72 feet; Course 15, thence North 00°16'03" East, 31.09 feet; Course 16, thence North 16°06'04" East, 32.18 feet; Course 17, thence North 20°33'04" West, 21.97 feet; Course 18, thence North 56°02'19" West, 40.42 feet; Course 19, thence North 02°24'10" West, 36.61 feet; Course 20, thence North 02°52'24" East, 35.41 feet; Course 21, thence North 00°06'57" East, 45.28 feet; Course 22, thence North 08°57'28" East, 54.79 feet; Course 23, thence North 06°50'55" West, 38.58 feet; Course 24, thence North 14°46'17" East, 32.02 feet; Course 25, thence North 24°38'30" East, 38.36 feet; Course 26, thence North 21°16'45" East, 42.29 feet; Course 27, thence North 46°41'48" East, 24.93 feet; Course 28, thence North 09°37'57" East, 38.41 feet; Course 29, thence North 40°13'50" East, 35.75 feet; Course 30, thence North 25°36'12" East, 31.37 feet; Course 31, thence North 21°18'20" East, 52.69 feet; Course 32, thence North 30°51'04" West, 51.14 feet; Course 33, thence North 62°04'55" West, 46.62 feet; Course 34, thence North 18°00'39" West, 57.14 feet; Course 35, thence North 25°51'03" West, 51.16 feet; Course 36, thence North 64°02'20" West, 56.18 feet; Course 37, thence North 64°31'59" West, 44.40 feet; Course 38, thence North 45°11'49" West, 58.29 feet; Course 39, thence North 37°43'23" West, 68.80 feet; Course 40, thence North 02°41'36" West, 88.50 feet; Course 41, thence North 02°06'49" West, 73.09 feet; Course 42, thence North 04°53'38" East, 86.05 feet; Course 43,

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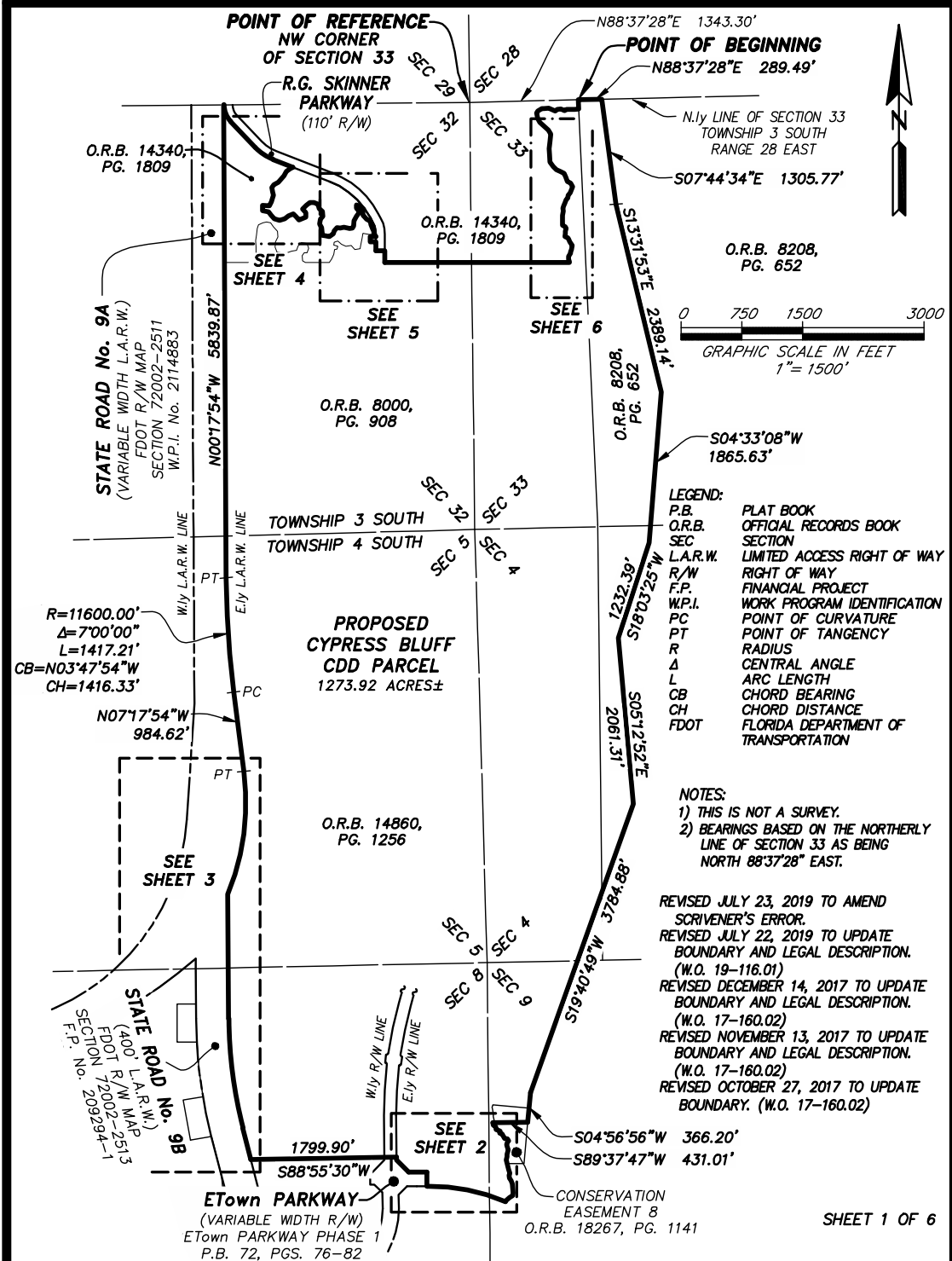
Cypress Bluff CDD Parcel (Continued)

thence North 05°05'30" East, 95.10 feet; Course 44, thence North 28°50'30" West, 58.14 feet; Course 45, thence North 48°55'53" West, 68.30 feet; Course 46, thence North 45°34'57" West, 74.88 feet; Course 47, thence North 29°56'25" West, 51.40 feet; Course 48, thence North 12°05'37" West, 72.07 feet; Course 49, thence North 31°46'26" East, 28.73 feet; Course 50, thence North 62°21'20" East, 59.52 feet; Course 51, thence North 89°26'28" East, 25.20 feet; Course 52, thence North 82°18'54" East, 55.94 feet; Course 53, thence South 65°50'59" East, 41.72 feet; Course 54, thence South 66°19'42" East, 49.58 feet; Course 55, thence North 47°17'56" East, 30.64 feet; Course 56, thence North 84°19'39" East, 48.59 feet; Course 57, thence South 67°19'52" East, 48.05 feet; Course 58, thence North 57°16'24" East, 26.00 feet; Course 59, thence North 89°32'02" East, 47.84 feet; Course 60, thence South 87°36'33" East, 51.75 feet; Course 61, thence North 85°07'24" East, 50.38 feet; Course 62, thence North 01°03'43" West, 115.11 feet to the Point of Beginning.

Containing 1273.92 acres, more or less.

SKETCH TO ACCOMPANY DESCRIPTION OF

A PORTION OF SECTIONS 32 AND 33, TOWNSHIP 3 SOUTH, RANGE 28 EAST,
TOGETHER WITH A PORTION OF SECTIONS 4, 5, 8 AND 9, TOWNSHIP 4 SOUTH,
RANGE 28 EAST, DUVAL COUNTY, FLORIDA,
BEING MORE PARTICULARLY DESCRIBED IN SEPARATE ATTACHMENT.



ETM

Surveying & Mapping, Inc.
VISION • EXPERIENCE • RESULTS

14775 Old St. Augustine Road, Jacksonville, FL 32258
 Tel: (904) 642-8550 Fax: (904) 642-4165
 Certificate of Authorization No.: LB 3624

THIS ITEM HAS BEEN ELECTRONICALLY SIGNED AND SEALED USING A DIGITAL SIGNATURE. PRINTED COPIES OF THIS DOCUMENT ARE NOT CONSIDERED SIGNED AND SEALED AND THE SIGNATURE MUST BE VERIFIED ON ANY ELECTRONIC COPIES.

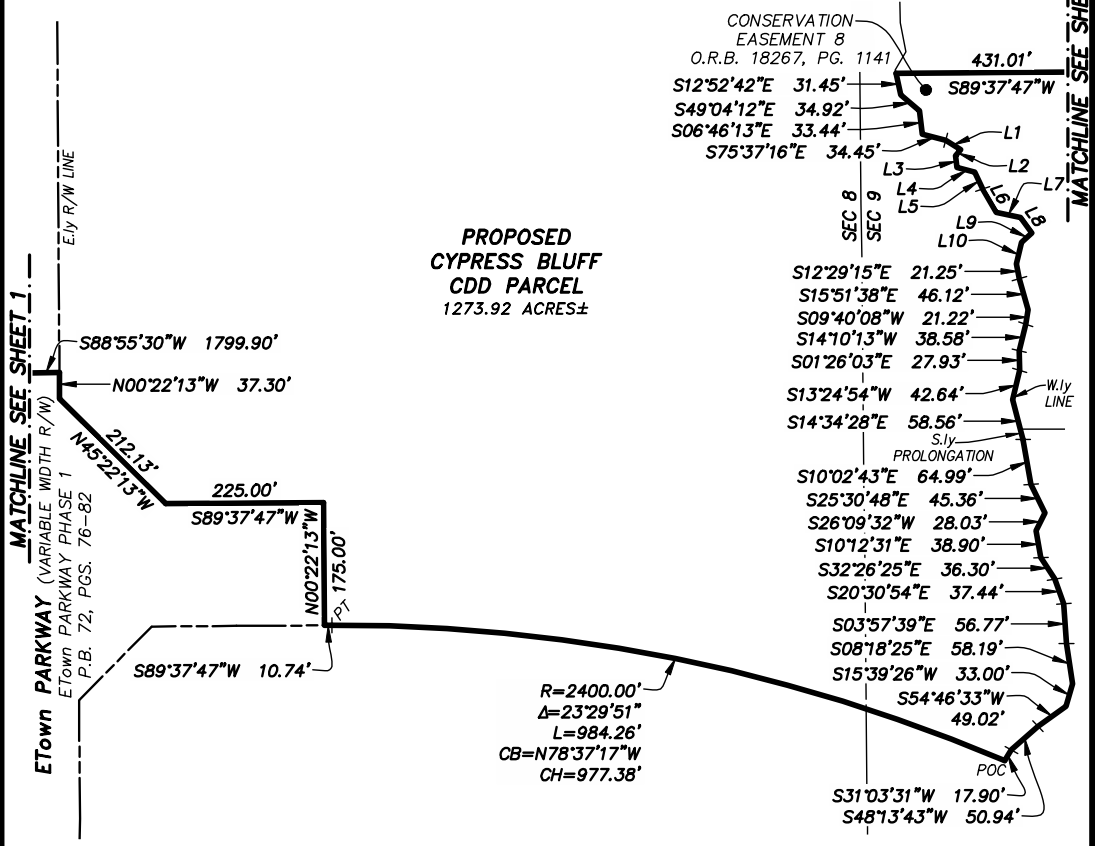


Digital Signature
By: Damon J. Kelly, PSM

SCALE: 1"=1500'
DATE: SEPTEMBER 1, 2017

DAMON J. KELLY
PROFESSIONAL SURVEYOR AND MAPPER
STATE OF FLORIDA LS No. 6284

A PORTION OF SECTIONS 32 AND 33, TOWNSHIP 3 SOUTH, RANGE 28 EAST,
TOGETHER WITH A PORTION OF SECTIONS 4, 5, 8 AND 9, TOWNSHIP 4 SOUTH,
RANGE 28 EAST, DUVAL COUNTY, FLORIDA.



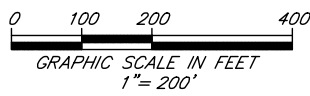
**PROPOSED
CYPRESS BLUFF
CDD PARCEL**
1273.92 ACRES±

- CONSERVATION EASEMENT 8
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- 431.01'
- S12°52'42"E 31.45'
- S49°04'12"E 34.92'
- S06°46'13"E 33.44'
- S75°37'16"E 34.45'
- S89°37'47"W
- L1
- L2
- L3
- L4
- L5
- L6
- L7
- L8
- L9
- L10
- S12°29'15"E 21.25'
- S15°51'38"E 46.12'
- S09°40'08"W 21.22'
- S14°10'13"W 38.58'
- S01°26'03"E 27.93'
- S13°24'54"W 42.64'
- S14°34'28"E 58.56'
- S10°02'43"E 64.99'
- S25°30'48"E 45.36'
- S26°09'32"W 28.03'
- S10°12'31"E 38.90'
- S32°26'25"E 36.30'
- S20°30'54"E 37.44'
- S03°57'39"E 56.77'
- S08°18'25"E 58.19'
- S15°39'26"W 33.00'
- S54°46'33"W 49.02'
- POC
- S31°03'31"W 17.90'
- S48°13'43"W 50.94'

MATCHLINE SEE SHEET 1

MATCHLINE SEE SHEET 1

Etown PARKWAY (VARIABLE WIDTH R/W)
ETown PARKWAY PHASE 1
P.B. 72, PGS. 76-82



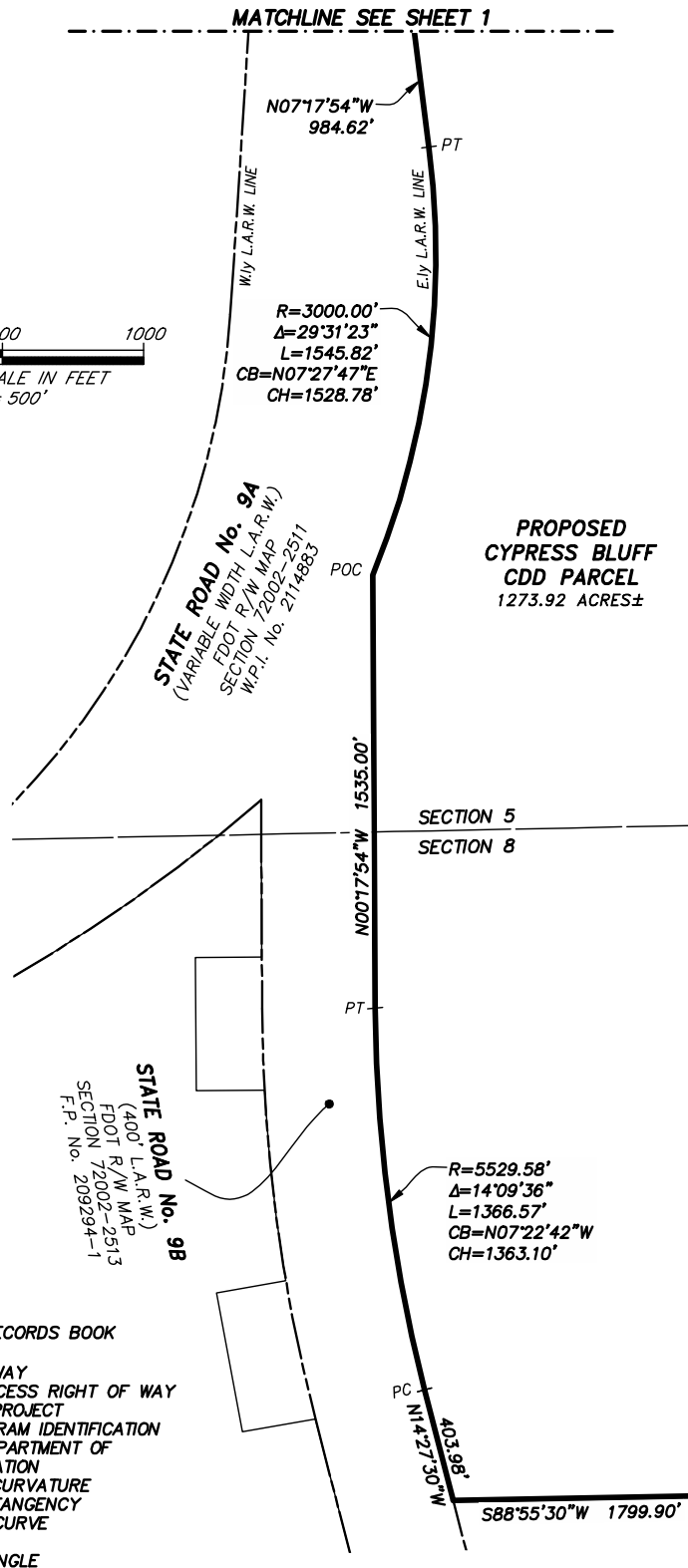
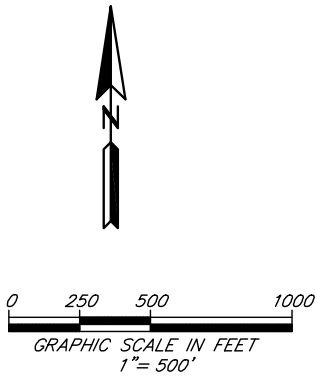
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 - O.R.B. OFFICIAL RECORDS BOOK
 - PG. PAGE
 - L.A.R.W. LIMITED ACCESS RIGHT OF WAY
 - SEC SECTION
 - PC POINT OF CURVATURE
 - PT POINT OF TANGENCY
 - POC POINT ON CURVE
 - R RADIUS
 - Δ CENTRAL ANGLE
 - L ARC LENGTH
 - CB CHORD BEARING
 - CH CHORD DISTANCE
 - L1 TABULATED LINE DATA

LINE TABLE		
LINE	BEARING	LENGTH
L1	S57°37'04"E	24.93'
L2	S39°57'00"W	11.14'
L3	S07°06'04"E	16.65'
L4	S74°33'02"E	26.64'
L5	S24°21'19"E	26.32'
L6	S30°50'16"E	38.32'
L7	S78°17'35"E	35.22'
L8	S35°32'33"E	27.38'
L9	S48°04'33"W	19.58'
L10	S13°39'53"W	32.03'

SHEET 2 OF 6
SEE SHEET 1 FOR NOTES.

PREPARED BY:
ETM SURVEYING & MAPPING, INC.
14775 OLD ST. AUGUSTINE ROAD
JACKSONVILLE, FL 32258 (904) 642-8550
CERTIFICATE OF AUTHORIZATION NO. LB 3624

A PORTION OF SECTIONS 32 AND 33, TOWNSHIP 3 SOUTH, RANGE 28 EAST,
TOGETHER WITH A PORTION OF SECTIONS 4, 5, 8 AND 9, TOWNSHIP 4 SOUTH,
RANGE 28 EAST, DUVAL COUNTY, FLORIDA.

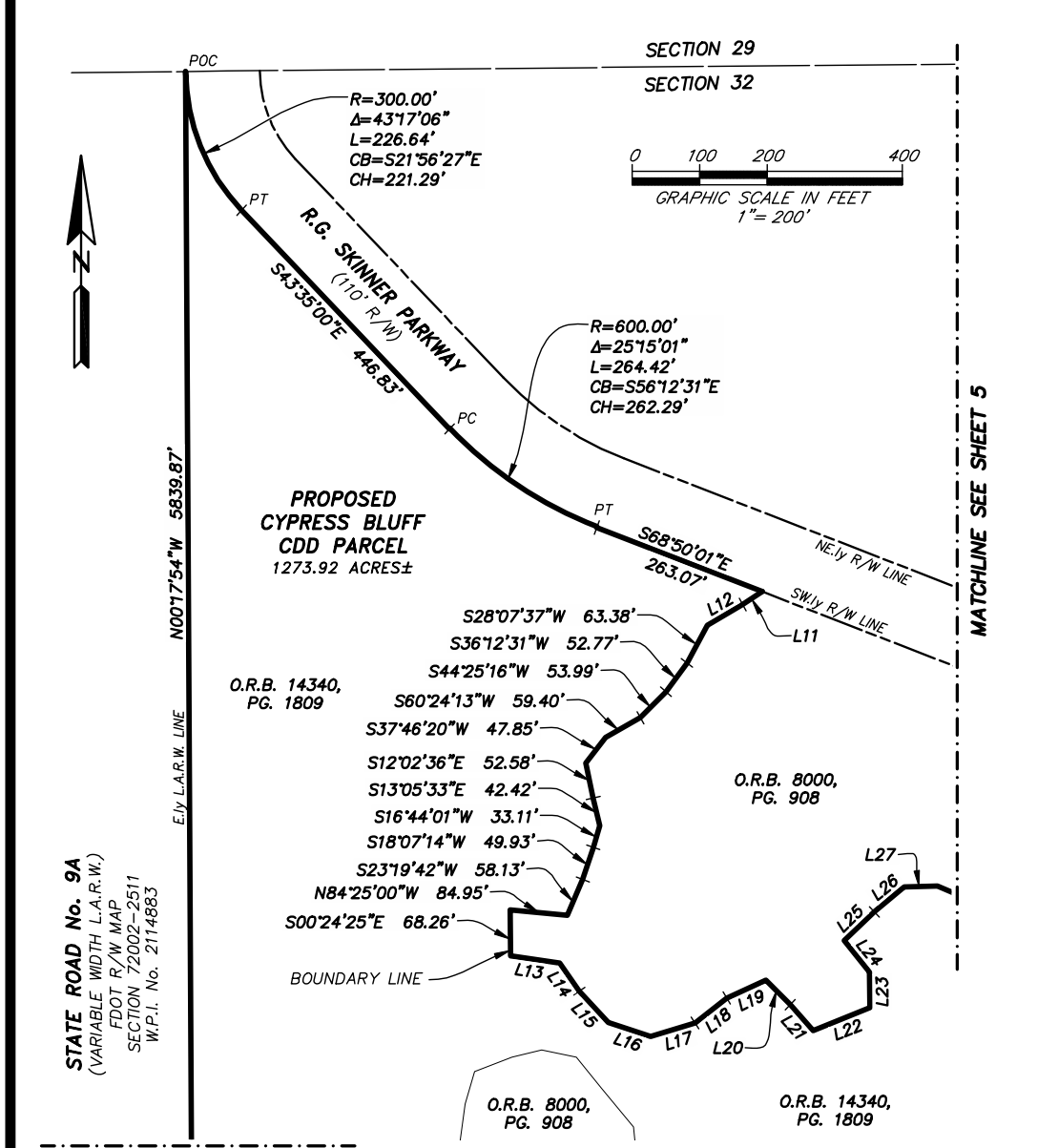


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 - W.P.I. WORK PROGRAM IDENTIFICATION
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 - L ARC LENGTH
 - CB CHORD BEARING
 - CH CHORD DISTANCE

SHEET 3 OF 6
SEE SHEET 1 FOR NOTES.

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RANGE 28 EAST, DUVAL COUNTY, FLORIDA.



MATCHLINE SEE SHEET 1

LINE	BEARING	LENGTH
L11	S56°47'19"W	34.93'
L12	S59°53'26"W	60.77'
L13	S81°52'44"E	73.42'
L14	S35°00'24"E	50.94'
L15	S42°29'27"E	63.28'
L16	S72°15'25"E	65.91'
L17	N73°27'14"E	68.75'
L18	N51°47'07"E	59.88'
L19	N65°14'07"E	63.44'

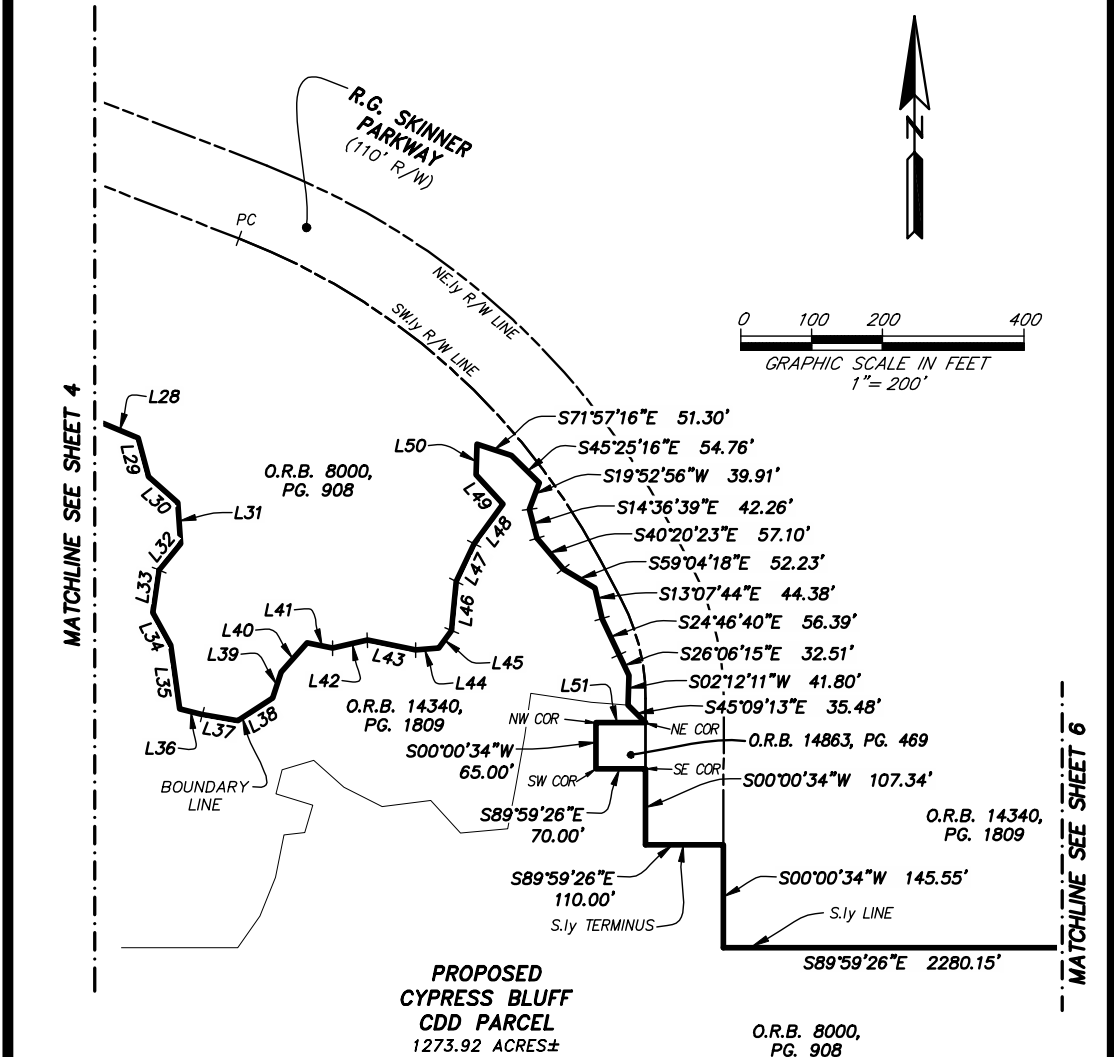
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L21	S41°27'00"E	50.99'
L22	N68°09'16"E	90.76'
L23	N00°26'34"W	52.95'
L24	N39°25'04"W	59.68'
L25	N46°31'57"E	62.01'
L26	N50°00'38"E	57.16'
L27	N88°38'44"E	49.62'

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L1 TABULATED LINE DATA

SHEET 4 OF 6
SEE SHEET 1 FOR NOTES.

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RANGE 28 EAST, DUVAL COUNTY, FLORIDA.



**PROPOSED
CYPRESS BLUFF
CDD PARCEL**
1273.92 ACRES±

O.R.B. 8000,
PG. 908

- LEGEND:**
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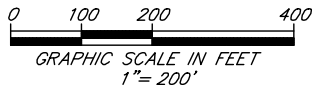
LINE TABLE		
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L28	S67°21'23"E	54.16'
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L30	S48°06'29"E	55.42'
L31	S04°06'11"E	57.55'
L32	S38°52'42"W	48.46'
L33	S08°09'16"W	60.88'
L34	S29°03'41"E	51.97'
L35	S07°41'54"E	90.90'
L36	S75°57'31"E	33.30'
L37	S80°17'39"E	50.60'
L38	N57°17'36"E	58.75'
L39	N17°44'41"E	38.19'

LINE TABLE		
LINE	BEARING	LENGTH
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L41	S78°01'28"E	36.71'
L42	N76°54'19"E	50.12'
L43	S78°17'09"E	69.51'
L44	N85°04'13"E	33.16'
L45	N35°50'17"E	30.71'
L46	N05°06'56"E	69.39'
L47	N25°14'24"E	59.38'
L48	N36°08'27"E	68.81'
L49	N42°18'11"W	56.04'
L50	N01°48'23"E	43.34'
L51	N89°59'26"W	70.00'

SHEET 5 OF 6
SEE SHEET 1 FOR NOTES.

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JACKSONVILLE, FL 32258 (904) 642-8550
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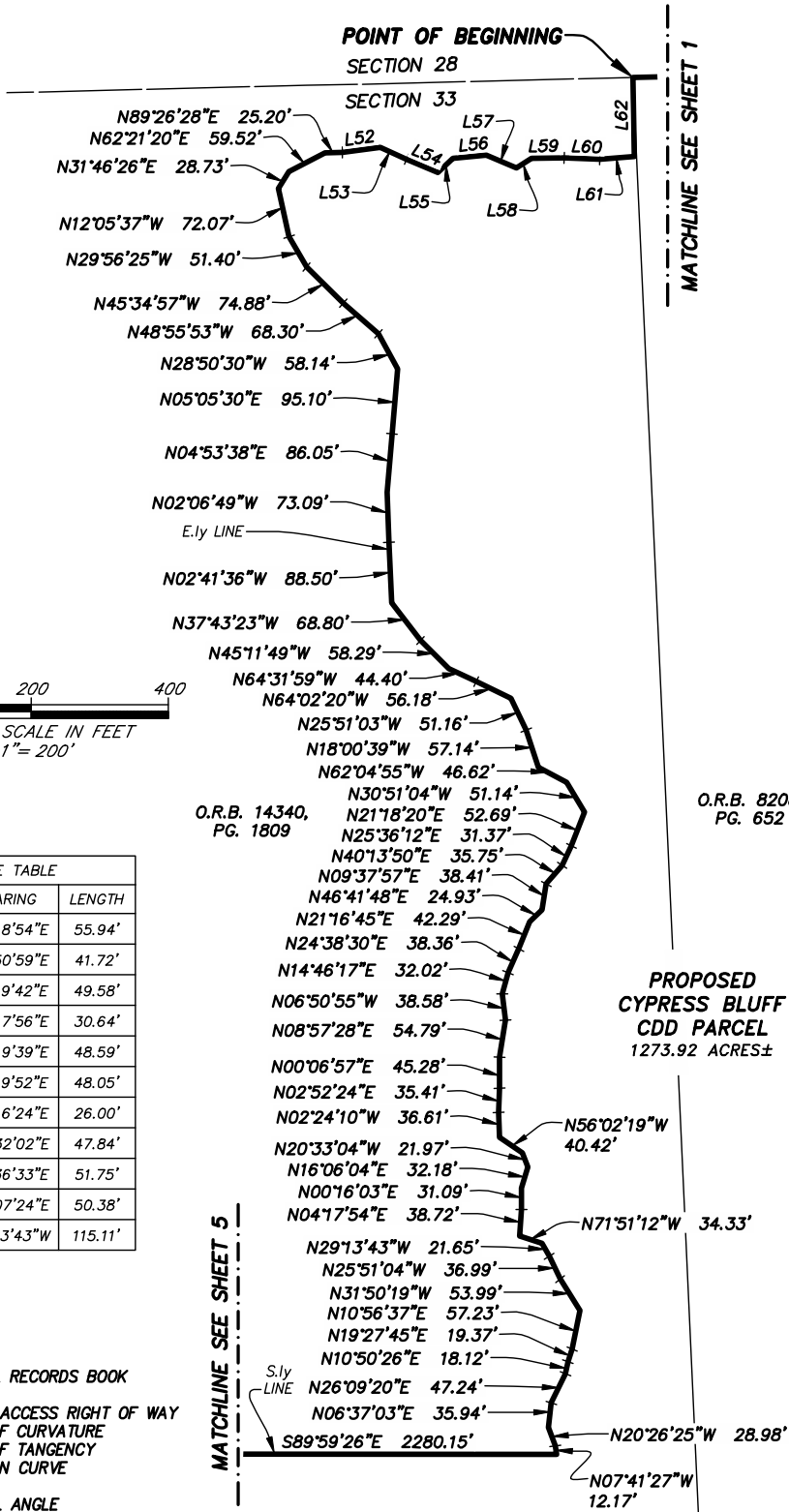
A PORTION OF SECTIONS 32 AND 33, TOWNSHIP 3 SOUTH, RANGE 28 EAST,
TOGETHER WITH A PORTION OF SECTIONS 4, 5, 8 AND 9, TOWNSHIP 4 SOUTH,
RANGE 28 EAST, DUVAL COUNTY, FLORIDA.



LINE TABLE		
LINE	BEARING	LENGTH
L52	N82°18'54"E	55.94'
L53	S65°50'59"E	41.72'
L54	S66°19'42"E	49.58'
L55	N47°17'56"E	30.64'
L56	N84°19'39"E	48.59'
L57	S67°19'52"E	48.05'
L58	N57°16'24"E	26.00'
L59	N89°32'02"E	47.84'
L60	S87°36'33"E	51.75'
L61	N85°07'24"E	50.38'
L62	N01°03'43"W	115.11'

- LEGEND:**
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CB CHORD BEARING
CH CHORD DISTANCE
L1 TABULATED LINE DATA

SHEET 6 OF 6
SEE SHEET 1 FOR NOTES.



O.R.B. 14340,
PG. 1809

O.R.B. 8208,
PG. 652

**PROPOSED
CYPRESS BLUFF
CDD PARCEL**
1273.92 ACRES±

PREPARED BY:
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14775 OLD ST. AUGUSTINE ROAD
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CERTIFICATE OF AUTHORIZATION NO. LB 3624

Cypress Bluff Community Development District

EXHIBIT 4

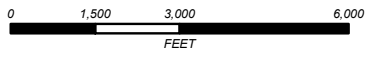
EXISTING/FUTURE LAND USE

9/24/2019

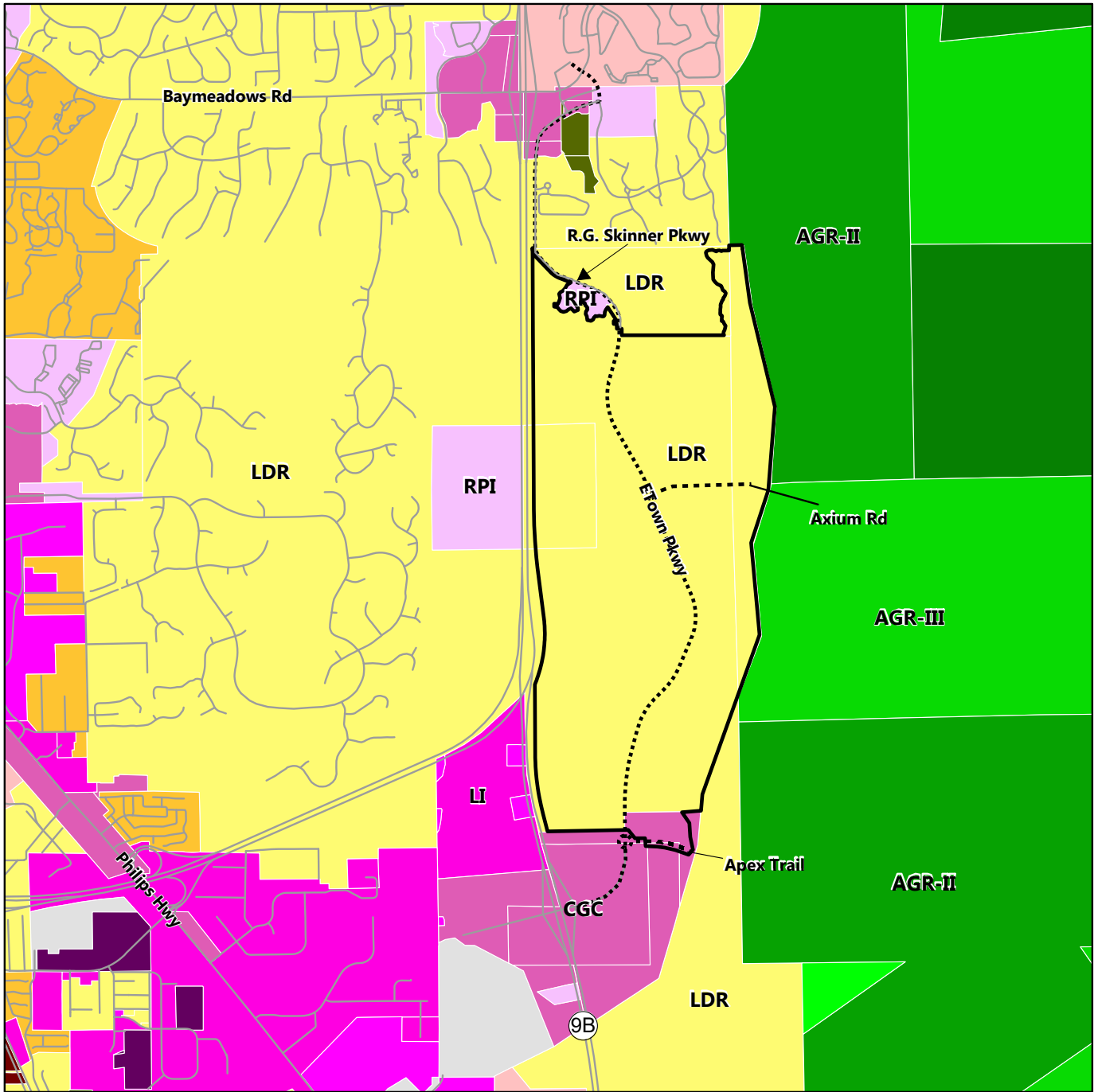
LEGEND



Amended Cypress Bluff CDD

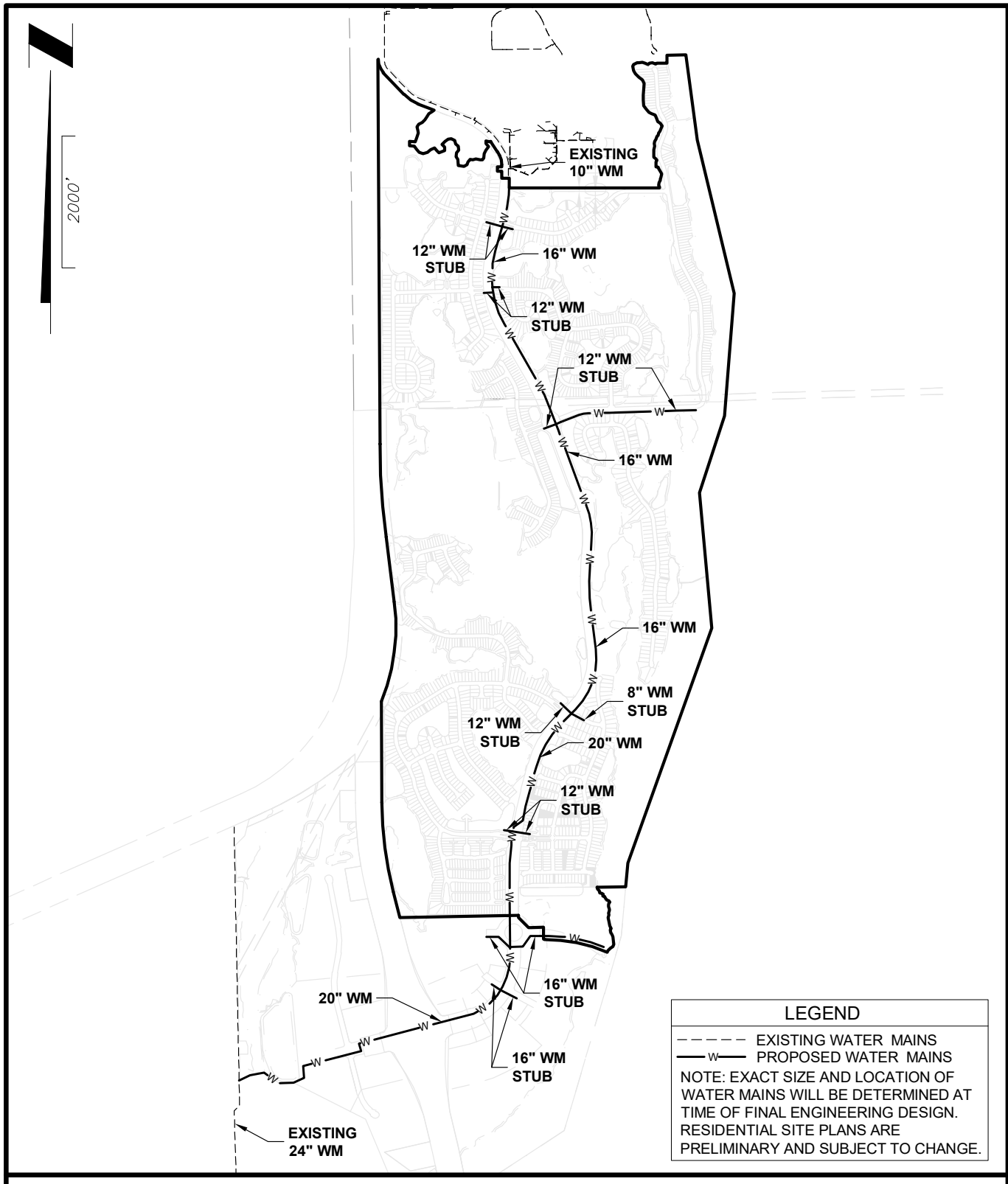


Source: ETM, Duval County



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LEGEND

----- EXISTING WATER MAINS
 —W— PROPOSED WATER MAINS

NOTE: EXACT SIZE AND LOCATION OF WATER MAINS WILL BE DETERMINED AT TIME OF FINAL ENGINEERING DESIGN. RESIDENTIAL SITE PLANS ARE PRELIMINARY AND SUBJECT TO CHANGE.



VISION - EXPERIENCE - RESULTS
ENGLAND - THIMS & MILLER, INC.

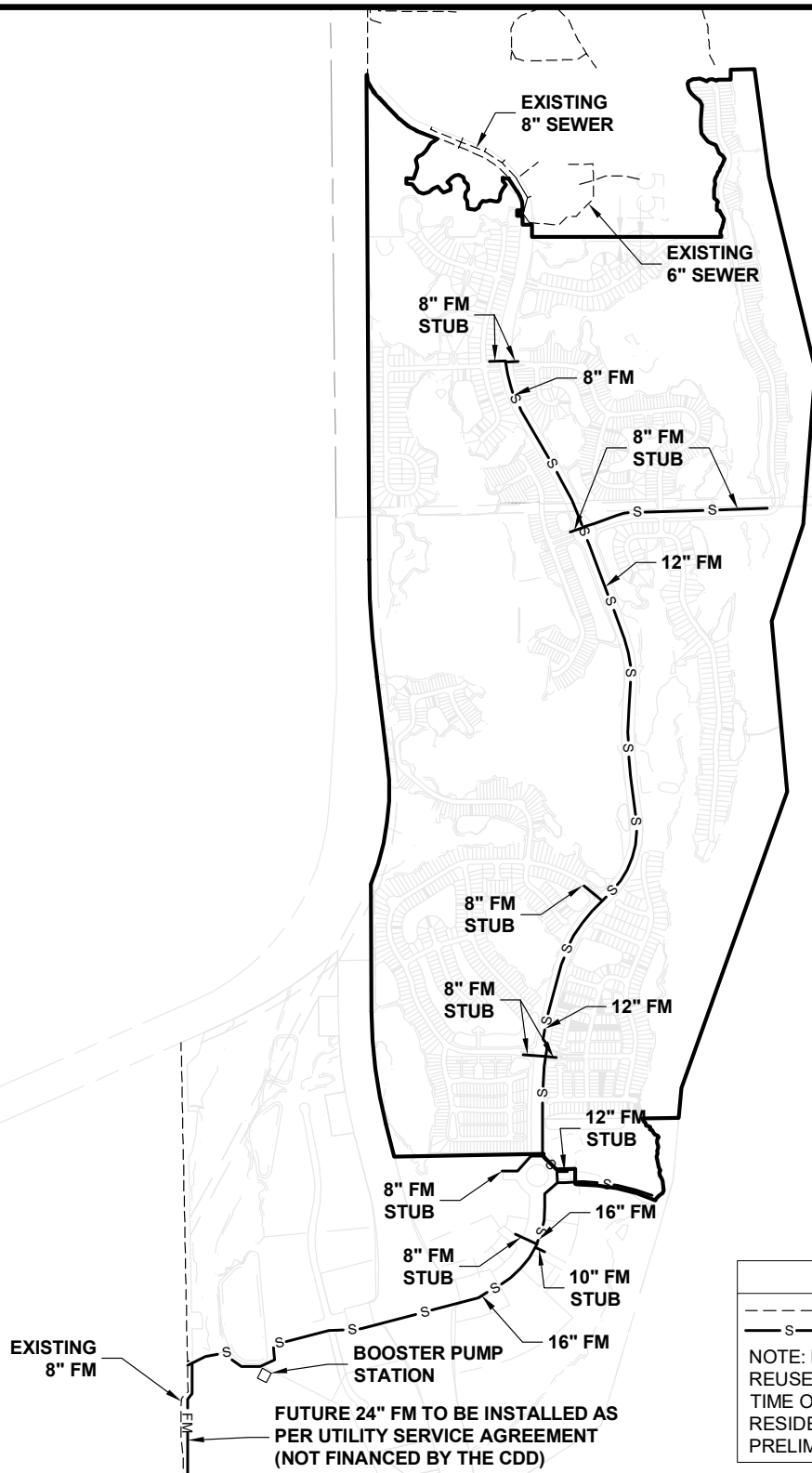
14775 Old St. Augustine Road, Jacksonville, FL 32258
 TEL: (904) 642-8990, FAX: (904) 646-9485
 CA - 00002584 LC - 0000316

EXHIBIT 5 PAGE 1 OF 3

MASTER WATER PLAN CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT



2000'



LEGEND	
-----	EXISTING SEWER MAINS
—s—	PROPOSED SEWER MAINS
NOTE: EXACT SIZE AND LOCATION OF REUSE MAINS WILL BE DETERMINED AT TIME OF FINAL ENGINEERING DESIGN. RESIDENTIAL SITE PLANS ARE PRELIMINARY AND SUBJECT TO CHANGE.	

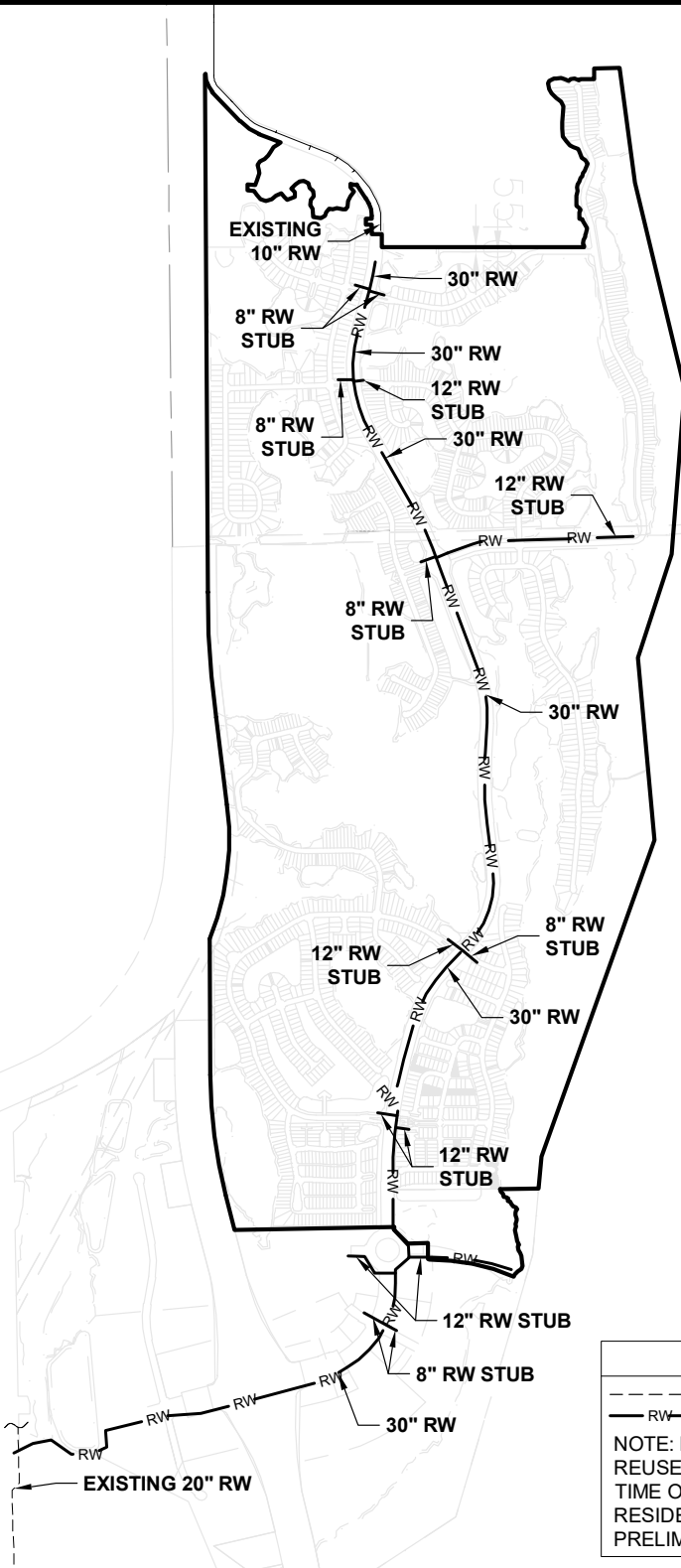


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CA - 00002584 LC - 0000316

EXHIBIT 5 PAGE 2 OF 3

MASTER SANITARY SEWER PLAN CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT



LEGEND	
-----	EXISTING REUSE MAINS
—— RW ——	PROPOSED REUSE MAINS
NOTE: EXACT SIZE AND LOCATION OF REUSE MAINS WILL BE DETERMINED AT TIME OF FINAL ENGINEERING DESIGN. RESIDENTIAL SITE PLANS ARE PRELIMINARY AND SUBJECT TO CHANGE.	



VISION - EXPERIENCE - RESULTS
ENGLAND - THIMS & MILLER, INC.

14775 Old St. Augustine Road, Jacksonville, FL 32258
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CA - 00002584 LC - 0000316

EXHIBIT 5 PAGE 3 OF 3

MASTER REUSE PLAN CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT

EXHIBIT 6
DISTRICT INFRASTRUCTURE IMPROVEMENTS OWNER/MAINTENANCE ENTITY
CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT

Description of Original Boundary Improvements	Construction Entity⁵	Final Owner	Maintenance Entity
E-Town Parkway/R.G. Skinner Parkway Landscape/Irrigation	Developer	COJ/CDD ¹	COJ/CDD ¹
E-Town Parkway/R.G. Skinner Parkway Hardscape/Signage	Developer	COJ/CDD ¹	COJ/CDD ¹
E-Town Parkway/R.G. Skinner Parkway Fencing	Developer	CDD	CDD
E-Town Parkway/R.G. Skinner Electric/Street Lighting	Developer	JEA ⁴	JEA ⁴
Utilities (Water, Sewer, Electrical, Street Lighting)	Developer	JEA	JEA
Stormwater Systems	Developer	CDD	CDD
Roadway Improvements	Developer	COJ/HOA ²	COJ/HOA ^{2,3}
Recreational Improvements	CDD	CDD	CDD
Axium Road Landscape/Irrigation	Developer	COJ/CDD ¹	COJ/CDD ¹
Axium Road Hardscape/Signage	Developer	COJ/CDD ¹	COJ/CDD ¹
Axium Road Electric/Street Lighting	Developer	JEA ⁴	JEA ⁴

Notes:

¹COJ is expected to operate and maintain the right of way infrastructure; CDD may provide enhanced landscape maintenance through an interlocal agreement with the city.

²HOA will be responsible for operation and maintenance of all roadways which COJ will not own (private roads, alleys, etc.) and that are not funded by the CDD.

³HOA may provide enhanced maintenance on COJ owned roads.

⁴Funding for electricity provided by COJ.

⁵It is currently the intention of the CDD to acquire E-Town Parkway landscape, irrigation, hardscape, signage, street lighting, electrical, master utilities, and ponds and for the CDD to construct the master recreational improvements including the amenity center. These plans are subject to change.

COJ = City of Jacksonville

CDD = Community Development District

JEA = Jacksonville Electric Authority

HOA = Home Owners Association

Note: This exhibit identifies the current intentions of the District and is subject to change based upon various factors such as future development plans or market conditions.

**EXHIBIT 7
COST ESTIMATE SHEET
CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT**

ORIGINAL BOUNDARY INFRASTRUCTURE	Total
1. E-Town Parkway/R.G. Skinner Parkway Landscape/Irrigation	\$1,035,000
2. E-Town Parkway/R.G. Skinner Parkway Hardscape/Signage	\$172,500
3. E-Town Parkway/R.G. Skinner Parkway Fencing	\$949,929
4. E-Town Parkway/R.G. Skinner Electric/Street Lighting	\$2,587,500
5. E-Town Parkway/R.G. Skinner Ancillary Infrastructure	\$5,960,000
6. Utilities (Water, Sewer, Electrical, Street Lighting) ^{1,2}	\$4,027,345
7. Recreational Improvements ³	\$7,728,000
8. Engineering, Testing, Planning, CEI, Mobilization, As-builts, Erosion Control, Etc.	\$1,235,761
9. Axiom Roadway, Drainage, Utilities, Electric, and Lighting	\$1,300,000
10. Axiom Road Engineering, Permitting, Planning, CEI, Etc.	\$130,000
TOTAL COSTS	\$25,126,034

1. Includes Transmission (Trunk) Water, Sewer (Force Main), and JEA Electric. Costs include Booster Pump Station and Reuse Pump Stations.

2. Reclaimed water improvements will be funded by JEA pursuant to the Master Utility Agreement.

3. These estimates contemplate the exercise of special powers pursuant to Sections 190.012(2)(a) and 190.012(2)(d), Florida Statutes.

4. Represents anticipated annual outlay of costs based on anticipated construction timeline.

2019 BOUNDARY AMENDMENT ADDITIONAL INFRASTRUCTURE	Total
1. Apex Trail Roadway, Drn., and Water, Sewer Infrastructure (Master)	\$2,530,000
2. Apex Trail Landscape/Irrigation (Master)	\$64,800
3. Apex Trail Electric/Street Lighting (Master)	\$143,750
4. Apex Trail Engineering, Permitting, Planning, CEI, Etc. (Master)	\$240,000
TOTAL COSTS	\$2,978,550

1. These estimates contemplate the exercise of special powers pursuant to Sections 190.012(2)(a) and 190.012(2)(d), Florida Statutes.

2. Represents anticipated annual outlay of costs based on anticipated construction timeline.

Note: This exhibit identifies the current intentions of the District and is subject to change based upon various factors such as future development plans or market conditions.

APPENDIX B
METHODOLOGY REPORT

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Cypress Bluff Community Development District

Master Special Assessment Methodology Report

August 20, 2018

Prepared by

Governmental Management Services, LLC

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1.4	Organization of this Report.....	2
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2.2	The Development Program.....	3
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1.0 Introduction

1.1 Purpose

This report provides a methodology for allocating the proposed debt to be incurred by the Cypress Bluff Community Development District ("Cypress Bluff CDD", "Cypress Bluff" or "District") to properties in the District and for allocating the initial par amount of bonds which could be issued by the District to fund certain infrastructure improvements. The District's debt will fund infrastructure improvements that will allow the development of the property in the District. The methodology allocates this debt to properties based upon the special benefits each receives from the infrastructure program. In this case the property located within the District includes approximately 1,249.7 total acres and 447.5 developable acres located in The City of Jacksonville ("Jacksonville" or "COJ"), Florida. This report is designed to conform to the requirements of Chapters 190 and 170, Florida Statutes with respect to special assessments and is consistent with our understanding of the case law on this subject.

1.2 Scope of the Report

This report presents the master projections for financing the District's capital requirements necessary to provide the community infrastructure improvements (the "Capital Improvement Program", "CIP" or "Improvements") described in the District Engineer's Report developed by England, Thims & Miller, dated 7/30/18 (the "Engineer's Report"). The Report also describes the master apportionment of benefits and special assessments resulting from the provision of improvements to the lands within the District.

1.3 Special Benefits and General Benefits

The Improvements undertaken by the District create special and peculiar benefits to the property, different in kind and degree than general benefits, for properties within its borders as well as general benefits to the public at large.

However, as discussed within this report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits, which accrue to property within the District. The improvements enable properties within the District boundaries to be developed. Without the Improvements, there would be no infrastructure to support development of land within the District. Without these Improvements, state law would prohibit development of property within the District.

There is no doubt that the general public, property owners, and property outside the District will benefit from the provision of the Improvements. However, these are incidental to the Improvement Program, which is designed solely to provide special benefits peculiar to property within the District. Properties outside the District do not depend upon the District's Capital Improvement Program as defined herein to obtain, or to maintain their development entitlements. This fact alone clearly distinguishes the special benefits which District properties receive compared to those lying outside of the District's boundaries. Even though the exact value of the benefits provided by the Improvements is difficult to estimate at this point, it is nevertheless greater than the costs associated with providing same.

1.4 Organization of this Report

Section Two describes the development program as proposed by the Developer.

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

Section Four discusses the financing program for the District.

Section Five introduces the Assessment Methodology.

2.0 Development Program for Cypress Bluff

2.1 Overview

The Cypress Bluff development is designed as a planned residential community, located within Jacksonville, Florida. The proposed land use within the District is consistent with Jacksonville Land Use and Comprehensive Plans.

2.2 The Development Program

The Development will consist of approximately 1,520 single-family residential homes which includes 345 Del Webb Active Adult homes.

3.0 The Capital Improvement Program for Cypress Bluff

3.1 Engineering Report

The Improvements to be funded by the Cypress Bluff CDD are determined by the District Engineer in the Engineer's Report. Only infrastructure that may qualify for bond financing by the District under Chapter 190, Florida Statutes, was included in these estimates.

3.2 Capital Improvement Program

The proposed Improvements to serve the development consist of certain roadway improvements, storm water management facilities, utility improvements, entry features/signage, landscaping/hardscaping improvements, recreation improvements and neighborhood improvements (the "Capital Improvement Program", "CIP" or "Improvements"). The Improvements to, be constructed, will represent a system of improvements that irrespective of certain exceptions described further in Section 5.1 of this Report, will provide benefits to all lands within the District.

At the time of this writing, the total costs of the District's Capital Improvement Program according to the District

Engineer's Report dated 7/30/18 were projected at \$76,104,034 consisting of Master Infrastructure Costs of \$17,736,034 and Neighborhood Infrastructure costs of \$58,368,000. These costs include provisions for contingency, design and permitting.

4.0 Financing Program for Cypress Bluff

4.1 Overview

As noted above, the District is embarking on a program of capital improvements, which will facilitate the development of lands within the District. Construction of certain Improvements may be funded by the Developer and acquired by the District under an agreement between the District and the Developer, or may be funded directly by the District. The structure of financing presented below is preliminary and subject to change.

It is currently contemplated that the District will finance all or a portion of its Improvements with Special Assessment Bonds. The preliminary financing plan for the District anticipates the issuance of Special Assessment Bonds to fund all or a portion of the District's Capital Improvement Program in the principal amount of \$22,460,000 for Master Infrastructure (**Table 3**) and \$73,540,000 for Neighborhood Infrastructure (**Table 4**).

4.2 Types of Special Assessment Bonds Proposed

The Special Assessment Bonds preliminary sizing assumes an issuance date of January 1, 2019. Special Assessment Bonds will be repaid with thirty principal installments commencing on May 1, 2021 with interest paid semiannually every May 1 and November 1 commencing May 1, 2019. Included with the bond funding is a provision for approximately 22 months of capitalized interest, thru November 1, 2020.

As projected in the current master financing plan, in order to finance all or a portion of the District's CIP, the District will need to potentially incur indebtedness in the total amount of

approximately \$22,460,000 for Master Infrastructure and \$73,540,000 for Neighborhood Infrastructure.

The difference between the Bond debt and the CIP is comprised of costs of issuance including underwriter's discount and professional fees associated with debt issuance, capitalized interest costs through 11/1/20, and a debt service reserve equal to the maximum annual debt service.

Preliminary sources and uses of funding are presented in **Tables 3 and 4** in the Appendix.

Please note that the structure of the Special Assessment Bonds is preliminary and may change due to changes in the development program, market conditions, timing of infrastructure installation as well as other reasons. The District maintains complete flexibility as to the structure of the Special Assessment Bonds.

5.0 Assessment Methodology

5.1 Overview

Special Assessment Bonds provide the District with funds to construct and/or acquire the CIP outlined in *Section 3.2*. These Improvements lead to special and general benefits, with special benefits accruing generally to the properties within the boundaries of the District and general benefits accruing to areas outside the District and being only incidental in nature. The debt incurred in financing the Improvements will be paid off by assessing properties that derive special and peculiar benefits from the proposed projects. All properties that receive special benefits from the District's improvement program will be assessed. As detailed in the assignment of debt the Del Webb Active Adult community will not have access to the District Amenity and as such no benefit for Recreation will be assigned to the Del Webb Active Adult lots.

5.2 Assigning Debt

The current development plan for the District projects construction of infrastructure for approximately 1,520 single-family residential homes, which includes 345 Del Webb Active Adult homes, however, the planned unit numbers and land use types may change.

The Improvements provided by the District will include Master Infrastructure Improvements of recreation facilities and utilities, landscape, hardscape and electric to E-Town Parkway/R.G. Skinner Parkway. Neighborhood Infrastructure Improvements will include collector roads, stormwater ponds, neighborhood signage, neighborhood amenity centers, neighborhood parks, sewage pump stations, subdivision roads, clearing, filling, and JEA underground electric.

All residential development within the District will benefit from the **Master Improvements** to E-Town Parkway and R.G. Skinner Parkway, as the Improvements provide basic infrastructure to all residential lands within the District and benefit all residential lands within the District as an integrated system of improvements. Del Webb Active Adult, however, will not benefit from the Master Recreation Improvements as the Active Adult community will not have access to the Master Recreation improvements.

Benefited units for Master Improvements will be based on an equivalent residential unit ("ERU") of 1.0 for each lot within the District, except Del Webb Active Adult will not share in the cost of Master Recreation.

All residential development within the District will benefit from the **Neighborhood Improvements**, as the Improvements provide basic infrastructure to all residential lands within the District and benefit all residential lands within the District as an integrated system of improvements.

Benefited units for Neighborhood Infrastructure will be based on an equivalent residential unit ("ERU") basis as determined for each single family residential unit based on the front footage of the lot. A lot that that has front footage in the range of 50' – 59' (a 50'lot) is utilized as the basis of one ERU. The current development program provides for the following lot size assignments:

SINGLE FAMILY LOT SIZE	ERU VALUE ASSIGNED
40' – 49'	.80
50' – 59'	1.0
60' – 69'	1.2
70' – 79'	1.4
80' – 89'	1.6
90' – 100'	1.8

As the provision of the above listed Improvements by the District will make the lands in the District developable, the land will become more valuable to their owners. The increase in the value of the land provides the logical benefit of Improvements that accrues to the developable parcels within the District.

Initially, the assessments will be levied on all assessable lands within the District based on the approved site plan on an equal acreage basis within each parcel, because at that juncture, every acre benefits equally from the Improvements. As lands are platted the first platted lots will be assigned debt and related assessments based upon the ERU Value of each lot in accordance with **Table 10**.

The debt incurred by the District to fund the Improvements is allocated to the properties receiving special benefits equally, except that Del Webb Active Adult will not receive benefit from Master Recreation and therefore will not be assigned debt assessments related to Master Recreation. The responsibility for the repayment of the District's debt through assessments will ultimately be distributed in proportion to the special benefit peculiar to the land within the District, as it may be classified within each of the land use categories. For the purpose of determining the special benefit accruing to the lands within the District, the proposed Improvement costs have been allocated to each residential lot based on an equivalent residential unit (ERU) of 1.0 for Master Infrastructure and on the basis relative to the front footage of each lot for Neighborhood Infrastructure.

For Master Infrastructure, all lots will be assigned debt related to the cost of utilities, landscape, hardscape and electric

improvements. However, costs for master recreation improvements are not assigned to the Del Webb Active Adult lots as they will not have access to the master amenities.

Neighborhood Infrastructure costs will be assigned only to those neighborhoods receiving direct benefits from the expenditures.

5.3 Lienability Test: Special and Peculiar Benefit to the Property

As first discussed in Section 1.3, Special Benefits and General Benefits, Improvements undertaken by the District create special and peculiar benefits to certain properties within the District. The Improvements benefit properties within the District and accrue to all assessable properties on an ERU basis.

Improvements undertaken by the District can be shown to be creating special and peculiar benefits to the property. The special and peculiar benefits resulting from each Improvement undertaken by the District are:

- a. Roadway and Drainage Improvements result in special and peculiar benefits such as the added use of the property, added enjoyment of the property, and likely increased marketability of the property.
- b. Storm Water Management facilities result in special and peculiar benefits such as the added use of the property, decreased insurance premiums, added enjoyment of the property, and likely increased marketability of the property.
- c. Water/Sewer and Reuse Utility Improvements result in special and peculiar benefits such as the added use of the property, and likely increased marketability and value of the property.
- d. Hardscaping including entry Features / landscaping result in special and peculiar benefits such as the added enjoyment of the property, and likely increased marketability and value of the property.
- e. Recreation improvements result in special and peculiar benefits such as the added enjoyment of the property, and likely increased marketability and value of the property.

These special and peculiar benefits are real and ascertainable, but not yet capable of being calculated and assessed in terms of numerical value, however, each is more valuable than either the cost of, or the actual assessment levied for, the Improvement or debt allocated to the parcel of land.

5.4 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay

A reasonable estimate of the proportion of special and peculiar benefits received from the Improvements is delineated in **Table 5** Master Infrastructure and **Table 6** for Neighborhood Infrastructure (expressed as Allocation of Total Par Debt).

The determination has been made that the duty to pay the non-ad valorem special assessments is fairly and reasonably apportioned because the special and peculiar benefits to the property derived from the acquisition and / or construction of the District's Improvements (and the concomitant responsibility for the payment of the resultant and allocated debt) have been apportioned to the property according to reasonable estimates of the special and peculiar benefits provided consistent with the land use.

Accordingly, no acre or parcel of property within the boundaries of the District will be liened for the payment of any non-ad valorem special assessment more than the determined special benefit peculiar to that property. Further, the debt allocation will not be affected.

In accordance with the benefit allocation in **Table 5**, a Total Par Debt per Unit for Master Infrastructure has been calculated for each single family unit based on an ERU value of 1.0 for each lot, except that Del Webb Active Adult has not been assigned costs for Master Recreation.

In accordance with the benefit allocation in **Table 6**, a Total Par Debt per Unit for Neighborhood Infrastructure has been calculated for each single family unit on the basis relative to the front footage of each lot.

These amounts represents the preliminary anticipated per unit debt allocation assuming all anticipated units are built and sold in the planned development and the entire proposed infrastructure program is developed or acquired and financed by the District. Parcels of the development may be sold which contain various development units. At the time of such parcel sale an assignment of the development units will occur upon which the related debt and assessments will be specified for the parcel.

5.5 True-Up Mechanism

In order to assure that the District's debt will not build up on the unsold acres, and to assure that the requirements that the non-ad valorem special assessments will be constitutionally lienable on the property and will continue to be met, the District shall determine the following:

To assure that there will always be sufficient development potential remaining in the undivided property to assure payment of debt service after a plat or site plan approval, the following test will be applied. The test is that the debt per acre remaining on the unplatted developable land is never allowed to increase above its maximum debt per acre level. Initially, the maximum level of debt per acre is calculated as the total amount of debt for the District's improvement program divided by the number of assessable developable acres in the District for each landowner as detailed in Table 11 and as follows:

Landowner	Developable Acres	Total Debt	Maximum Debt Per Acre
Pulte Del Webb Active Adult	57.2	\$9,999,524	\$174,817
Eastland Timber Active Adult property (not yet closed)	50.9	\$8,898,177	\$174,817
David Weekley Homes	73.0	\$11,876,910	\$162,697
Toll Brothers	137.0	\$22,289,544	\$162,697
Eastland Timber	263.9	\$42,935,844	\$162,697

Once a site plan for the development is completed the acreage will be adjusted to developable acres and the calculation of debt per acre will be adjusted accordingly. Thus if the initial debt level is \$174,817 per acre for Del Webb Active Adult and \$162,697 per acre for all remaining communities, every time a plat or site plan approval is presented, the debt on the land remaining after the plat or site plan approval must remain at or below \$174,817 per acre for Del Webb Active Adult and \$162,697 per acre for all remaining communities. If not, then in order for the Developer to receive a plat or site plan approval from the County, the Developer agrees that the District will require a density reduction payment so that the per acre debt level is not exceeded. The District can consider the abatement of a true-up where the remaining land is reasonably expected that it would be developed in a manner to support the remaining units. The district may rely on a certificate from its engineer to determine whether it will abate a true-up payment.

In summation, and as noted herein, the benefit from the CIP exceeds of special assessments for any given parcel of property, and the special assessments are fairly and reasonably allocated across all benefited properties. In the event the development program is not completed, or otherwise where required by law, the District may be required to reallocate the special assessments.

APPENDIX

**Table 1
Cypress Bluff
Community Development District**

Land Use	Land Size (Gross Acres)	Percent of Total
Residential Single Family		
Del Webb Active Adult	88.1	7%
All Other Remaining Communities	359.4	29%
Amenity / Parks	39.7	12%
Road Right-of-Way	147.1	3%
Wetlands, Open Space, Miscellaneous	615.4	49%
TOTALS	1,249.7	100%

Source: England, Thims & Miller, Inc. Engineers Report June 30, 2018.

(1) Acreage for each land use will be adjusted when a site plan is completed for the District lands.

**Table 2
Cypress Bluff CDD
Master Infrastructure cost estimates**

IMPROVEMENT CATEGORY	TOTAL OPINION OF COSTS
E-Town parkway/R.G. Skinner Parkway Utilities, Landscape, Hardscape and Electric	\$ 10,008,034
Master Recreation Improvements	\$ 7,728,000

TOTAL Master Improvements	\$ 17,736,034
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Neighborhood Infrastructure cost estimates

IMPROVEMENT CATEGORY	TOTAL OPINION OF COSTS
Collector roads, stormwater ponds, neighborhood signage, neighborhood amenity centers, neighborhood parks, sewage pump stations, subdivision roads, clearing, filling, and JEA underground electric.	\$58,368,000

GRAND TOTAL	\$ 76,104,034
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Provided By: England, Thims & Miller, Inc. Engineers report dated 6/30/18.

**Table 3
Cypress Bluff CDD
Master Infrastructure
Financing Estimates (4)**

	<u>Preliminary Bond Sizing</u>
Construction / Acquisition Requirements	\$ 17,736,034
Debt Service Reserve (1)	1,616,850
Capitalized Interest (2)	2,470,600
Cost of Issuance (3)	634,200
Additional Proceeds	<u>2,316</u>
 Total Par	 <u>\$22,460,000</u>

Principal Amortization Installments	30
Anticipated Average Coupon Rate (%)	6.00%
Final Maturity	5/1/2050
Par Amount	\$ 22,460,000
Maximum Annual Debt Service	\$ 1,616,850

- (1) Based on 100% of maximum annual debt service**
- (2) Interest capitalized thru the November 1, 2020 interest payment**
- (3) Includes Underwriter's Discount of 2%.**
- (4) Provided by MBS Capital Markets, LLC.**

**Table 4
Cypress Bluff CDD
Neighborhood Infrastructure
Financing Estimates (4)**

	<u>Preliminary Bond Sizing</u>
Construction / Acquisition Requirements	\$ 73,540,000
Debt Service Reserve (1)	5,288,550
Capitalized Interest (2)	8,089,400
Cost of Issuance (3)	1,790,800
Additional Proceeds	<u>3,250</u>
 Total Par	 <u>\$73,540,000</u>

Principal Amortization Installments	30
Anticipated Average Coupon Rate (%)	6.00%
Final Maturity	5/1/2050
Par Amount	\$ 73,540,000
Maximum Annual Debt Service	\$ 5,288,550

- (5) Based on 100% of maximum annual debt service
- (6) Interest capitalized thru the November 1, 2020 interest payment
- (7) Includes Underwriter's Discount of 2%.
- (8) Provided by MBS Capital Markets, LLC.

TABLE 5
Cypress Bluff CDD
Development Program
Master Infrastructure Benefit

<u>Financing Mechanisms</u>	<u>Del Webb</u> <u>Active Adult</u>	<u>Other Single</u> <u>Family</u> <u>Residential</u>	<u>Total</u> <u>Value/Amount</u>
Recreation Infrastructure		\$9,786,341	\$9,786,341 (1)
Other Infrastructure - Utilities, Landscape, Hardscape and Electric	\$2,876,587	\$9,797,072	\$12,673,659 (2)
Total - 2018	\$2,876,587	\$19,583,413	\$22,460,000

(1) Master Recreation Infrastructure costs do not apply to Del Webb active adult as they do not have access to the master amenities.

(2) Applies to all units based on ERU values.

<u>Land Use :</u>	<u>Number of</u> <u>Units</u>	<u>ERU</u> <u>Factor</u>	<u>Total</u> <u>ERU's</u>	<u>Total</u> <u>Recreation</u> <u>Benefit</u>	<u>Recreation</u> <u>Benefit</u> <u>Per ERU</u>	<u>Total</u> <u>Other</u> <u>Benefit</u>	<u>Other</u> <u>Benefit</u> <u>Per ERU</u>	<u>Total</u> <u>Master</u> <u>Benefit</u>	<u>Master</u> <u>Benefit</u> <u>Per ERU</u>
Del Webb Active Adult									
40' - 49' SF	79	1.00	79			\$ 658,697	8,338	\$ 658,697	\$ 8,338
50' - 59- SF	199	1.00	199			\$ 1,659,249	8,338	\$ 1,659,249	\$ 8,338
60' - 69' SF	67	1.00	67			\$ 558,642	8,338	\$ 558,642	\$ 8,338
70' - 79' SF		1.00	-			\$ -	8,338	\$ -	\$ 8,338
80' - 89' SF		1.00	-			\$ -	8,338	\$ -	\$ 8,338
Total	<u>345</u>		<u>345</u>			<u>\$ 2,876,587</u>		<u>\$ 2,876,587</u>	
Remaining Single Family									
40' - 49' SF	423	1.00	423	\$ 3,523,083	\$ 8,329	\$ 3,526,946	8,338	\$ 7,050,029	\$ 16,667
50' - 59- SF	318	1.00	318	\$ 2,648,559	\$ 8,329	\$ 2,651,463	8,338	\$ 5,300,022	\$ 16,667
60' - 69' SF	302	1.00	302	\$ 2,515,298	\$ 8,329	\$ 2,518,056	8,338	\$ 5,033,354	\$ 16,667
70' - 79' SF		1.00	-	\$ -	\$ 8,329	\$ -	8,338	\$ -	\$ 16,667
80' - 89' SF	132	1.00	132	\$ 1,099,402	\$ 8,329	\$ 1,100,607	8,338	\$ 2,200,009	\$ 16,667
Total	<u>1,175</u>		<u>1,175</u>	<u>\$ 9,786,341</u>		<u>\$ 9,797,072</u>		<u>\$ 19,583,413</u>	
GRAND TOTALS	<u>1,520</u>		<u>1,520</u>	<u>9,786,341</u>		<u>12,673,659</u>		<u>22,460,000</u>	

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TABLE 6
Cypress Bluff CDD
Development Program
Neighborhood Infrastructure Benefit

<u>Financing Mechanisms</u>	<u>Del Webb</u> <u>Active Adult</u>	<u>Other Single</u> <u>Family</u> <u>Residential</u>	<u>Total Value/Amount</u>
Series 2018 Neighborhood Infrastructure Bonds	\$16,021,114	\$57,518,886	\$73,540,000 (1)
Total - 2018	\$16,021,114	\$57,518,886	\$73,540,000

(2) Applies to all units based on ERU values.

Land Use :	Number of Units	ERU Factor	Total ERU's	Total Neighborhood Benefit	Neighborhood Benefit Per ERU
Del Webb Active Adult					
40' - 49' SF	79	0.80	63	\$ 2,955,442	\$ 37,411
50' - 59- SF	199	1.00	199	\$ 9,305,901	\$ 46,763
60' - 69' SF	67	1.20	80	\$ 3,759,771	\$ 56,116
70' - 79' SF		1.40	-	\$ -	\$ 65,469
80' - 89' SF		1.60	-	\$ -	\$ 74,821
Total	345		343	16,021,114	
Remaining Single Family					
40' - 49' SF	423	0.80	338	\$ 15,824,708	\$ 37,411
50' - 59- SF	318	1.00	318	\$ 14,870,736	\$ 46,763
60' - 69' SF	302	1.20	362	\$ 16,947,028	\$ 56,116
70' - 79' SF		1.40	-	\$ -	\$ 65,469
80' - 89' SF	132	1.60	211	\$ 9,876,414	\$ 74,821
Total	1,175		1,230	\$ 57,518,886	
GRAND TOTALS	1,520		1,573	73,540,000	

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TABLE 7
Cypress Bluff CDD
Development Program
Combined Infrastructure Benefit

<u>Financing Mechanisms</u>	<u>Del Webb Active Adult</u>	<u>Other Single Family Residential</u>	<u>Total Value/Amount</u>
Series 2018 Master Infrastructure Bonds	\$ 2,876,587	\$ 19,583,413	\$ 22,460,000
Series 2018 Neighborhood Infrastructure Bonds	\$ 16,021,114	\$ 57,518,886	\$ 73,540,000
Total - 2018	\$18,897,701	\$77,102,299	\$96,000,000

<u>Land Use :</u>	<u>Number of Units</u>	<u>Master Infrastructure Benefit Per Unit</u>	<u>Neighborhood Infrastructure Benefit Per Unit</u>	<u>Grand Total Benefit Per Unit</u>
Del Webb Active Adult				
40' - 49' SF	79	\$ 8,338	\$ 37,411	\$ 45,749
50' - 59- SF	199	\$ 8,338	\$ 46,763	\$ 55,101
60' - 69' SF	67	\$ 8,338	\$ 56,116	\$ 64,454
70' - 79' SF		\$ 8,338	\$ 65,469	\$ 73,807
80' - 89' SF		\$ 8,338	\$ 74,821	\$ 83,159
Total	345			
Remaining Single Family				
40' - 49' SF	423	\$ 16,667	\$ 37,411	\$ 54,077
50' - 59- SF	318	\$ 16,667	\$ 46,763	\$ 63,430
60' - 69' SF	302	\$ 16,667	\$ 56,116	\$ 72,783
70' - 79' SF		\$ 16,667	\$ 65,469	\$ 82,135
80' - 89' SF	132	\$ 16,667	\$ 74,821	\$ 91,488
Total	1,175			
GRAND TOTALS	1,520			

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TABLE 8
Cypress Bluff CDD
Development Program
Master Infrastructure Assessments

Land Use :	Number of Units	Par Debt Per Unit	Total Par Debt	Net Assessment Per Unit	Gross Assessment Per Unit	Net Total Annual Assessment	Gross Total Annual Assessment
Del Webb Active Adult							
40' - 49' SF	79	\$ 8,338	\$ 658,697	\$ 600	\$ 649	\$ 47,418	\$ 51,263
50' - 59- SF	199	\$ 8,338	\$ 1,659,249	\$ 600	\$ 649	\$ 119,446	\$ 129,131
60' - 69' SF	67	\$ 8,338	\$ 558,642	\$ 600	\$ 649	\$ 40,215	\$ 43,476
70' - 79' SF		\$ 8,338	\$ -	\$ 600	\$ 649	\$ -	\$ -
80' - 89' SF		\$ 8,338	\$ -	\$ 600	\$ 649	\$ -	\$ -
Total	<u>345</u>		<u>\$ 2,876,587</u>			<u>\$ 207,080</u>	<u>\$ 223,870</u>
Remaining Single Family							
40' - 49' SF	423	\$ 16,667	\$ 7,050,029	\$ 1,200	\$ 1,297	\$ 507,517	\$ 548,667
50' - 59- SF	318	\$ 16,667	\$ 5,300,022	\$ 1,200	\$ 1,297	\$ 381,538	\$ 412,473
60' - 69' SF	302	\$ 16,667	\$ 5,033,354	\$ 1,200	\$ 1,297	\$ 362,341	\$ 391,720
70' - 79' SF		\$ 16,667	\$ -	\$ 1,200	\$ 1,297	\$ -	\$ -
80' - 89' SF	132	\$ 16,667	\$ 2,200,009	\$ 1,200	\$ 1,297	\$ 158,374	\$ 171,215
Total	<u>1,175</u>		<u>\$ 19,583,413</u>			<u>\$ 1,409,770</u>	<u>\$ 1,524,076</u>
GRAND TOTALS	<u>1,520</u>		<u>\$ 22,460,000</u>			<u>\$ 1,616,850</u>	<u>\$ 1,747,946</u>

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TABLE 9
Cypress Bluff CDD
Development Program
Neighborhood Infrastructure Assessments

Land Use :	Number of Units	Par Debt Per Unit	Total Par Debt	Net Assessment Per Unit	Gross Assessment Per Unit	Total Net Annual Assessment	Total Gross Total Annual Assessment
Del Webb Active Adult							
40' - 49' SF	79	\$ 37,411	\$ 2,955,442	\$ 2,690	\$ 2,908	\$ 212,537	\$ 229,770
50' - 59- SF	199	\$ 46,763	\$ 9,305,901	\$ 3,363	\$ 3,636	\$ 669,224	\$ 723,485
60' - 69' SF	67	\$ 56,116	\$ 3,759,771	\$ 4,036	\$ 4,363	\$ 270,380	\$ 292,303
70' - 79' SF		\$ 65,469	\$ -	\$ 4,708	\$ 5,090	\$ -	\$ -
80' - 89' SF		\$ 74,821	\$ -	\$ 5,381	\$ 5,817	\$ -	\$ -
Total	<u>345</u>		<u>\$ 16,021,114</u>			<u>\$ 1,152,141</u>	<u>\$ 1,245,558</u>
Remaining Single Family							
40' - 49' SF	423	\$ 37,411	\$ 15,824,708	\$ 2,690	\$ 2,908	\$ 1,138,017	\$ 1,230,289
50' - 59- SF	318	\$ 46,763	\$ 14,870,736	\$ 3,363	\$ 3,636	\$ 1,069,413	\$ 1,156,122
60' - 69' SF	302	\$ 56,116	\$ 16,947,028	\$ 4,036	\$ 4,363	\$ 1,218,727	\$ 1,317,543
70' - 79' SF		\$ 65,469	\$ -	\$ 4,708	\$ 5,090	\$ -	\$ -
80' - 89' SF	132	\$ 74,821	\$ 9,876,414	\$ 5,381	\$ 5,817	\$ 710,252	\$ 767,840
Total	<u>1,175</u>		<u>\$ 57,518,886</u>			<u>\$ 4,136,409</u>	<u>\$ 4,471,793</u>
GRAND TOTALS	<u>1,520</u>		<u>\$ 73,540,000</u>			<u>\$ 5,288,550</u>	<u>\$ 5,717,351</u>

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TABLE 10
Cypress Bluff CDD
Development Program
Combined Infrastructure Assessments

Land Use :	Number of Units	Debt Per Unit	Total Par Debt	Net Assessment Per Unit	Gross Assessment Per Unit	Total Net Annual Assessment	Total Gross Annual Assessment
Del Webb Active Adult							
40' - 49' SF	79	\$ 45,749	\$ 3,614,139	\$ 3,291	\$ 3,557	\$ 259,956	\$ 281,033
50' - 59- SF	199	\$ 55,101	\$ 10,965,150	\$ 3,963	\$ 4,285	\$ 788,670	\$ 852,616
60' - 69' SF	67	\$ 64,454	\$ 4,318,413	\$ 4,636	\$ 5,012	\$ 310,595	\$ 335,779
70' - 79' SF		\$ 73,807	\$ -	\$ 5,308	\$ 5,739	\$ -	\$ -
80' - 89' SF		\$ 83,159	\$ -	\$ 5,981	\$ 6,466	\$ -	\$ -
Total	<u>345</u>		<u>\$ 18,897,701</u>			<u>\$ 1,359,221</u>	<u>\$ 1,469,428</u>
 Remaining Single Family							
40' - 49' SF	423	\$ 54,077	\$ 22,874,737	\$ 3,890	\$ 4,206	\$ 1,645,534	\$ 1,778,956
50' - 59- SF	318	\$ 63,430	\$ 20,170,758	\$ 4,563	\$ 4,933	\$ 1,450,951	\$ 1,568,596
60' - 69' SF	302	\$ 72,783	\$ 21,980,382	\$ 5,235	\$ 5,660	\$ 1,581,068	\$ 1,709,263
70' - 79' SF		\$ 82,135	\$ -	\$ 5,908	\$ 6,387	\$ -	\$ -
80' - 89' SF	132	\$ 91,488	\$ 12,076,423	\$ 6,580	\$ 7,114	\$ 868,626	\$ 939,055
Total	<u>1,175</u>		<u>\$ 77,102,299</u>			<u>\$ 5,546,179</u>	<u>\$ 5,995,869</u>
GRAND TOTALS	<u>1,520</u>		<u>\$ 96,000,000</u>			<u>\$ 6,905,400</u>	<u>\$ 7,465,297</u>

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TABLE 11
Cypress Bluff CDD
Maximum Debt Per Acre

Current Owner	Assessable Acres	Total Par Debt Amount	Maximum Per Acre
Del Webb Active Adult			
Pulte Del Webb	57.2	\$ 9,999,524	\$ 174,817
Eastland Timber, LLC (1)	50.9	8,898,177	\$ 174,817
Total Del Webb Active Adult	108.1	\$ 18,897,701	
Remaining Single Family			
David Weekley Homes	73.0	\$ 11,876,910	\$ 162,697
Toll Brothers	137.0	\$ 22,289,544	\$ 162,697
Eastland Timber, LLC	263.9	\$ 42,935,844	\$ 162,697
Total Remaining Single Family	473.9	\$ 77,102,299	
GRAND TOTALS	582.00	\$ 182,000,476	

(1) Acreage planned for Del Webb Active Adult but not yet sold and closed.

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TABLE 12
Cypress Bluff CDD
Preliminary Assessment Roll

Current Owner	Units	Net Assessment Per Unit	Gross Assessment Per Unit	Total Net Assessment	Total Gross Assessment
Del Webb Active Adult					
Pulte Del Webb					
40' - 49' SF	42	\$ 3,290.58	\$ 3,557.38	\$ 138,204.28	\$ 149,410.04
50' - 59- SF	107	3,963.16	4,284.50	424,058.65	458,441.78
60' - 69' SF	36	4,635.75	5,011.62	166,887.06	180,418.45
70' - 79' SF		5,308.34	5,738.74	-	-
80' - 89' SF		5,980.93	6,465.87	-	-
Total Pulte Del Webb	<u>185</u>			<u>\$ 729,150.00</u>	<u>\$ 788,270.27</u>
Eastland Timber, LLC (1)					
40' - 49' SF	37	\$ 3,290.58	\$ 3,557.38	\$ 121,751.39	\$ 131,623.13
50' - 59- SF	92	3,963.16	4,284.50	364,611.18	394,174.24
60' - 69' SF	31	4,635.75	5,011.62	143,708.30	155,360.33
70' - 79' SF		5,308.34	5,738.74	-	-
80' - 89' SF		5,980.93	6,465.87	-	-
Total Eastland Timber	<u>160</u>			<u>\$ 630,070.87</u>	<u>\$ 681,157.70</u>
Remaining Single Family Units					
David Weekley Homes					
40' - 49' SF		\$ 3,890.15	\$ 4,205.57	\$ -	\$ -
50' - 59- SF	143	\$ 4,562.74	\$ 4,932.69	652,471.61	705,374.71
60' - 69' SF	79	\$ 5,235.33	\$ 5,659.81	413,590.70	447,125.08
70' - 79' SF		\$ 5,907.91	\$ 6,386.93	-	-
80' - 89' SF		\$ 6,580.50	\$ 7,114.05	-	-
Total David Weekley Homes	<u>222</u>			<u>\$ 1,066,062.31</u>	<u>\$ 1,152,499.79</u>
Toll Brothers					
40' - 49' SF		\$ 3,890.15	\$ 4,205.57	\$ -	\$ -
50' - 59- SF		4,562.74	4,932.69	-	-
60' - 69' SF	184	5,235.33	5,659.81	963,299.86	1,041,405.25
70' - 79' SF		5,907.91	6,386.93	-	-
80' - 89' SF	70	6,580.50	7,114.05	460,634.92	497,983.70
Total Toll Brothers	<u>254</u>			<u>\$ 1,423,934.78</u>	<u>\$ 1,539,388.95</u>
Eastland Timber, LLC (1)					
40' - 49' SF	423	\$ 3,890.15	\$ 4,205.57	\$ 1,645,534.18	\$ 1,778,955.87
50' - 59- SF	175	4,562.74	4,932.69	798,479.24	863,220.80
60' - 69' SF	39	5,235.33	5,659.81	204,177.69	220,732.64
70' - 79' SF		5,907.91	6,386.93	-	-
80' - 89' SF	62	6,580.50	7,114.05	407,990.93	441,071.28
Total Eastland Timber	<u>699</u>			<u>\$ 3,056,182.04</u>	<u>\$ 3,303,980.58</u>

(1) Acreage planned for Del Webb Active Adult but not yet sold and closed.

Prepared By

Governmental Management Services, LLC

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Cypress Bluff Community Development District

**Supplemental Assessment Methodology Report for the
Special Assessment Revenue Bonds Series 2020**

April 13, 2020

Prepared by

Governmental Management Services, LLC

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1.0 Introduction

1.1 Purpose

This report outlines the assessments assigned to certain properties to secure the Cypress Bluff Community Development District's ("District") Series 2020 Special Assessment Bonds ("Series 2020 Bonds"). The Methodology described herein quantifies the special benefits to properties in the District that are derived as a result of the installation of infrastructure facilities and equitably allocates those costs incurred by the District to provide these benefits to properties in the District.

The District has adopted a Capital Improvement Program ("Improvement Plan" or "CIP") that will allow for the development of property within the District as described in the District Engineer's Report, as amended, dated September 2019 which was prepared by England, Thims and Miller (the "Engineer's Report"). On August 20, 2018, the District approved its Master Special Assessment Methodology Report describing the methodology to allocate debt over the approximately 1,273.9 total acres and 583 developable acres located in The City of Jacksonville ("Jacksonville" or "COJ"), Florida that will receive special benefit from the proposed CIP to be installed in the District. This District Engineer's Report has been updated on February 25, 2020. The Development is planned for 1,949 residential lots which include 517 Active Adult lots.

The District plans to partially fund the CIP through debt financing. This debt will be repaid from the proceeds of an assessment levied by the District. The levy takes the form of non-ad valorem special assessments that are liens against properties within the boundary of the District that receive special benefits from the CIP. The methodology herein allocates this debt to properties based upon the special and peculiar benefits each property receives from the CIP according to the reasonable and fair apportionment of the duty to pay for these levied assessments. This report is designed to conform to the requirements of Chapters 170,190 and 197, F.S. with respect to special assessments and is consistent with our understanding of the case law on the subject.

This report supplements the Master Special Assessment Methodology Report dated August 20, 2018 as adopted by the Board of Supervisors (collectively, the "Master Report").

1.2 Scope of the Report

This report presents the master projections for financing the 2020 Project representing the portion of the CIP financed by the District's Series 2020 Bonds. The Report also describes the master apportionment of benefits and special assessments resulting from the provision of improvements to the lands within the 2020 Assessment Area, as defined herein. The assessments outlined in the previous Supplemental Assessment Methodology dated February 6, 2019 have been levied by the Cypress Bluff District's Board of Supervisors and continue to serve as liens against the properties listed in the Report.

1.3 Special Benefits and General Benefits

The Improvements undertaken by the District create special and peculiar benefits to the property, different in kind and degree than general benefits, for properties within its borders as well as general benefits to the public at large.

However, as discussed within this report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits, which accrue to property within the District. The improvements enable properties within the District boundaries to be developed. Without the Improvements, there would be no infrastructure to support development of land within the District. Without these Improvements, state law would prohibit development of property within the District.

There is no doubt that the general public, property owners, and property outside the District will benefit from the provision of the Improvements. However, these are incidental to the Improvement Program, which is designed solely to provide special benefits peculiar to property within the District. Properties outside the District do not depend upon the District's Capital Improvement Program as defined herein to obtain, or to maintain their development entitlements. This

fact alone clearly distinguishes the special benefits which District properties receive compared to those lying outside of the District's boundaries. Even though the exact value of the benefits provided by the Improvements is difficult to estimate at this point, it is nevertheless greater than the costs associated with providing same.

1.4 Organization of this Report

Section One describes the purpose of the report along with the scope and benefits of the Capital Improvement Program, including that portion financed by the Series 2020 Bonds.

Section Two describes the development program as proposed by the Developer.

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

Section Four discusses the financing program for the District.

Section Five introduces the Assessment Methodology.

2.0 Development Program for Cypress Bluff

2.1 Overview

The Cypress Bluff development is designed as a planned residential community, located within Jacksonville, Florida. The proposed land use within the District is consistent with Jacksonville Land Use and Comprehensive Plans.

2.2 The Development Program

The Development will consist of approximately 1,949 residential homes which includes 517 Active Adult homes. The portion of the Development subject to the Series 2020 Bonds, as detailed in **Table 1**, consists of 727 residential homes which includes 172 Active Adult homes ("2020 Assessment Area"). There are 555 residential lots that are not classified as Active Adult hereafter referred to as "Residential Lots".

3.0 The Capital Improvement Program for Cypress Bluff

3.1 Engineering Report

The infrastructure costs to be funded by the District are determined by the District Engineer in the 2020 Supplemental Engineer's Report. As defined in the 2020 Engineer's Report, the 2020 Project consists of that portion of the CIP financed with the proceeds of the Districts Series 2020 Bonds. The remaining costs will be funded by future bond issues and developer funding.

Only infrastructure that may qualify for bond financing by the District under Chapter 190, Florida Statutes, was included in these estimates.

3.2 Capital Improvement Program

The CIP includes improvements intended to serve the development consist of improvements associated with the roadway E Town Parkway/Skinner Parkway such as utilities, landscape, hardscape and electric, master recreation improvements, and certain collector roadway improvements as well as neighborhood improvements ("Improvements"). The CIP is estimated to cost approximately \$96.7 million consisting of \$28.1 million for master infrastructure improvements (the "Master CIP") and \$68.6 million for neighborhood infrastructure improvements (the "Neighborhood CIP"). The Improvements to be constructed, will represent a system of improvements that irrespective of certain exceptions described further in Section 5.1 of this Report, will provide benefits to all lands within the District. The value of the special benefits that are provided by the CIP are greater than the District's costs of providing these benefits and the assessments levied to support the costs as shown in **Table 2. Table 3** provides for the cost estimates of the Master CIP.

4.0 Financing Program for Cypress Bluff

4.1 Overview

As noted above, the District has embarked on a program of capital improvements, which will facilitate the development of lands within the District. Construction of certain Improvements may be funded by the Developer and acquired by the District under an agreement between the District and the Developer, or may be funded directly by the District.

In February 2019 The District issued the Series 2019 bonds in the principal amount of \$11,565,000 to fund a portion of the District's CIP. The District will issue its Series 2020 Bonds in the principal amount of \$7,705,000 to fund an additional portion of the District's Master CIP. That portion of the Master CIP funded with the proceeds of the Series 2020 Bonds is referred to as the 2020 Project. The District may issue additional bonds for development of future phases and improvements.

4.2 Series 2020 Bonds

The Series 2020 Bonds have an issuance date of April 15, 2020. The Series 2020 Bonds will be repaid with thirty principal installments commencing on November 1, 2020 with interest paid semiannually every November 1 and May 1, maturing November 1, 2049. The Series 2020 Assessment Area planned for 727 residential units will fully absorb the 2020 debt assessments.

The Series 2020 Bonds are issued at a par amount of \$7,705,000, with an average coupon interest rate of 5.073523%. The maximum net annual debt service for the Series 2020 Bonds is \$494,601.

The difference between the par amount of bonds and the construction funds consists of costs of issuance including underwriter's discount and professional fees associated with debt issuance, and debt service reserve funds.

The sources and uses of the Series 2020 Bond sizing are presented in **Table 4** in the Appendix.

5.0 Assessment Methodology

5.1 Overview

The Series 2020 Bonds provide the District with funds to construct a portion of the Master CIP outlined in *Section 3.2*. These improvements lead to special and general benefits, with special benefits accruing generally to the properties within the boundaries of the District and general benefits accruing to areas outside the District and being only incidental in nature. The debt incurred in financing infrastructure construction will be paid off by assessing properties that derive special and peculiar benefits from the proposed projects. All properties that receive special benefits from the District's CIP will be assessed. As detailed in the assignment of debt, the Active Adult community will not have access to the District Amenity and as such no benefit for Recreation will be assigned to the Active Adult lots.

5.2 Assigning Debt

The current development plan for the District projects construction of infrastructure for approximately 1,949 residential homes, which includes 517 Active Adult homes.

The Improvements provided by the District will include Master Infrastructure Improvements of recreation facilities, utilities, landscape, hardscape and electric to E-Town Parkway/R.G. Skinner Parkway and certain collector roads.

All residential development within the District will benefit from the **Master Improvements** to E-Town Parkway and R.G. Skinner Parkway, as the Improvements provide basic infrastructure to all residential lands within the District and benefit all residential lands within the District as an integrated system of improvements. Active Adult, however, will not benefit from the Master Recreation Improvements as the Active Adult community will not have access to the Master Recreation improvements.

Benefited units for Master Improvements will be based on an equivalent residential unit ("ERU") of 1.0 for each lot within the District, except Active Adult will not share in the cost of Master Recreation infrastructure.

As the provision of the above listed Improvements by the District will make the lands in the District developable, the land will become more valuable to their owners. The increase in the value of the land provides the logical benefit of Improvements that accrues to the developable parcels within the District.

The debt incurred by the District to fund the Improvements is allocated to the properties receiving special benefits equally, except that Active Adult will not receive benefit from Master Recreation and therefore will not be assigned debt assessments related to Master Recreation.

Table 5 represents the preliminary principal assessments and true-up levels at the time of issuance of the Series 2020 Bonds for the areas within the District assessed to secure the Series 2020 Bonds.

5.3 Lienability Test: Special and Peculiar Benefit to the Property

As first discussed in Section 1.3, Special Benefits and General Benefits, Improvements undertaken by the District create special and peculiar benefits to certain properties within the District. The Improvements benefit properties within the District and accrue to all assessable properties on an ERU basis.

Improvements undertaken by the District can be shown to be creating special and peculiar benefits to the property. The special and peculiar benefits resulting from each Improvement undertaken by the District are:

- a. Roadway and Drainage Improvements result in special and peculiar benefits such as the added use of the property, added enjoyment of the property, and likely increased marketability of the property.
- b. Storm Water Management facilities result in special and peculiar benefits such as the added use of the property, decreased insurance premiums, added enjoyment of the property, and likely increased marketability of the property.

- c. Water/Sewer and Reuse Utility Improvements result in special and peculiar benefits such as the added use of the property, and likely increased marketability and value of the property.
- d. Hardscaping including entry features / landscaping result in special and peculiar benefits such as the added enjoyment of the property, and likely increased marketability and value of the property.
- e. Recreation improvements result in special and peculiar benefits such as the added enjoyment of the property, and likely increased marketability and value of the property.

These special and peculiar benefits are real and ascertainable, but not yet capable of being calculated and assessed in terms of numerical value, however, each is more valuable than either the cost of, or the actual assessment levied for, the Improvement or debt allocated to the parcel of land.

5.4 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay

A reasonable estimate of the proportion of special and peculiar benefits received from the 2020 Project is delineated in **Table 6** (expressed as Allocation of Total Par Debt).

The determination has been made that the duty to pay the non-ad valorem special assessments is fairly and reasonably apportioned because the special and peculiar benefits to the property derived from the acquisition and / or construction of the District's Improvements (and the concomitant responsibility for the payment of the resultant and allocated debt) have been apportioned to the property according to reasonable estimates of the special and peculiar benefits provided consistent with the land use.

Accordingly, no acre or parcel of property within the boundaries of the District will be liened for the payment of any non-ad valorem special assessment more than the determined special benefit peculiar to that property. Further, the debt allocation will not be affected.

In accordance with the benefit allocation in **Table 2**, a Total Par Debt per Unit for Master Infrastructure has been calculated for each single-family unit based on an ERU value of 1.0 for each lot, except that Active Adult has not been assigned costs for Master Recreation.

Parcels of the development may be sold which contain various development units. At the time of such parcel sale an assignment of the development units will occur upon which the related debt and assessments will be specified for the parcel.

5.5 True-Up Mechanism

In order to assure that the District's debt will not build up on the unsold acres within the Series 2020 Assessment Area, and to assure the requirements that the non-ad valorem special assessments will be constitutionally lienable on the property and will continue to be met, the District shall apply the true-up provisions set forth in the Master Assessment Methodology dated August 20, 2018 with respect to only the land in the Series 2020 Assessment Area as assigned in **Table 5**.

Additionally, as lands in each development parcel are platted, true-up or density reduction payments may become due. Under the first test, the ceiling level for purposes of this test shall be the Series 2020 debt assigned to the parcel per developable acre as shown on **Table 5**. (Maximum Debt Per Acre). After the recording of each plat, the remaining debt per developable acre shall be calculated. If the remaining debt per acre is greater than the Maximum Debt Per Acre, the District shall require a true-up payment sufficient to bring the debt per acre down to the permissible ceiling level. In the second test, if all acres are platted and the full debt assigned is not absorbed as a result of a decrease in the number of units or a change in unit mix, a true-up payment in the amount of remaining unassigned debt shall be due the District. The District may suspend the true-up if the landowner can show there is sufficient development potential in the remaining undeveloped acreage within the Series 2020 parcel to fully absorb the remaining unallocated debt.

Furthermore, each landowner in **Table 5** may be subject to a separate True Up Agreement.

5.6 Additional Stipulations

Certain financing, development, and engineering data was provided by members of District staff and/or the Landowner. The allocation methodology described herein was based on information provided by those professionals. Governmental Management Services, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report. For further information about the Series 2020 Bonds, please refer to the Indentures.

TABLE 1
Cypress Bluff CDD
Unit Counts
Development Program for All Phases

	<u>2020 Project</u>	<u>2019 Project</u>	<u>Future Projects</u>	<u>Totals</u>
Active Adult	172	346		518 ⁽¹⁾
	<u>2020 Project</u>	<u>2019 Project</u>	<u>Future Projects</u>	<u>Totals</u>
Residential Lots	555	777	100	1,432
Total	<u>727</u>	<u>1,123</u>		<u>1,950 ⁽¹⁾</u>

As provided in the Master Methodology dated August 20, 2018, all units have an ERU value of 1.0 for Master Infrastructure. However, Active Adult lots are not assigned debt related to Master Recreation, as Active Adult units do not have access to Master Recreation amenities.

(1) Actual unit count for Actual Adult is 517 units and actual total unit count is 1,949 units. However, the 2019 Project included one unit that was not platted and will result in a True-Up. Therefore, the total actual unit count is 1,949 but bonds have been or are anticipated to be issued on a total of 1,950 units.

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TABLE 2
Cypress Bluff CDD
Benefit Analysis for Series 2020
Assessment Area

<u>Financing Mechanisms</u>	<u>Active Adult</u>	<u>Other Single Family Residential</u>	<u>Total Value/Amount</u>
Recreation Infrastructure		\$7,728,000	\$7,728,000 (1)
Other Infrastructure - Utilities, Landscape, Hardscape and Electric	\$5,412,900	\$14,963,684	\$20,376,584 (2)
Total -	\$5,412,900	\$22,691,684	\$28,104,584

(1) Master Recreation Infrastructure costs do not apply to Active Adult as they do not have access to the master amenities.

(2) Applies to all units.

RECREATION INFRASTRUCTURE

<u>Land Use :</u>	<u>Number of Units</u>	<u>ERU Factor</u>	<u>Total ERU's</u>	<u>Total Recreation Benefit</u>	<u>Recreation Benefit Per ERU</u>
Active Adult	518	-	-	0	\$ -
Residential Lots	1,432	1.00	1,432	\$ 7,728,000	\$ 5,397
GRAND TOTALS	<u>1,950</u>			<u>\$ 7,728,000</u>	

OTHER INFRASTRUCTURE

<u>Land Use :</u>	<u>Number of Units</u>	<u>ERU Factor</u>	<u>Total ERU's</u>	<u>Total Other Benefit</u>	<u>Other Benefit Per ERU</u>
Active Adult	518	1.00	518	\$ 5,412,900	\$ 10,450
Residential Lots	1,432	1.00	1,432	\$ 14,963,684	\$ 10,450
GRAND TOTALS	<u>1,950</u>			<u>\$ 20,376,584</u>	

TOTALS

<u>Land Use :</u>	<u>Number of Units</u>	<u>Recreation Benefit / Unit</u>	<u>Other Benefit / Unit</u>	<u>Total Benefit / Unit</u>	<u>Total Proposed Debt / Unit</u>
Active Adult	518	\$ -	10,450	<u>\$ 10,450</u>	<u>\$ 5,842</u> (3)
Residential Lots	1,432	\$ 5,397	10,450	<u>\$ 15,846</u>	<u>\$ 12,073</u> (3)

(3) Recreation costs are expected to be fully funded through the proceeds of the bond issues. The developer will supplement any costs for Other Infrastructure that are not absorbed by CDD capital funding.

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TABLE 3
Cypress Bluff CDD
Infrastructure Cost Estimates
2020 Project

The 2020 Project will fund a portion of the Master Infrastructure Improvements as included in the Capital Improvement Plan.

<u>Master Infrastructure Improvements :</u>	<u>Total Cost Estimates</u>
E-Town parkway/R.G. Skinner Parkway Utilities, Landscape, Hardscape and Electric	\$20,376,584
Master Recreation Improvements	\$7,728,000
Total	\$28,104,584

Above costs include contingency, design and permitting for each functional category.

Information provided by England, Thims & Miller Inc. Capital Improvement Plan Report dated February, 2020

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TABLE 4
Cypress Bluff CDD
Bond Series 2020
Sources & Uses

<u>Sources</u>	<u>Bond Series</u> <u>2020</u>
Bond Proceeds - par	<u>\$7,705,000</u>
Total Sources	<u><u>\$7,705,000</u></u>
<u>Uses</u>	
Project Fund Deposits	
Project Fund	\$3,968,971
Escrow Fund	\$3,164,628
Other Fund Deposits	
Debt Service Reserve Fund @50% of MADS	\$247,300
Delivery Date Expenses	
Cost of Issuance	\$170,000
Underwriter's Discount	<u>\$154,100</u>
	\$324,100
Total Uses	<u><u>\$7,705,000</u></u>

Principal Amortization Installments	30
Average Coupon Rate	5.07%
Par Amount	\$7,705,000
Maximum Annual Debt Service (net)	\$494,601

Provided by MBS Capital Markets, LLC.

Financing parameters and amounts are estimated.
 (1) Refer to Section 4.2 regarding disposition of these funds.

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TABLE 5
Cypress Bluff CDD
Assignment of Debt
Allocation 2020 Series Bonds
Series 2020 Assessment Area

ACTIVE ADULT

Owner (Parcel)	Developable Acres	Units	Series 2020 Bond Principal Assessment	Maximum Debt Per Acre
Pulte Homes (E-3 b/c))	60	172	\$1,004,746	\$16,745.77

RESIDENTIAL LOTS

Owner (Parcel)	Developable Acres	Units	Series 2020 Bond Principal Assessment	Maximum Debt Per Acre
Kettering Dev 133 (E-7b)	15	72	\$869,222	\$57,948.14
Eastland Timber (E-7c)	40	260	\$3,138,858	\$78,471.46
Toll Southeast LP (E-8)	70	202	\$2,438,651	\$34,837.88
DRP CNC-ICI, LLC (E-2)	1	3	\$36,217	\$37,240.10
Toll Southeast LP (E-4)	1.25	4	\$48,290	\$20,911.75
E5 Holdings, LLC (E-5)	1.25	4	\$48,290	\$45,716.98
Kettering Dev 133 (E-7a)	0.25	1	\$12,072	\$24,321.16
Toll Southeast LP (E-6)	3	9	\$108,652	\$24,321.16

See Table 7 for legal description of the properties.

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TABLE 6
Cypress Bluff CDD
Par Debt and Debt Service
Series 2020 Assessment Area

Development Type :	<u>Number of Planned Units</u>	<u>ERU Factor</u>	<u>Total ERU's</u>	<u>2020 Par Debt</u>	<u>2020 Par Debt per Unit</u>	<u>2020 Annual Net Assessment</u>	<u>Per Unit 2020 Annual Net Assessment</u>	<u>2020 Annual Gross Assessment Per Unit (1)</u>
Residential Single Family:								
Active Adult Lots	172	1.00	172.00	\$ 1,004,746	\$5,842	\$64,495	\$ 375	\$ 405
Residential Lots	555	1.00	555.00	\$ 6,700,253	\$12,073	\$430,106	\$ 775	\$ 838
Total	<u>727</u>			<u>\$7,705,000</u>		<u>\$494,601</u>		

As provided in the Master Methodology dated August 20, 2018, all units have an ERU value of 1.0 for Master Infrastructure. However, Active Adult lots are not assigned debt related to Master Recreation, as Active Adult units do not have access to Master Recreation amenities.

(1) include 3.5% collection costs of Duval County and maximum early payment discount of 4%.

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**TABLE 7
Cypress Bluff CDD
Legal Description of
Assessment Lands
In Series 2020 Assessment Area**

<u>Property</u>	<u>Debt Assessment</u>
See Attached Legal	\$7,705,000

1. Attached is a legal description of the initial Series 2020 Assessment Area, which is subject to modification as provided herein.

Parcel E-2 – DRP CNC-ICI, LLC

That certain real property in Duval County, Florida conveyed to Landowner pursuant to that Special Warranty Deed recorded in Official Records Book 18270, Page 459 of the public records of Duval County, Florida less and except those lands contained in ETown Parcel E2 Phase One, recorded in Plat Book 72, Page 110 in the Official Records of Duval County. (1 Unit)

Parcel E-3 – Pulte Homes

That certain real property in Duval County, Florida conveyed to Landowner pursuant to those Special Warranty Deeds recorded in Official Records Book 18472, Page 1579 and Book 19092, Page 981 of the public records of Duval County, Florida. (172 Units)

Parcel E-4 – Toll Southeast LP Company, Inc.

Lots 63 -66 of Edison Parcel 4 – Phase 1, as recorded in Plat Book 74, Page 96 in the Official Records of Duval County.

Parcel E-5 – E5 Holdings, LLC

That certain real property in Duval County, Florida conveyed to Landowner pursuant to that Special Warranty Deed recorded in Official Records Book 18706, Page 2232 of the public records of Duval County, Florida. (4 Units)

Parcel E-6 – Toll Southeast LP Company, LLC

Lots 67 - 75 of Edison Parcel – Phase 1, as recorded in Plat Book 74, Page 71 in the Official Records of Duval County.

Parcel E-7a - Kettering Dev 133, LLC

Lot 131 of Kettering at E-Town Phase I as recoded in Plat Book 75, Page 55 in the Official Records of Duval County.

Parcel E-7b - Kettering Dev 133, LLC

That certain real property in Duval County, Florida conveyed to Landowner pursuant to that Special Warranty Deed recorded in Official Records Book 19071, Page 2450 of the public records of Duval County, Florida. (72 Units)

Parcel E-8 – Toll Southeast LP Company, LLC

That certain real property in Duval County, Florida conveyed to Landowner pursuant to that Special Warranty Deed recorded in Official Records Book 19094, Page 1899 of the public records of Duval County, Florida. (202 Units)

Parcel E-7c – Eastland Timber, LLC (Under Contract with Pultc for 260 Units)

Revised February 27, 2020
February 20, 2020
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14.00A

Work Order No. 20-026.00
File No. 127A-

Parcel E7-C

A portion of Section 32, Township 3 South, Range 28 East, together with a portion of Section 5, Township 4 South, Range 28 East, Duval County, Florida, being a portion of E-Town Overall Parcel, as described and recorded in Official Records Book 18197, page 1321, of the current Public Records of said county, being more particularly described as follows:

For a Point of Reference, commence at the Northerly terminus of the centerline of ETown Parkway, a variable width right of way as presently established; thence Southerly along said centerline the following 4 courses: Course 1, thence South 00°00'20" West, 63.70 feet to the point of curvature of a curve concave Westerly having a radius of 2000.00 feet; Course 2, thence Southerly along the arc of said curve, through a central angle of 15°43'34", an arc length of 548.95 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 07°52'07" West, 547.23 feet; Course 3, thence South 15°43'54" West, 506.03 feet to the point of curvature of a curve concave Easterly having a radius of 1500.00 feet; Course 4, thence Southerly along the arc of said curve, through a central angle of 45°38'34", an arc length of 1194.93 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 07°05'23" East, 1163.58 feet; thence South 60°05'20" West, departing said centerline, 75.00 feet to a point lying on the Westerly right of way line of said ETown Parkway; thence South 29°54'40" East, along said Westerly right of way line, 204.66 feet to the Northerly most corner of those lands described and recorded in Official Records Book 18706, page 2232, of said current Public Records; thence South 47°43'25" West, departing said Westerly right of way line and along the Northerly line of said Official Records Book 18706, page 2232, a distance of 565.78 feet; thence South 89°08'56" West, along said Northerly line, 177.17 feet to the Point of Beginning.

From said Point of Beginning, thence continue South 89°08'56" West, along said Northerly line of Official Records Book 18706, page 2232, a distance of 277.08 feet to the Northwesterly most corner of last said lands; thence South 01°01'07" East, along the Westerly line of said Official Records Book 18706, page 2232, a distance of 2253.12 feet to the Southwesterly corner thereof; thence South 85°26'41" West, departing said Westerly line, 981.24 feet to a point lying on the Easterly limited access right of way line of State Road No. 9A, a variable width limited access right of way as presently established; thence Northerly, along said Easterly limited access right of way line, 177.17 feet to the Point of Beginning.

CONTINUED ON NEXT PAGE

Parcel E7-C (continued)

way line and along the arc of a curve concave Easterly having a radius of 11600.00 feet, through a central angle of $05^{\circ}39'05''$, an arc length of 1144.16 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North $03^{\circ}07'27''$ West, 1143.69 feet; thence North $00^{\circ}17'54''$ West, continuing along said Easterly limited access right of way line, 3893.50 feet; thence South $89^{\circ}59'26''$ East, departing said Easterly limited access right of way line, 432.70 feet to a point lying on the Westerly line of those lands described and recorded in Official Records Book 18706, page 2291, of said current Public Records; thence Southerly along said Westerly line the following 26 courses: Course 1, thence South $08^{\circ}35'22''$ East, 42.71 feet; Course 2, thence South $25^{\circ}55'09''$ East, 48.33 feet; Course 3, thence South $28^{\circ}29'11''$ East, 63.22 feet; Course 4, thence South $54^{\circ}49'49''$ East, 66.13 feet; Course 5, thence South $36^{\circ}08'55''$ East, 48.20 feet; Course 6, thence South $47^{\circ}37'36''$ East, 27.64 feet; Course 7, thence South $41^{\circ}16'56''$ East, 38.91 feet; Course 8, thence South $45^{\circ}38'07''$ East, 43.55 feet; Course 9, thence South $21^{\circ}02'26''$ East, 47.18 feet; Course 10, thence South $49^{\circ}35'59''$ East, 43.94 feet; Course 11, thence South $47^{\circ}43'18''$ East, 54.98 feet; Course 12, thence South $48^{\circ}36'10''$ East, 47.21 feet; Course 13, thence South $60^{\circ}53'32''$ East, 64.27 feet; Course 14, thence South $20^{\circ}27'38''$ West, 55.19 feet; Course 15, thence South $46^{\circ}14'11''$ West, 51.02 feet; Course 16, thence South $40^{\circ}59'02''$ West, 30.59 feet; Course 17, thence South $20^{\circ}24'31''$ West, 40.75 feet; Course 18, thence South $33^{\circ}05'11''$ West, 47.24 feet; Course 19, thence South $54^{\circ}00'28''$ West, 49.95 feet; Course 20, thence South $14^{\circ}09'35''$ West, 43.74 feet; Course 21, thence South $27^{\circ}17'05''$ West, 38.33 feet; Course 22, thence South $33^{\circ}18'05''$ West, 46.11 feet; Course 23, thence South $07^{\circ}05'17''$ East, 57.32 feet; Course 24, thence South $16^{\circ}35'33''$ East, 47.16 feet; Course 25, thence South $33^{\circ}00'47''$ East, 50.26 feet; Course 26, thence South $35^{\circ}55'43''$ East, 35.06 feet; thence South $54^{\circ}04'19''$ West, departing said Westerly line, 19.95 feet; thence South $35^{\circ}55'42''$ East, 20.00 feet to a point lying on the Northerly line of Conservation Easement 1, as described and recorded in Official Records Book 18369, page 2296, of said current Public Records; thence Easterly along said Northerly line the following 6 courses: Course 1, thence North $54^{\circ}04'16''$ East, 19.93 feet; Course 2, thence South $74^{\circ}52'22''$ East, 87.22 feet; Course 3, thence South $85^{\circ}42'41''$ East, 65.64 feet; Course 4, thence North $46^{\circ}10'56''$ East, 54.16 feet; Course 5, thence North $54^{\circ}06'30''$ East, 94.09 feet; Course 6, thence North $81^{\circ}53'29''$ East, 50.28 feet; thence North $78^{\circ}58'21''$ East, departing said Northerly line, 142.12 feet; thence South $28^{\circ}17'32''$ East, 62.22 feet; thence South $19^{\circ}09'25''$ East, 71.21 feet; thence South $27^{\circ}26'51''$ East, 54.07 feet; thence South $13^{\circ}32'17''$ East, 43.05 feet; thence South $27^{\circ}04'12''$ West, 66.54 feet; thence South $01^{\circ}39'06''$ East, 33.94 feet to a point lying on the Southerly line of said Conservation Easement 1; thence Westerly along said Southerly line the following 14 courses: Course 1, thence North $49^{\circ}06'02''$ West, 57.20 feet; Course 2, thence South $71^{\circ}04'26''$ West, 38.81 feet; Course 3, thence South $51^{\circ}48'48''$ West, 44.75 feet; Course 4, thence South $40^{\circ}20'30''$ West, 50.67 feet; Course 5, thence North $53^{\circ}31'47''$ West, 63.35 feet; Course 6, thence North $82^{\circ}29'43''$ West, 62.95 feet; Course 7, thence North $87^{\circ}21'12''$ West, 44.54 feet; Course 8, thence North $79^{\circ}54'12''$ West, 23.70 feet; Course 9, thence South $05^{\circ}19'21''$ West, 22.34 feet; Course 10,

thence South 08°32'30" East, 193.13 feet; Course 11, thence South 81°53'37" West, 85.86 feet; Course 12, thence South 60°28'45" West, 31.79 feet;

Revised February 27, 2020

February 20, 2020

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14.00A

Work Order No. 20-026.00

File No. 127A-

Parcel E7-C (continued)

Course 13, thence South 27°47'52" West, 42.55 feet; Course 14, thence South 75°13'22" West, 26.89 feet; thence South 71°28'58" West, departing said Southerly line, 20.97 feet to a point lying on said Southerly line of Conservation Easement 1; thence South 59°58'35" West, along said Southerly line, 67.37 feet; thence South 01°39'06" East, departing said Southerly line, 129.64 feet; thence North 68°28'15" East, 58.52 feet; thence South 62°53'01" East, 54.45 feet; thence South 47°57'52" East, 55.26 feet; thence South 33°04'44" East, 45.75 feet; thence South 26°49'13" East, 28.81 feet; thence North 70°25'45" East, 39.14 feet; thence North 60°11'06" East, 53.72 feet; thence North 54°48'52" East, 50.84 feet to the point of curvature of a curve concave Southwesterly having a radius of 25.00 feet; thence Southeasterly along the arc of said curve, through a central angle of 130°06'31", an arc length of 56.77 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 60°07'52" East, 45.34 feet; thence South 04°55'23" West, 28.63 feet; thence South 10°45'16" West, 48.80 feet; thence South 10°04'40" West, 47.79 feet; thence South 31°07'12" West, 47.01 feet; thence South 13°51'34" West, 32.71 feet; thence South 20°38'55" East, 39.66 feet; thence South 06°07'44" East, 33.28 feet; thence South 14°21'13" West, 46.35 feet; thence South 57°25'31" East, 62.03 feet; thence South 13°27'55" West, 33.60 feet; thence South 44°37'20" East, 51.04 feet; thence South 46°00'23" East, 39.90 feet; thence South 45°24'40" East, 54.20 feet; thence South 13°04'45" West, 45.70 feet; thence South 01°14'54" West, 37.82 feet; thence South 07°33'51" West, 39.59 feet; thence South 05°24'54" East, 35.26 feet; thence South 18°24'52" East, 11.83 feet; thence South 71°35'08" West, 20.01 feet; thence South 18°24'52" East, 20.00 feet; thence North 71°35'08" East, 20.01 feet; thence South 18°24'52" East, 12.69 feet to a point lying on the Westerly line of Conservation Easement 7, as described and recorded in Official Records Book 18369, page 2296, of said current Public Records; thence Southerly along said Westerly line the following 6 courses: Course 1, thence South 05°56'20" East, 68.66 feet; Course 2, thence South 19°52'53" East, 98.45 feet; Course 3, thence South 68°29'57" East, 46.66 feet; Course 4, thence South 21°26'05" East, 50.10 feet; Course 5, thence South 23°31'43" East, 43.15 feet; Course 6, thence South 39°07'20" East, 78.13 feet to the Point of Beginning.

Containing 108.28 acres, more or less.

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APPENDIX C

**COPY OF MASTER INDENTURE AND FORM OF
SECOND SUPPLEMENTAL INDENTURE**

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between

CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

Dated as of February 1, 2019

relating to

**CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS**

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Credit Facility, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer hereby assigns, transfers, sets over and pledges to the Trustee and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Revenues (hereinafter defined) as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on Bonds of a Series issued hereunder and any reimbursement due to any Credit Facility Issuer for any drawing on its Credit Facility issued with respect to any such Bonds, as required under the terms of the corresponding Credit Facility Agreement, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

**ARTICLE I
DEFINITIONS**

In this Master Indenture and any indenture supplemental hereto (except as otherwise expressly provided or unless the context otherwise requires) terms defined in the recitals hereto shall have the same meaning throughout the Indenture, and in addition, the following terms shall have the meanings specified below:

"Account" shall mean any account established pursuant to the Indenture.

"Acquisition Agreement" shall mean one or more acquisition agreements between the Issuer and the Developer or Landowner, pursuant to which the Developer or Landowner agrees to provide, design, construct and sell to the Issuer, and the Issuer agrees to purchase from the Developer or Landowner, certain work product, plans and improvements comprising all or a portion of the Capital Improvement Program and with respect to a Series of Bonds, as further provided in a Supplemental Indenture.

"Acquisition and Construction Fund" shall mean the Fund so designated which is established pursuant to Section 5.01 hereof.

"Act" shall mean the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended from time to time, and any successor statute thereto.

"Annual Budget" shall mean the Issuer's budget of current operating and maintenance expenses for a Fiscal Year, adopted pursuant to the provisions of Section 9.20 of this Master Indenture, as the same may be amended from time to time.

"Authenticating Agent," shall mean the agent so described in, and appointed pursuant to, Section 2.03 hereof.

"Authorized Denomination" shall, except as provided in any Supplemental Indenture relating to a Series of Bonds, mean the denomination of \$5,000 or any integral multiple thereof.

"Authorized Newspaper" shall mean a newspaper printed in English and customarily published at least once a day at least five days a week and generally circulated in New York, New

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THIS MASTER TRUST INDENTURE, dated as of February 1, 2019 (the "Master Indenture"), by and between the CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT (the "Issuer"), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as trustee, authorized to accept and execute trusts of the character herein set out and having a corporate office in Jacksonville, Florida (said bank and any bank or trust company becoming successor trustee under the Indenture (as defined herein) being hereinafter referred to as the "Trustee");

WITNESSETH:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Ordinance No. 2018-335-E enacted by the City Council of the City of Jacksonville, Florida (the "City") on June 26, 2018 and effective on June 29, 2018, for the purpose, among other things, of financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure within and without the boundaries of the premises to be governed by the Issuer; and

WHEREAS, the premises currently governed by the Issuer (as further described in Exhibit A hereto, the "District Lands") consist of approximately 1,249.7 acres of land located entirely within the City; and

WHEREAS, the Issuer has determined to undertake, in one or more stages, the acquisition and construction of certain public infrastructure pursuant to the Act for the special benefit of the District Lands (as further described in Exhibit B hereto, the "Capital Improvement Program"); and

WHEREAS, the Issuer proposes to finance or refinance the cost of acquisition and construction of the Capital Improvement Program by the issuance of one or more series of bonds pursuant to this Master Indenture;

NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH, that to provide for the issuance of Bonds (hereinafter defined) under this Master Indenture, as supplemented from time to time by one or more Supplemental Indentures (hereinafter defined), the security and payment of the principal, redemption or purchase price thereof (as the case may be) and interest thereon, any reimbursement due to a Credit Facility Issuer (hereinafter defined), if any, for any drawing on its Credit Facility (hereinafter defined), as required under the terms of the corresponding Credit Facility Agreement (hereinafter defined), the rights of the Owners of the Bonds of a Series (hereinafter defined) and the performance and observance of all of the covenants contained herein and in said Bonds and in any Credit Facility Agreement for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Bonds of a Series by the Owners thereof, from time to time, the issuance by any Credit Facility Issuer of its

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York, or the City of Jacksonville, Florida, or such other locations as the Issuer from time to time may determine by written notice provided to the Trustee. When successive publications in an Authorized Newspaper are required, they may be made in the same or different Authorized Newspapers.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes. The Trustee is authorized to recognize the Beneficial Owners of a Series of Bonds for purposes of approvals, consents or other actions taken under the Indenture if beneficial ownership is proven to the satisfaction of the Trustee.

"Board" shall mean the board of supervisors of the Issuer.

"Bond Counsel" shall mean Counsel of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and their political subdivisions.

"Bondholder," "Holder of Bonds," "Holder," "Bondowner" or "Owner" or any similar term shall mean any Person or Persons who shall be the registered owner of any Outstanding Bond or Bonds, as evidenced on the Bond Register of the Issuer kept by the Registrar.

"Bond Redemption Fund" shall mean the Fund so designated which is established pursuant to Section 6.06 hereof.

"Bond Register" shall have the meaning specified in Section 2.04 of this Master Indenture.

"Bonds" shall mean the Cypress Bluff Community Development District (City of Jacksonville, Florida) Special Assessment Bonds, Series [to be designated] issued in one or more Series and delivered pursuant to the provisions of this Master Indenture and Bonds subsequently issued to refund all or a portion of the Bonds.

"Business Day" shall mean any day other than a Saturday, a Sunday, a legal holiday, or a day on which the corporate office of the Trustee, the Registrar or any Paying Agent is closed, or a day on which the New York stock exchange is closed.

"Certified Public Accountant" shall mean a Person, who shall be independent, appointed by the Board, actively engaged in the business of public accounting and duly certified as a certified public accountant under the laws of the State.

"Certified Resolution" or "Certified Resolution of the Issuer" shall mean a copy of one or more resolutions certified by the Secretary or an Assistant Secretary of the Issuer, under its seal, to have been duly adopted by the Board and to be in full force and effect as of the date of such certification.

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"City" shall mean the City of Jacksonville, Florida.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Completion Date" shall have the meaning given to such term in Section 5.01(c) of this Master Indenture.

"Consultant" shall mean a Person, who shall be Independent, appointed by the Board, qualified to pass upon questions relating to municipal entities and having a favorable reputation for skill and experience in the financial affairs of municipal entities.

"Consultant's Certificate" shall mean a certificate or a report prepared in accordance with then applicable professional standards duly executed by a Consultant.

"Consulting Engineer" shall mean the Independent engineer or engineering firm or corporation at the time employed by the Issuer under the provisions of Section 9.21 of this Master Indenture to perform and carry out duties imposed on the Consulting Engineer by the Indenture. The Independent engineer or engineering firm or corporation at the time serving as the engineer to the Issuer may serve as Consulting Engineer under the Indenture.

"Continuing Disclosure Agreement" shall mean a Continuing Disclosure Agreement, by and among the Issuer, the Developer and/or Landowner, any obligated person and any dissemination agent named therein in connection with the issuance of a Series of Bonds hereunder, pursuant to the requirements of the Rule.

"Cost" or "Costs," in connection with the Project or any portion thereof, shall mean all expenses which are properly chargeable thereto under Generally Accepted Governmental Accounting Principles or which are incidental to the planning, financing, acquisition, construction, reconstruction, equipping and installation thereof, including, without limiting the generality of the foregoing:

- (a) expenses of determining the feasibility or practicability of acquisition, construction, or reconstruction;
- (b) cost of surveys, estimates, plans, and specifications;
- (c) cost of construction/performance bonds, construction permits and platting;
- (d) cost of improvements;
- (e) engineering, architectural, fiscal, legal, accounting and other professional and advisory expenses and charges;
- (f) cost of all labor, materials, machinery, and equipment (including, without limitation, (i) amounts payable to contractors, builders and materialmen and costs incident to the

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- (v) expenses of Project management and supervision;
- (w) costs of effecting compliance with any and all governmental permits relating to a Project;
- (x) such other expenses as may be necessary or incidental to the acquisition, construction, or reconstruction of a Project or to the financing thereof; and
- (y) any other "cost" or expense as provided by the Act.

In connection with the refunding or redeeming of any Bonds, "Cost" includes, without limiting the generality of the foregoing, the items listed in (d), (k), (l) and (n) above, and other expenses related to the redemption of the Bonds to be redeemed and the Redemption Price of such Bonds (and the accrued interest payable on redemption to the extent not otherwise provided for). Whenever Costs are required to be itemized, such itemization shall, to the extent practicable, correspond with the items listed above. Whenever Costs are to be paid hereunder, such payment may be made by way of reimbursement to the Issuer or any other Person who has paid the same in addition to direct payment of Costs.

"Counsel" shall mean an attorney-at-law or law firm (who may be counsel for the Issuer) with expertise in the related matter.

"County" shall mean Duval County, Florida.

"Credit Facility" shall mean any credit enhancement mechanism such as an irrevocable letter of credit, a surety bond, a policy of municipal bond insurance, a corporate or other guaranty, a purchase agreement, a credit agreement or deficiency agreement or other similar facility applicable to the Bonds, as established pursuant to a Supplemental Indenture, pursuant to which the entity providing such facility agrees to provide funds to make payment of the principal of and interest on the Bonds. Notwithstanding anything to the contrary contained in the Indenture, the Bonds may be issued without a Credit Facility, the decision to provide a Credit Facility in respect of any Bonds shall be within the absolute discretion of the Issuer.

"Credit Facility Agreement" shall mean any agreement pursuant to which a Credit Facility Issuer issues a Credit Facility.

"Credit Facility Issuer" shall mean the issuer or guarantor of any Credit Facility.

"Debt Service Fund" shall mean the Fund so designated which is established pursuant to Section 6.04 hereof.

"Debt Service Requirements," with reference to a specified period, shall mean:

- (a) interest payable on the Bonds during such period, subject to reduction for amounts held as capitalized interest in the Funds and Accounts established under the Indenture; and

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award of contracts and (ii) the cost of labor, facilities and services furnished by the Issuer and its employees, materials and supplies purchased by the Issuer and permits and licenses obtained by the Issuer);

- (g) cost of all lands, properties, rights, easements, and franchises acquired;
- (h) financing charges;
- (i) creation of initial reserve and debt service funds;
- (j) working capital;
- (k) interest charges incurred or estimated to be incurred on money borrowed prior to and during construction and acquisition and for such reasonable period of time after completion of construction or acquisition as the Board may determine;
- (l) the cost of issuance of Bonds, including, without limitation, advertisements and printing;
- (m) the cost of any election held pursuant to the Act and all other expenses of issuance of bonds;
- (n) the discount, if any, on the sale or exchange of Bonds;
- (o) amounts required to repay temporary or bond anticipation loans made to finance any costs permitted under the Act;
- (p) costs of prior improvements performed by the Issuer in anticipation of a Project;
- (q) costs incurred to enforce remedies against contractors, subcontractors, any provider of labor, material, services, or any other Person, for a default or breach under the corresponding contract, or in connection with any other dispute;
- (r) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;
- (s) payments, contributions, dedications, surety bonds, deposits and any other exactions required as a condition to receive any government approval or permit necessary to accomplish any Issuer purpose;
- (t) administrative expenses;
- (u) taxes, assessments and similar governmental charges during construction or reconstruction of a Project;

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- (b) amounts required to be paid into any mandatory sinking fund account with respect to the Bonds during such period; and
- (c) amounts required to pay the principal of the Bonds maturing during such period and not to be redeemed prior to or at maturity through any sinking fund account.

"Debt Service Reserve Fund" shall mean the Fund so designated which is established pursuant to Section 6.05 hereof.

"Debt Service Reserve Insurance Policy" shall mean the insurance policy, surety bond or other evidence of insurance, if any, deposited to the credit of the Debt Service Reserve Fund or any account thereof in lieu of or in partial substitution for cash or securities on deposit therein, which policy, bond or the evidence of insurance constitutes an unconditional senior obligation of the issuer thereof. The issuer thereof shall be a municipal bond insurer whose obligations ranking *pari passu* with its obligations under such policy, bond or other evidence of insurance are rated at the time of deposit of such policy, bond or other evidence of insurance to the credit of the Debt Service Reserve Fund or any account thereof in one of the three highest rating categories of either Moody's or S&P, unless otherwise approved by the Credit Facility Issuer who has issued a municipal bond insurance policy with respect to the Bonds.

"Debt Service Reserve Letter of Credit" shall mean the irrevocable, transferable letter or line of credit, if any, deposited for the credit of the Debt Service Reserve Fund or any account thereof in lieu of or in partial substitution for cash or securities on deposit therein, which letter or line of credit constitutes an unconditional senior obligation of the issuer thereof. The issuer of such letter or line of credit shall be a banking association, bank or trust company or branch thereof whose senior debt obligations ranking *pari passu* with its obligations under such letter or line of credit are rated at the time of deposit of the letter or line of credit to the credit of the Debt Service Reserve Fund or any account thereof in one of the three highest rating categories of either Moody's or S&P, unless otherwise approved by the Credit Facility Issuer who has issued a municipal bond insurance policy with respect to the Bonds.

"Debt Service Reserve Requirement" shall mean, for each Series of Bonds, unless a different requirement shall be specified in a Supplemental Indenture, an amount equal to the lesser of (i) the maximum annual Debt Service Requirements for the Outstanding Bonds of such Series, (ii) 125% of the average annual Debt Service Requirements for the Outstanding Bonds of such Series, and (iii) 10% of the original proceeds (within the meaning of the Code) of the Bonds of such Series.

"Defeasance Securities" shall mean, to the extent permitted by law, (a) cash or (b) non-callable Government Obligations.

"Deferred Costs" shall mean the amount advanced by the Developer and/or Landowner and deposited into the appropriate Account of the Acquisition and Construction Fund, and with respect to an Acquisition Agreement or the amount by the Cost of the Capital Improvement Program or portion thereof to be conveyed by the Developer and/or Landowner to

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the Issuer pursuant to such Acquisition Agreement exceeds the amount actually paid by the Issuer for the Capital Improvement Program or portion thereof from proceeds of the applicable Series of Bonds, the repayment of such costs being subordinate to the Bonds issued and Outstanding under the Indenture and payable, if ever, solely as provided herein and in the applicable Supplemental Indenture. The Trustee may conclusively rely on specific written instructions set forth in the applicable Supplemental Indenture or certifications set forth in a requisition delivered to it with respect to the existence of any Deferred Costs to be paid and the amount to be paid. In all other respects, the Trustee, absent specific written notice from the Issuer or the District Manager, is authorized to assume that no Deferred Costs exist.

"Developer" shall mean The Parc Group, Inc., a Florida incorporated company, and any affiliate or any entity which succeeds to all or any part of the respective interests and assumes any or all of the respective responsibilities of said entities, as the developers of the District Lands.

"District Lands" shall mean the premises governed by the Issuer, currently consisting of approximately 1,240.7 acres of land located entirely within the City, as more fully described in Exhibit A.

"District Manager" shall mean the then District Manager or acting District Manager of the Issuer.

"Electronic Means" or "electronic means" shall mean telecopy, facsimile transmission, email transmission or other similar electronic means of communicating providing evidence of transmission.

"Event of Default" shall mean any of the events described in Section 10.02 hereof.

"Fiscal Year" shall mean the period of twelve (12) months beginning October 1 of each calendar year and ending on September 30 of the following calendar year, and also shall mean the period from actual execution hereof to and including the next succeeding September 30; or such other consecutive twelve-month period as may hereafter be established pursuant to a Certified Resolution as the fiscal year of the Issuer for budgeting and accounting purposes as authorized by law.

"Fitch" shall mean Fitch Ratings, Inc., its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer and acceptable to the Trustee.

"Fund" shall mean any fund established pursuant to this Master Indenture.

"Generally Accepted Governmental Accounting Principles" shall mean those accounting principles applicable in the preparation of financial statements of governmental entities such as the Issuer.

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(4) Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, other deposit products, certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Corporation, or bankers acceptances of depository institutions, including the Trustee or any of its affiliates;

(5) commercial paper rated in one of the top two rating categories by both Moody's and S&P;

(6) obligations of any state of the United States or political subdivision thereof or constituted authority thereof the interest on which is exempt from federal income taxation under Section 103 of the Code and rated in one of the top two rating categories by both Moody's and S&P;

(7) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category by Moody's or S&P;

(8) repurchase agreements, which will be collateralized at the onset of the repurchase agreement of at least 103% marked to market weekly with collateral with a domestic or foreign bank or corporation (other than life or property casualty insurance company) the long-term debt of which, or, in the case of a financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's provided that the repurchase agreement shall provide that if during its term the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall immediately notify the Issuer and the Trustee and the provider shall at its option, within ten days of receipt of publication of such downgrade, either (A) maintain collateral at levels sufficient to maintain an "AA" rated investment from S&P and an "Aa" rated investment from Moody's, or (B) repurchase all collateral and terminate the repurchase agreement. Further, if the provider's rating by either S&P or Moody's falls below "A-" or "A3," respectively, the provider must at the written direction of the Issuer to the Trustee, within ten (10) calendar days, either (1) maintain collateral at levels sufficient to maintain an "AA" rated investment from S&P and an "Aa" rated investment from Moody's, or (2) repurchase all collateral and terminate the repurchase agreement without penalty. In the event the repurchase agreement provider has not satisfied the above conditions within ten (10) days of the date such conditions apply, then the repurchase agreement shall provide that the Trustee shall withdraw the entire amount invested plus accrued interest within two (2) Business Days. Any repurchase agreement entered into pursuant to this Master Indenture shall contain the following additional provisions:

(i) Failure to maintain the requisite collateral percentage will require the Issuer or the Trustee to liquidate the collateral as provided above;

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"Government Obligations" shall mean direct obligations of, or obligations the timely payment of principal and interest on which are unconditionally guaranteed by, the United States of America.

"Indenture" shall mean, with respect to any Series of Bonds, this Master Indenture as supplemented by the Supplemental Indenture pursuant to which such Series of Bonds is issued.

"Independent" shall mean a Person who is not a member of the Issuer's Board, an officer or employee of the Issuer or the Developer and/or Landowner, or which is not a partnership, corporation or association having a partner, director, officer, member or substantial stockholder who is a member of the Issuer's Board, or an officer or employee of the Issuer; provided, however, that the fact that such Person is retained regularly by or regularly transacts business with the Issuer or the Developer and/or Landowner shall not make such Person an employee within the meaning of this definition.

"Interest Account" shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 6.04 hereof.

"Interest Payment Date" shall mean each May 1 and November 1 commencing on the date specified in the Supplemental Indenture pursuant to which a Series of Bonds is issued.

"Interest Period" shall mean the period from and including any Interest Payment Date to and excluding the next succeeding Interest Payment Date; provided, however, that upon final payment of any Bond at maturity or upon redemption or mandatory purchase, the Interest Period shall extend to, but not include, the date of such final payment, which shall always be a Business Day.

"Investment Grade Rating" shall mean either a rating of "BBB-" or higher by S&P or a rating of "Baa3" or higher by Moody's or a rating of "BBB-" or higher by Fitch.

"Investment Securities" shall mean and include any of the following securities;

(1) Government Obligations;

(2) obligations of any of the following agencies: Government National Mortgage Association (including participation certificates issued by such Association); FannieMae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Farmers Home Administration; Student Loan Marketing Association; Federal Home Loan Mortgage Corporation;

(3) time deposits, Federal funds or bankers' acceptances (with term to maturity of 270 days or less) of any bank (which may include the Trustee or its affiliates) which has an unsecured, uninsured and unguaranteed obligation rated in one of the top two rating categories by either Moody's or S&P (in each case, without regard to rating modifiers);

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(ii) The Holder of the collateral, as hereinafter defined, shall have possession of the collateral or the collateral shall have been transferred to the Holder of the collateral, in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(iii) The repurchase agreement shall state and an opinion of Counsel in form and in substance satisfactory to the Issuer shall be rendered that the Holder of the collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the collateral is in possession);

(iv) The repurchase agreement shall be a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a domestic bank, a "qualified financial contract" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and such bank is subject to FIRREA;

(v) The repurchase transaction shall be in the form of a written agreement, and such agreement shall require the provider to give written notice to the Trustee of any change in its long-term debt rating;

(vi) The Issuer or its designee shall represent that it has no knowledge of any fraud involved in the repurchase transaction;

(vii) The Issuer and the Trustee shall receive the opinion of Counsel (which opinion shall be addressed to the Issuer and the Trustee and shall be in form and substance satisfactory to the Issuer) that such repurchase agreement complies with the terms of this section and is legal, valid, binding and enforceable upon the provider in accordance with its terms;

(viii) The term of the repurchase agreement shall be no longer than ten years or the remaining term of the Bonds, whichever is earlier;

(ix) The interest with respect to the repurchase transaction shall be payable no less frequently than quarterly;

(x) The repurchase agreement shall provide that the Trustee may withdraw funds without penalty at any time, or from time to time, for any purpose permitted or required under this Master Indenture;

(xi) Any repurchase agreement shall provide that a perfected security interest in such investments is created for the benefit of the Beneficial Owners under the Uniform Commercial Code of Florida, or book-entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. are created for the benefit of the Beneficial Owners; and

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(xii) The collateral delivered or transferred to the Issuer, the Trustee, or a third-party acceptable to, and acting solely as agent for, the Trustee (the "holder of the collateral") shall be delivered and transferred in compliance with applicable state and federal laws (other than by means of entries on provider's books) free and clear of any third-party liens or claims pursuant to a custodial agreement subject to the prior written approval of the Majority Owners and the Trustee. The custodial agreement shall provide that the Trustee must have the rights for disposition or control over the collateral of the repurchase agreement, irrespective of an event of default by the provider of such repurchase agreement.

If such investments are held by a third-party, they shall be held as agent for the benefit of the Trustee as fiduciary for the Beneficial Owners and not as agent for the bank serving as Trustee in its commercial capacity or any other party and shall be segregated from securities owned generally by such third party or bank:

(9) any other investment permitted under Florida law and approved in writing by the Majority Owners of the Bonds secured thereby;

(10) bonds, notes and other debt obligations of any corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, if such obligations are rated in one of the three highest ratings by both Moody's and S&P or in one of the two highest categories by either S&P or Moody's;

(11) investment agreements with a bank, insurance company or other financial institution, or the subsidiary of a bank, insurance company or other financial institution if the parent guarantees the investment agreement, which bank, insurance company, financial institution or parent has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated in the highest short-term rating category by Moody's, S&P or Fitch (if the term of such agreement does not exceed 365 days), or has an unsecured, uninsured and unguaranteed obligation (or claims paying ability) rated Aa2 or better by Moody's and AA or better by S&P or Fitch, respectively (if the term of such agreement is more than 365 days) or is the lead bank of a parent bank holding company with an unsecured, unsecured and unguaranteed obligation of the aforesaid ratings, provided:

(i) interest is paid on any date interest is due on the Bonds (not more frequently than quarterly) at a fixed rate (subject to adjustments for yield restrictions required by the Code) during the entire term of the agreement;

(ii) moneys invested thereunder may be withdrawn without penalty, premium, or charge upon not more than two days' notice unless otherwise specified in a Supplemental Indenture;

(iii) the same guaranteed interest rate will be paid on any future deposits made to restore the account to its required amount.

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Under all circumstances, the Trustee shall be entitled to conclusively rely that any investment directed in writing by an Authorized Officer of the Issuer is permitted under the Indenture and is a legal investment for funds of the Issuer.

"Issuer" shall mean the Cypress Bluff Community Development District.

"Landowner" with respect to a Series of Bonds, shall have the meaning ascribed to such term in the Supplemental Indenture for such Series of Bonds.

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of the Bonds then Outstanding to which such reference is made.

"Major Non-Recurring Expense" shall mean the cost of major replacement or reconstruction of the Capital Improvement Program, or any part thereof, the cost of major repairs, renewals or replacements, the provision of a reserve for the payment of insurance premiums not due on an annual or more frequent basis, and the cost of studies, surveys, estimates and investigations in connection with any of the foregoing.

"Master Indenture" shall mean, this Master Trust Indenture by and between the Issuer and the Trustee, as amended and/or supplemented in accordance with the provisions of Article XIII hereof.

"Moody's" shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer and acceptable to the Trustee.

"Officers' Certificate" or "Officer's Certificate" shall mean a certificate, duly executed by a Responsible Officer and delivered to the Trustee.

"Outstanding," in connection with a Series of Bonds, shall mean, as of the time in question, all Bonds of such Series authenticated and delivered under the Indenture, except:

(a) all Bonds theretofore cancelled or required to be cancelled under Section 2.07 hereof;

(b) Bonds for the payment, redemption or purchase of which moneys and/or Defeasance Securities, the principal of and interest on which, when due, will provide sufficient moneys to fully pay such Bonds in accordance with Article XIV hereof, shall have been or shall concurrently be deposited with the Trustee; provided that, if such Bonds are being redeemed, the required notice of redemption shall have been given or provision shall have been made therefor, and that if such Bonds are being purchased, there shall be a firm commitment for the purchase and sale thereof; and

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(iv) the Issuer and the Trustee receive an opinion of Counsel that such agreement is an enforceable obligation of such insurance company, bank, financial institution or parent; and

(v) in the event of a suspension, withdrawal, or downgrade below Aa3, AA- or AA- by Moody's, S&P or Fitch, respectively, the provider shall notify the Issuer and the Trustee in writing within ten (10) Business Days of such downgrade event and the provider shall at its option, within five (5) Business Days after notice is given to the Trustee, take any of the following actions:

(A) collateralize the agreement at levels, sufficient to maintain an "AA" rated investment from S&P or Fitch and an "Aa2" from Moody's with a mark to market approach; or

(B) assign the agreement to another provider, as long as the minimum rating criteria of "AA" rated investment from S&P or Fitch and an "Aa2" from Moody's with a mark to market approach; or

(C) have the agreement guaranteed by a provider which results in a minimum rating criteria of an "AA" rated investment from S&P or Fitch and an "Aa2" from Moody's with a mark to market approach.

In the event the provider has not satisfied any one of the above conditions within three (3) days of the date such conditions apply, then the agreement shall provide that the Trustee, at the written direction of the Issuer, shall be entitled to withdraw the entire amount invested plus accrued interest without penalty or premium.

(12) bonds, notes and other debt obligations of any corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, if such obligations are rated in one of the three highest ratings by both Moody's and S&P or in one of the two highest categories by either S&P or Moody's;

(13) the Local Government Surplus Funds Trust Fund as described in Florida Statutes, Section 218.405 or the corresponding provisions of subsequent laws provided that such fund is rated at least "AA" by S&P (without regard to gradation) or at least "Aa" by Moody's (without regard to gradation); and

(14) in addition to the deposits described in subsection (3) above in the definition of Investment Securities, time deposits, demand deposits or certificate of deposit of any depository institution or trust company incorporated under the law of the United States of America or any State (or any domestic branch of foreign bank) and subject to supervision and examination by Federal or State depository institution authority (including the Trustee or its affiliates); provided, however, that at the time of the investment, short-term unsecured debt obligations hereof shall have a credit rating in the highest rating category by S&P or Moody's (in each case without regard to ratings modifiers).

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(c) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article II hereof.

In determining whether the Holders of a requisite aggregate principal amount of Bonds Outstanding of a Series have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds of such Series which are actually known by a Responsible Officer of the Trustee to be held by or on behalf of the Issuer shall be disregarded for the purpose of any such determination; provided, however, this provision does not affect the right of the Trustee to deal in Bonds as set forth in Section 11.09 hereof.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Paying Agent" shall mean initially, the Trustee, and thereafter any successor thereto appointed in accordance with Section 11.20 of this Master Indenture.

"Person" shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, governmental body, political subdivision, municipality, municipal authority or any other group or organization of individuals.

"Pledged Revenues" shall mean, unless otherwise provided by Supplemental Indenture with respect to a specific Series of Bonds, with respect to a particular Series of Bonds Outstanding, (a) all revenues received by the Issuer from Special Assessments levied and collected on all or a portion of the District Lands with respect to such Series of Bonds, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Special Assessments or from the issuance and sale of tax certificates with respect to such Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture expressly allocated to such particular Series of Bonds; provided, however, that Pledged Revenues shall not include (i) any moneys transferred to the Rebate Fund, or investment earnings thereon and (ii) "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (i) and (ii) of this provision).

"Project" shall mean, with respect to any Series of Bonds, the portion or portions of the Capital Improvement Program financed or refinanced with such Series of Bonds, all as more specifically described in the Supplemental Indenture relating to such Series of Bonds; provided that the portion or portions of the Capital Improvement Program financed with such Series of Bonds shall specially benefit all of the District Lands on which Special Assessments to secure such Series of Bonds have been levied.

"Property Appraiser" shall mean the property appraiser of the County.

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"Property Appraiser and Tax Collector Agreement" shall mean the Property Appraiser and Tax Collector Agreement described in Section 9.04 hereof.

"Rebate Fund" shall mean the Fund, if any, so designated, which is established pursuant to an arbitrage rebate agreement, into which shall be deposited certain moneys in accordance with the provisions of said arbitrage rebate agreement.

"Record Date" shall mean, as the case may be, the applicable Regular or Special Record Date.

"Redemption Price" shall mean the principal amount of any Bond plus the applicable premium, if any, payable upon redemption thereof pursuant to the Indenture.

"Registrar" shall mean initially, the Trustee, which entity shall have the responsibilities set forth in Section 2.04 of this Master Indenture, and thereafter any successor thereto appointed in accordance with Section 11.20 of this Master Indenture.

"Regular Record Date" shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

"Regulatory Body" shall mean and include (a) the United States of America and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the United States of America, (b) the State, any political subdivision thereof and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the State, (c) the City and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the City, and (d) any other public body, whether federal, state or local or otherwise having regulatory jurisdiction and authority over the Issuer.

"Responsible Officer" shall mean any member of the Board or any other officer of the Issuer or other person designated by Certified Resolution of the Issuer, a copy of which shall be on file with the Trustee, to act for any of the foregoing, either generally or with respect to the execution of any particular document or other specific matter.

"Responsible Officer of the Trustee" shall mean any officer of the Trustee within the corporate trust office specified in Section 15.06 (or any successor corporate trust office) having direct responsibility for the administration of this Master Indenture.

"Revenue Fund" shall mean the Fund so designated which is established pursuant to Section 6.03 hereof.

"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.

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"maintenance special assessments" levied and collected by the Issuer under Section 190.021(3) of the Act.

"Special Record Date" shall mean such date as shall be fixed for the payment of defaulted interest on the Bonds in accordance with Section 2.01 hereof.

"State" shall mean the State of Florida.

"Supplemental Indenture" and "indenture supplemental hereto" shall mean any indenture amending or supplementing this Master Indenture which may be entered into in accordance with the provisions of this Master Indenture.

"Tax Collector" shall mean the tax collector of the County.

The words "hereof," "herein," "hereto," "hereby," and "hereunder" (except in the form of Bond), refer to the entire Master Indenture.

Every "request," "requisition," "order," "demand," "application," "notice," "statement," "certificate," "consent," or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by the Chair or a Vice Chair and the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary or Responsible Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

ARTICLE II THE BONDS

SECTION 2.01. AMOUNTS AND TERMS OF BONDS; DETAILS OF BONDS. The Issuer is hereby authorized to issue in one or more Series pursuant to the terms and conditions of this Master Indenture, its obligations to be known as "Cypress Bluff Community Development District Special Assessment Bonds, Series [to be designated]" (the "Bonds"). The total principal amount of Bonds that may be issued under this Master Indenture is expressly limited to \$96,000,000 exclusive of any refunding bonds. The Bonds shall be issued in Authorized Denominations and within each Series shall be numbered consecutively from R-1 and upwards in each Series and in substantially the form attached hereto as Exhibit C, with such appropriate variations, omissions and insertions as are permitted or required by this Master Indenture or as otherwise provided in a Supplemental Indenture. All Bonds shall be issued only upon satisfaction of the conditions set forth in Article III hereof; and the Trustee shall, at the Issuer's written request, authenticate such Bonds and deliver them as specified in such request.

Each Bond shall be dated, shall have such Interest Payment Dates, shall bear interest from such date or dates and at such rate or rates until the maturity thereof, payable on such Interest

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"S&P" shall mean Standard & Poor's, a Standard & Poor's Financial Services LLC business, organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer and acceptable to the Trustee.

"Series" shall mean all of the Bonds authenticated and delivered at one time on original issuance and pursuant to any Certified Resolution of the Issuer authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II hereof and the applicable Supplemental Indenture, regardless of variations in maturity, interest rate or other provisions; provided, however, two or more Series of Bonds may be issued simultaneously under the same Supplemental Indenture if designated as separate Series of Bonds by the Issuer upon original issuance. Two or more Series or sub-Series of Bonds may be issued simultaneously under separate Supplemental Indentures, but under this Master Indenture. As may be provided by subsequent proceedings of the Issuer, one or more Series of Bonds or sub-Series of Bonds, whether issued at the same time or not, may be separately secured by Special Assessments imposed pursuant to separate assessment proceedings. Such Bonds or sub-Series of Bonds which are secured by separate Special Assessments will not be issued as parity bonds even if issued at the same time.

"Sinking Fund Account" shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 6.04 hereof.

"Sinking Fund Installments" shall mean the money required to be deposited in the Sinking Fund Account for the purpose of the mandatory redemption of any term Bonds issued pursuant to the Indenture, the specific amounts and times of such deposits to be as set forth in Section 8.01(c) hereof and the applicable Supplemental Indenture.

"Special Assessments" shall mean (a) the net proceeds derived from the levy and collection of "special assessments," as provided for in Sections 190.011(14) and 190.022 of the Act (except for any such special assessments levied and collected for maintenance purposes), against the District Lands that are subject to assessment as a result of a particular Project or any portion thereof, and (b) the net proceeds derived from the levy and collection of "benefit special assessments," as provided for in Section 190.021(2) of the Act, against the District Lands that are subject to assessment as a result of a particular Project or any portion thereof, and in the case of both "special assessments" and "benefit special assessments," including the interest and penalties on such assessments, pursuant to all applicable provisions of the Act and Chapter 170, Florida Statutes, and Chapter 197, Florida Statutes (and any successor statutes thereto), including, without limitation, any amount received from any foreclosure proceeding for the enforcement of collection of such assessments or from the issuance and sale of tax certificates with respect to such assessments, less (to the extent applicable) the fees and costs of collection thereof payable to the Tax Collector and less certain administrative costs payable to the Property Appraiser pursuant to the Property Appraiser and Tax Collector Agreement. "Special Assessments" shall not include

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Payment Dates, and shall be stated to mature (subject to the right of prior redemption), all as provided in, or pursuant to, a Supplemental Indenture.

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender on the respective dates of payment thereof for the payment of public and private debts. Unless otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, the principal of all Bonds shall be payable at the designated corporate trust office of the Paying Agent upon the presentation and surrender of such Bonds as the same shall become due and payable.

Except to the extent otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, interest on any Bond is payable on any Interest Payment Date by check or draft mailed on the Interest Payment Date to the person in whose name that Bond is registered at the close of business on the Regular Record Date for such Interest Payment Date, at his address as it appears on the Bond Register. The Bonds shall bear interest from the Interest Payment Date next preceding the date on which they are authenticated unless authenticated on an Interest Payment Date in which event they shall bear interest from such Interest Payment Date, or unless authenticated before the first Interest Payment Date in which event they shall bear interest from their date; provided, however, that if a Bond is authenticated between a Record Date and the next succeeding Interest Payment Date, such Bond shall bear interest from such succeeding Interest Payment Date; provided further, however, that if at the time of authentication of any Bond interest thereon is in default, such Bond shall bear interest from the date to which interest has been paid. Any interest on any Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given by Electronic Means or mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to giving such notices, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, but subject to the provisions of Section 2.11 hereof, any Owner of Bonds of a Series in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Trustee and Paying Agent, upon requesting the same in a writing received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Trustee and Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by such Bonds on the day before the default occurred.

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The Trustee is hereby constituted and appointed as Paying Agent for the Bonds.

SECTION 2.02. EXECUTION. The Bonds shall be executed by the manual or facsimile signature of the Chair or Vice Chair of the Issuer, and the corporate seal of the Issuer shall appear thereon (which may be in facsimile) and shall be attested by the manual or facsimile signature of its Secretary or Assistant Secretary. Bonds executed as above provided may be issued and shall, upon written request of the Issuer, be authenticated by the Trustee, notwithstanding that one or both of the officers of the Issuer whose signatures appear on such Bonds shall have ceased to hold office at the time of issuance or authentication or shall not have held office at the date of the Bonds.

SECTION 2.03. AUTHENTICATION; AUTHENTICATING AGENT. No Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as Authenticating Agent, and such authentication shall be proof that the Bondholder is entitled to the benefit of the trust hereby created. The Trustee shall at all times serve as Authenticating Agent and shall be authorized to authenticate the Bonds.

SECTION 2.04. REGISTRATION AND REGISTRAR. The Trustee is hereby constituted and appointed as the Registrar for the Bonds. The Registrar shall act as registrar and transfer agent for the Bonds. The Issuer shall cause to be kept at an office of the Registrar a register (herein sometimes referred to as the "Bond Register" or "Register") in which, subject to the provisions set forth in Section 2.08 below and such other regulations as the Issuer and Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and for the registration of transfers and exchanges of such Bonds. The Trustee shall notify the Issuer in writing of the specific office location (which may be changed from time to time, upon similar notification) at which the Bond Register is kept. Initially, and until the Trustee provides notice as provided in the immediately preceding sentence, the Bond Register shall be kept at the Trustee's designated corporate trust office in Jacksonville, Florida.

SECTION 2.05. MUTILATED, DESTROYED, LOST OR STOLEN BONDS. If any Bond shall become mutilated, the Issuer shall execute and the Trustee or Authenticating Agent, as the case may be, shall thereupon authenticate and deliver a new Bond of like Series, tenor and denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee or Authenticating Agent, as the case may be, of such mutilated Bond for cancellation, and the Issuer and the Trustee or Authenticating Agent, as the case may be, may require reasonable indemnity therefor. If any Bond shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof shall be submitted to the Issuer and the Trustee or Authenticating Agent, as the case may be; and if such evidence shall be satisfactory to both and indemnity satisfactory to both shall be given, the Issuer shall execute, and thereupon the Trustee or Authenticating Agent, as the case may be, shall authenticate and deliver a new Bond of like Series, tenor and denomination. The cost of providing any substitute Bond under the provisions of this Section (including attorneys' fees, costs and expenses, if any) shall be borne by the Bondholder for whose benefit such substitute Bond is provided. If any such mutilated, lost, stolen or destroyed Bond shall have matured or be about to mature, the Issuer

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At the option of the Bondholder, Bonds may be exchanged for other Bonds of a like aggregate principal amount and of the same Series and maturity, upon surrender of the Bonds to be exchanged at any such office of the Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute and the Trustee, as Registrar and Authenticating Agent shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

All Bonds issued upon any transfer or exchange of Bonds shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under the Indenture as the Bonds of such same Series surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing.

Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Neither the Issuer nor the Registrar on behalf of the Issuer shall be required (i) to issue, transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of giving a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of giving such notice, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

SECTION 2.09. PERSONS DEEMED OWNERS. The Issuer, the Trustee, any Paying Agent, the Registrar, or the Authenticating Agent shall deem and treat the person in whose name any Bond is registered as the absolute Owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, any Paying Agent, the Registrar or the Authenticating Agent) for the purpose of receiving payment of or an account of the principal or Redemption Price of and interest on such Bond, and for all other purposes, and the Issuer, the Trustee, any Paying Agent, the Registrar and the Authenticating Agent shall not be affected by any notice to the contrary. All such payments so made to any such Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bond.

SECTION 2.10. LIMITATION ON INCURRENCE OF CERTAIN INDEBTEDNESS. The Issuer will not issue Bonds, except upon the conditions and in the manner provided or as otherwise permitted in the Indenture, provided that the Issuer may enter into agreements with issuers of Credit Facilities which involve liens on Pledged Revenues on a parity with that of the Bonds or portion thereof which is supported by such Credit Facilities.

SECTION 2.11. QUALIFICATION FOR THE DEPOSITORY TRUST COMPANY. To the extent provided in a Supplemental Indenture or authorized and directed by a Resolution

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may, with the consent of the Trustee or Authenticating Agent, as the case may be, pay to the Owner the principal amount of and accrued interest on such Bond upon the maturity thereof and compliance with the aforesaid conditions by such Owner, without the issuance of a substitute Bond therefor.

Every substituted Bond issued pursuant to this Section 2.05 shall constitute an additional contractual obligation of the Issuer, whether or not the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Indenture equally and proportionately with any and all other Bonds of such same series duly issued hereunder.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies with respect to the replacement or payment of negotiable instruments, investments or other securities without their surrender.

SECTION 2.06. TEMPORARY BONDS. Pending preparation of definitive Bonds, or by agreement with the original purchasers of all Bonds, the Issuer may issue and, upon its written request, the Trustee shall authenticate in lieu of definitive Bonds one or more temporary printed or typewritten Bonds of substantially the tenor recited above. Upon written request of the Issuer, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds. So long as Cede & Co., or any other nominee of DTC is the registered Owner of the Bonds, the definitive Bonds shall be in typewritten form.

SECTION 2.07. CANCELLATION AND DESTRUCTION OF SURRENDERED BONDS. All Bonds surrendered for payment or redemption and all Bonds surrendered for exchange shall, at the time of such payment, redemption or exchange, be promptly transferred by the Registrar, Paying Agent or Authenticating Agent to, and cancelled and destroyed by, the Trustee in accordance with its retention policy then in effect. The Trustee shall upon written request deliver to the Issuer a certificate of destruction in respect of all Bonds destroyed in accordance with this Section.

SECTION 2.08. REGISTRATION, TRANSFER AND EXCHANGE. As provided in Section 2.04 hereof, the Issuer shall cause a Bond Register in respect of the Bonds to be kept at the designated office of the Registrar.

Upon surrender for registration of transfer of any Bond at the designated office of the Registrar, and upon compliance with the conditions for the transfer of Bonds set forth in this Section 2.08, the Issuer shall execute and the Trustee, as Registrar and Authenticating Agent, shall authenticate and deliver, in the name of the designated transferees, one or more new Bonds of a like aggregate principal amount and of the same Series and maturity.

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of the Issuer authorizing the issuance of a Series of Bonds, the Trustee shall be authorized to enter into agreements with The Depository Trust Company, New York, New York ("DTC") and other depository trust companies, including, but not limited to, agreements necessary for wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC, and other depository trust companies in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC and other depository trust companies (or any of their designees identified to the Trustee in writing) by overnight delivery, courier service, telegram, teletype or other similar means of communication.

So long as there shall be maintained a book-entry-only system with respect to a Series of Bonds, the following provisions shall apply:

Unless otherwise provided in a Supplemental Indenture, each Series of Bonds shall initially be registered in the name of Cede & Co. as nominee for DTC, which will act initially as securities depository for the Bonds and so long as the Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof. On original issue, the Bonds shall be deposited with DTC, which shall be responsible for maintaining a book-entry only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the Beneficial Owners.

Principal and interest on the Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC without the need for presentment of such Bonds. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

The Bonds registered in the name of Cede & Co. shall initially be issued in the form of one fully registered Bond for each maturity of each Series registered in the name of Cede & Co. and shall be held in such form until maturity. Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Bonds, through DTC Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS REGISTERED OWNER OF THE BONDS, ANY NOTICES TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICES TO DTC PARTICIPANTS AND DTC PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO INDIRECT PARTICIPANTS, AND DTC PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO BENEFICIAL OWNERS.

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be

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terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository and in that event all references to DTC or Cede & Co. shall be deemed to be references to its respective successor. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Bonds in the form of fully registered Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Bonds may be exchanged for an equal aggregate principal amount of Bonds in other Authorized Denominations and of the same maturity and Series upon surrender thereof at the designated corporate trust office of the Trustee.

ARTICLE III ISSUE OF BONDS

SECTION 3.01. ISSUE OF BONDS. Subject to the provisions of Section 2.01 hereof, the Issuer may issue one or more Series of Bonds hereunder and under Supplemental Indentures from time to time for the purpose of financing the Cost of acquisition or construction of the Capital Improvement Program or to refund all or a portion of a Series of Bonds (and to pay the costs of the issuance of such Bonds and to pay the amounts required to be deposited with respect to such Bonds in the Funds and Accounts established under the Indenture). In connection with the issuance of a Series of Bonds the Trustee shall, at written request of the Issuer, authenticate the Bonds and deliver or cause them to be authenticated and delivered, as specified in the request, but only upon receipt of:

(1) a Certified Resolution of the Issuer (a) approving a Supplemental Indenture under which the Series of Bonds are to be issued; (b) providing the terms of the Bonds and directing the payments to be made into the Funds and Accounts in respect thereof as provided in Article V or Article VI hereof; (c) authorizing the execution and delivery of the Series of Bonds to be issued; and (d) if the purpose is to effectuate a refunding, authorizing the redemption, if any, of the Bonds to be refunded and the defeasance thereof, and the execution and delivery of an escrow agreement, if applicable, and other matters contained in Section XIV hereof;

(2) a written opinion or opinions of Counsel to the Issuer, which shall also be addressed to the Trustee, to the effect that (a) all conditions prescribed herein as precedent to the issuance of the Bonds have been fulfilled; (b) the Bonds have been validly authorized and executed by the Issuer and when authenticated and delivered pursuant to the request of the Issuer will be valid obligations of the Issuer entitled to the benefit of the trust created hereby and will be enforceable in accordance with their terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles, whether in a proceeding at law or in equity; (c) any consents of any Regulatory Bodies required in connection with the issuance of the Bonds or in connection with the acquisition of the improvements included in a Project have been obtained or based on certifications of the Consulting Engineer can be reasonably expected to be

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foregoing shall not be applicable in the case of the issuance of a refunding Series of Bonds); the Consulting Engineer's certificate may incorporate its engineering report by reference to satisfy all or some of the above requirements;

(5) a Financial Consultant's certificate that (a) the benefit from the Project equals or exceeds the amount of Special Assessments; (b) the Special Assessments are fairly and reasonably allocated across the District Lands subject to the Special Assessments; and (c) the Special Assessments are sufficient to pay the Debt Service Requirements on the Bonds;

(6) a copy of the Supplemental Indenture for such Bonds, certified by the Secretary or Assistant Secretary of the Issuer as being a true and correct copy thereof;

(7) the proceeds of the sale of such Bonds;

(8) any Credit Facility authorized by the Issuer in respect to such Bonds;

(9) one or more Certified Resolutions of the Issuer relating to the levy of Special Assessments in respect of the Project, and evidencing that the Issuer has undertaken, and to the extent then required under applicable law, completed all necessary proceedings, including, without limitation, the approval of assessment rolls, the holding of public hearings, the adoption of resolutions and the establishment of all necessary collection procedures, in order to levy and collect Special Assessments upon the District Lands in an amount sufficient to pay the Debt Service Requirement on the Bonds to be issued (the foregoing shall not be applicable in the case of the issuance of a refunding Series of Bonds);

(10) an opinion of Bond Counsel substantially to the effect that (a) the Series of Bonds are valid and binding limited obligations of the Issuer, (b) the Indenture constitutes a valid and binding obligation of the Issuer, enforceable in accordance with its terms, and (c) if such Series of Bonds are not taxable Bonds, that the interest thereon is excludable from gross income for federal income tax purposes under the income tax laws of the United States in effect on the date such Series of Bonds are delivered to their initial purchasers;

(11) a written direction of the Issuer to the Trustee to authenticate and deliver such Bonds;

(12) a copy of a Final Judgment of Validation and a Certificate of No Appeal with respect to the Bonds that are subject to validation;

(13) in the case of the issuance of a refunding Series of Bonds, an Officer's Certificate stating (a) the intended use of the proceeds of the issue; (b) any other amounts available for such purpose; (c) that the proceeds of the issue plus the other amounts, if any, stated to be available for the purpose will be sufficient to refund the Bonds to be refunded in accordance with the refunding plan and in compliance with Article XIV of this Master Indenture, including, without limitation, to pay the Costs of issuance of such Bonds, and (d) that notice of redemption, if

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obtained on or prior to the date such consents are required for such Project; and (d) if the acquisition of any real property or interest therein is included in the purpose of such issue, and in exchange for the payment of proceeds of the Bonds at the time of the issuance of the Bonds, (i) the Issuer has or can acquire good and marketable title thereto free from all liens and encumbrances except such as will not materially interfere with the proposed use thereof or (ii) the Issuer has or can acquire a valid, subsisting and enforceable leasehold, easement, right-of-way or other interest in real property sufficient to effectuate the purpose of the issue (which opinion may be stated in reliance on the opinion of other Counsel satisfactory to the signer or on a title insurance policy issued by a reputable title company) (clause (c) shall not apply in the case of the issuance of a refunding Series of Bonds);

(3) an opinion of Counsel to the Issuer, which shall also be addressed to the Trustee, to the effect that: (a) the Issuer has good right and lawful authority under the Act to undertake the Project, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body; (b) that the Special Assessment proceedings have been taken in accordance with Florida law and that the Issuer has taken all action necessary to levy and impose the Special Assessments; (c) that the Special Assessments are legal, valid, and binding liens upon the property against which the Special Assessments are made, coequal with the lien of all State, City, County and municipal ad valorem taxes and superior in priority to all other liens, titles and claims against said property then existing or thereafter created, until paid; (d) the related Indenture has been duly and validly authorized, approved, and executed by the Issuer; (e) the issuance of the Series of Bonds has been duly authorized and approved by the Board; and (f) the related Indenture (assuming due authorization, execution and delivery by the Trustee) constitutes a binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles, whether in a proceeding at law or in equity (clauses (a), (b) and (c) shall not apply in the case of the issuance of a refunding Series of Bonds);

(4) a Consulting Engineer's certificate addressed to the Issuer and the Trustee setting forth the estimated cost of the Project, and in the case of an acquisition by the Issuer of all or a portion of the Project that has been completed, stating, in the signer's opinion, (a) that the portion of the Project improvements to be acquired from the proceeds of such Bonds have been completed in accordance with the plans and specifications therefor; (b) to the best of his knowledge, the Project improvements are constructed in a sound workmanlike manner and in accordance with industry standards; (c) the purchase price to be paid by the Issuer for the Project improvements is no more than the lesser of (i) the fair market value of such improvements and (ii) the actual Cost of construction of such improvements; and (d) the plans and specifications for the Project improvements have been approved by all Regulatory Bodies required to approve them (specifying such Regulatory Bodies) or such approval can reasonably be expected to be obtained; provided, however, that in lieu of the information required in clause (a), there may be delivered to the Trustee satisfactory evidence of the acceptance of operational and maintenance responsibility of each component of the Project by one or more governmental entities (the

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applicable, of the Bonds to be refunded has been duly given or that provision has been made therefor, as applicable;

(14) in the case of the issuance of a refunding Series of Bonds, a written opinion of Bond Counsel to the effect that the issuance of such Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds issued pursuant to the Indenture (to the extent that upon original issuance thereof such Bonds were issued as Bonds the interest on which is excludable from gross income for federal income tax purposes); and

(15) such other documents, certifications and opinions as shall be required by the Supplemental Indenture or by the Issuer or the Trustee upon advice of counsel.

At the option of the Issuer, any or all of the matters required to be stated in the Certified Resolution described in (1) above may instead be stated in a Supplemental Indenture, duly approved by a Certified Resolution of the Issuer. Execution of a Series of the Bonds by the Issuer shall be conclusive evidence of satisfaction of conditions precedent set forth in this Article, as to the Issuer and Underwriter.

ARTICLE IV ACQUISITION OF PROJECT

SECTION 4.01. PROJECT TO CONFORM TO PLANS AND SPECIFICATIONS; CHANGES. The Issuer will proceed to complete any Project or portion thereof for which any Series of Bonds is being issued in accordance with the plans and specifications therefor, as such plans and specifications may be amended from time to time, and subject to the specific requirements of the Supplemental Indenture for such Series of Bonds.

SECTION 4.02. COMPLIANCE REQUIREMENTS. The Issuer will comply with all present and future laws, acts, rules, regulations, orders and requirements lawfully made and applicable in fact to any acquisition or construction hereby undertaken and shall obtain all necessary approvals under federal, state and local laws, acts, rules and regulations necessary for the completion and operation of any Project or portion thereof for which any Series of Bonds is being issued and shall complete any Project or portion thereof in conformity with such approvals, laws, rules and regulations.

ARTICLE V ACQUISITION AND CONSTRUCTION FUND

SECTION 5.01. ACQUISITION AND CONSTRUCTION FUND. The Trustee shall establish an Acquisition and Construction Fund into which shall be deposited the proceeds from each Series of Bonds issued under the Indenture (unless otherwise specified herein or in the applicable Supplemental Indenture for a Series of Bonds) and from which Costs may be paid as set forth herein and in the applicable Supplemental Indenture. Unless otherwise specified in the applicable Supplemental Indenture, a separate Series Account shall be established in the Acquisition and Construction Fund with respect to each Series of Bonds issued hereunder and

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the proceeds of each Series of Bonds (other than Bonds issued to refund all or a portion of the Bonds) shall be deposited into the corresponding Series Account in the Acquisition and Construction Fund. The amounts in any account of the Acquisition and Construction Fund, until applied as hereinafter provided, shall be held for the security of the Series of Bonds hereunder in respect of which such Series Account was established. Separate subaccounts within any Series Account of the Acquisition and Construction Fund shall be maintained by the Trustee in respect of each Series of Bonds upon written request of the Issuer whenever, in the opinion of the Issuer, it is appropriate to have a separate written accounting in respect of the Costs of any designated portion of a Project. Payments shall be made from the appropriate Series Account of the Acquisition and Construction Fund to pay any unpaid costs of issuance of the Series of Bonds in question, including without limitation, legal, engineering, and consultants' fees and to pay amounts to be reimbursed to the Issuer for Costs advanced, and thereafter to pay Costs of planning, financing, acquisition, construction, reconstruction, equipping and installation of the applicable Project or portion thereof.

(a) *Deposits.* In addition to the deposit of amounts received by the Trustee on the date of issuance of each Series of Bonds, the Issuer shall pay or cause to be paid to the Trustee, for deposit into the Series Account of the Acquisition and Construction Fund, as promptly as practicable, the following amounts:

- (i) Subject to Section 9.24 hereof, payments made to the Issuer from the sale, lease or other disposition of the Project or any portion thereof, and
- (ii) Subject to Section 9.14 hereof, the balance of insurance proceeds with respect to the loss or destruction of the Project or any portion thereof.

Amounts in the Series Account of the Acquisition and Construction Fund shall be applied to pay the Cost of a Project or a portion thereof, as applicable, pertaining to the Series of Bonds in question; provided, however, that if any amounts remain in the Series Account of the Acquisition and Construction Fund after the Completion Date of the Project or portion thereof pertaining to the Series of Bonds in question, and if such amounts are not reserved for payment of any remaining part of the Cost of such Project or the payment of Deferred Costs, such amounts shall be transferred to the applicable Series Account of the Bond Redemption Fund for application to the redemption of Bonds of the Series to which such proceeds relate, as set forth in Section 6.06 hereof or in the applicable Supplemental Indenture.

(b) *Disbursements.* All payments from the Acquisition and Construction Fund shall be paid in accordance with the provisions of this subsection. Moneys in the Acquisition and Construction Fund shall be disbursed by check, voucher, order, draft, certificate or warrant signed by any one or more officers or employees of the Trustee legally authorized to sign such items or by wire transfer to an account specified by the payee upon satisfaction of the conditions for disbursement set forth in this subsection (b). Before any such payment shall be made, the Issuer shall file with the Trustee a fully executed requisition substantially in the form of Exhibit D attached hereto signed by a Responsible Officer and except for payment of costs of issuance, a

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Bonds on its Credit Facility, including, without limitation, interest thereon, as required under the terms of the applicable Credit Facility Agreement, the Pledged Revenues; provided, however, that unless otherwise specifically provided herein or in a Supplemental Indenture relating to a Series of Bonds with respect to the Pledged Revenues securing such Series of Bonds, the Pledged Revenues securing a Series of Bonds shall secure only such Series of Bonds and Bonds issued on a parity therewith and shall not secure any other Bonds or Series of Bonds. The Pledged Revenues shall immediately be subject to the lien and pledge of the Indenture without any physical delivery hereof or further act; provided, however, that the lien and pledge of the Indenture shall not apply to any moneys transferred by the Trustee to the Rebate Fund. The foregoing notwithstanding, to the extent provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, such Series of Bonds may be made payable from and secured by less than all of the Pledged Revenues, and any one or more of the provisions of this Master Indenture may be made inapplicable to such Series of Bonds, all as more specifically provided in the corresponding Supplemental Indenture; provided, however, that any such provisions shall apply only to the particular Series of Bonds authorized by such Supplemental Indenture and shall not affect in any manner whatsoever any Outstanding Series of Bonds.

SECTION 6.02. FUNDS AND ACCOUNTS RELATING TO THE BONDS. The Funds and Accounts specified in this Article VI shall be established under the Master Indenture and each Supplemental Indenture pursuant to which a Series of Bonds is issued for the benefit of the specific Series of Bonds issued pursuant to such Supplemental Indenture and any Series issued on a parity therewith and, unless expressly otherwise provided in said Supplemental Indenture, shall not apply to Bonds Outstanding hereunder issued under any other indenture supplemental hereto. Subject to the foregoing sentence, all moneys, including, without limitation, proceeds of a Series of Bonds, on deposit to the credit of the Funds and Accounts established hereunder and under a Supplemental Indenture (except for moneys transferred to the Rebate Fund) shall be pledged to the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series of Bonds issued hereunder and under such Supplemental Indenture, and any Series issued on a parity therewith.

SECTION 6.03. REVENUE FUND. The Trustee is hereby authorized and directed to establish a Revenue Fund and pursuant to a Supplemental Indenture a Series Account for each Series of Bonds issued hereunder, into which the Trustee shall immediately deposit any and all Special Assessments received from the levy thereof on the District Lands or any portion thereof (other than Special Assessment prepayments, including amounts constituting accrued interest on such prepayments) and any amounts received as the result of any foreclosure, sale of tax certificates or other remedial action for nonpayment of Special Assessments for the payment of the related Series of Bonds and other payments required hereunder or under the applicable Supplemental Indenture (unless such Special Assessments and/or other payments are specifically designated by the Issuer pursuant to a Supplemental Indenture for deposit into the Rebate Fund or any other Fund or Account established hereunder or under a Supplemental Indenture) and each Series Account therein shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. The Trustee shall transfer from amounts on deposit in the Series Account in the Revenue Fund to the Funds

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certificate of the Consulting Engineer signed by a Consulting Engineer also substantially in the form of Exhibit D attached hereto and as may be modified by terms of the related Supplemental Indenture. Upon receipt of each such requisition and accompanying certificate, the Trustee shall promptly withdraw from the appropriate Series Account of the Acquisition and Construction Fund and pay to the person, firm or corporation named in such requisition the amount designated in such requisition. All requisitions and certificates received by the Trustee pursuant to this Section 5.01 shall be retained in the possession of the Trustee, subject at all reasonable times to the inspection of the Issuer, the Consulting Engineer, the Owner of any Bonds, and the agents and representatives thereof. The Trustee shall have no duty to investigate the accuracy or validity of the items delivered pursuant to this Section.

(c) *Completion of Project.* On the date of completion of a Project, as evidenced by the delivery to the Trustee of a certificate of the Consulting Engineer and adoption of a resolution by the Board accepting a Project as provided by Section 170.09, Florida Statutes, as amended (the "Completion Date"), the balance in the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Project or the payment of Deferred Costs, shall be transferred by the Trustee to, and deposited in, the applicable Series Account of the Bond Redemption Fund and applied as provided in Section 6.06 hereof and in the applicable Supplemental Indenture.

ARTICLE VI SPECIAL ASSESSMENTS; APPLICATION THEREOF TO FUNDS AND ACCOUNTS

SECTION 6.01. SPECIAL ASSESSMENTS; LIEN OF INDENTURE ON PLEDGED REVENUES. The Issuer hereby covenants that it shall levy Special Assessments, and collect such Special Assessments in accordance with Section 9.04 hereof, unless otherwise provided in a Supplemental Indenture for a Series of Bonds, to the extent and in the amount necessary to pay the Debt Service Requirement on Bonds issued and Outstanding hereunder.

The Issuer shall, within five (5) Business Days of receipt thereof pay to the Trustee for deposit in the Series Account of the Revenue Fund established under Section 6.03 hereof all Special Assessments received by the Issuer from the levy thereof on the District Lands subject to assessments for the payment of the related Series of Bonds; provided, however, that amounts received as prepayments of Special Assessments and any amounts received under a "true-up" or similar agreement shall be deposited directly into the applicable Series Account within the Bond Redemption Fund established hereunder or in any account thereof established pursuant to the applicable Supplemental Indenture. The Issuer shall notify the Trustee in writing at the time of deposit of any amounts received as prepayments of Special Assessments and shall identify the related Series of Bonds.

There are hereby pledged for the payment of the principal or Redemption Price of and interest on all Bonds of each Series issued and Outstanding under the Indenture and all reimbursements due to any Credit Facility Issuer for any drawing with respect to such Series of

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and Accounts designated below, the following amounts, at the following times and in the following order of priority unless other times and/or other priorities are established in a Supplemental Indenture with respect to a Series of Bonds:

FIRST, no later than the Business Day preceding the first May 1 for which there is an insufficient amount from Bond proceeds (or investment earnings thereon) on deposit in the applicable Series Interest Account to be applied to the payment of interest on the Bonds of a Series due on the next succeeding May 1, and no later than the Business Day next preceding each May 1 thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Interest Account of the Debt Service Fund, an amount equal to the interest on the related Series of Bonds becoming due on the next succeeding May 1, less any amount on deposit in such Interest Account not previously credited;

SECOND, on a parity basis with **THIRD**, beginning on the date set forth in the related Supplemental Indenture, and no later than the Business Day next preceding each May 1 thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Principal Account of the Debt Service Fund, an amount equal to the principal amount of Bonds of such Series maturing on the next succeeding principal payment date, less any amount on deposit in the applicable Series Principal Account not previously credited;

THIRD, on a parity basis with **SECOND**, beginning on the date set forth in the related Supplemental Indenture, and no later than the Business Day next preceding each May 1 thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Bonds of such Series subject to mandatory sinking fund redemption on the next succeeding principal payment date, less any amount on deposit in the applicable Series Sinking Fund Account not previously credited;

FOURTH, upon receipt but no later than the Business Day preceding the first November 1 for which there remains an insufficient amount from Bond proceeds (or investment earnings thereon) on deposit in the applicable Series Interest Account to be applied to the payment of interest on the Bonds of a Series due on the next succeeding November 1, and no later than the Business Day next preceding each November 1 thereafter while Bonds of such Series issued under the Indenture remain Outstanding, to the applicable Series Interest Account of the Debt Service Fund, an amount equal to the interest on the Bonds of such Series becoming due on the next succeeding November 1, less any amount on deposit in the applicable Series Interest Account not previously credited;

FIFTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Account of the Debt Service Reserve Fund, an

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amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement;

SIXTH, subject to the following paragraph the balance of any moneys remaining in a Series Account of the Revenue Fund after making the foregoing deposits shall remain therein.

The Trustee shall within ten (10) Business Days after the last Interest Payment Date in any calendar year, at the written direction of the Issuer, and if no Event of Default is continuing, withdraw any moneys held for the credit of the Revenue Fund which are not otherwise required to be deposited pursuant to this Section or the related Supplemental Indenture and deposit such moneys as directed in writing to the credit of the applicable Series Account of the Bond Redemption Fund in accordance with the provisions hereof. Special Assessment prepayments (including any portion thereof comprising interest thereon) pledged to a particular Series of Bonds shall be deposited directly into the applicable Series Account of the Bond Redemption Fund as provided herein.

SECTION 6.04. DEBT SERVICE FUND. The Trustee is hereby authorized and directed to establish a Debt Service Fund which shall consist of amounts deposited therein by the Trustee and any other amounts the Issuer may pay to the Trustee for deposit therein with respect to the related Series of Bonds. The Debt Service Fund shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. The Trustee shall establish within the Debt Service Fund pursuant to a Supplemental Indenture, a Series Principal Account, a Series Interest Account and a Series Sinking Fund Account for each Series of Bonds, which accounts shall be separate and apart from all other Funds and Accounts established under the Indenture and from all other moneys of the Trustee.

The Trustee at all times shall make available to any Paying Agent the funds in the Series Principal Account and the Series Interest Account of the Debt Service Fund to pay the principal of the applicable Series of Bonds as they mature upon surrender thereof and the interest on the applicable Series of Bonds as it becomes payable, respectively. When a Series of Bonds is redeemed, the amount, if any, in the Debt Service Fund representing interest thereon shall be applied to the payment of accrued interest in connection with such redemption.

The Trustee shall apply moneys in the Series Sinking Fund Account in the Debt Service Fund for purchase or redemption of the applicable Series of Bonds in amounts and maturities set forth in the Supplemental Indenture. Whenever Bonds of a Series are to be purchased out of such Series Sinking Fund Account, if the Issuer shall notify the Trustee in writing that the Issuer wishes to arrange for such purchase, the Trustee shall comply with the Issuer's arrangements provided they conform to the Indenture.

Except to the extent otherwise provided in a Supplemental Indenture, purchases, Sinking Fund Installments and redemptions out of the Series Sinking Fund Account shall be made as follows:

shall be deposited in the related Series Account of the Debt Service Reserve Fund. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds and as long as there exists no default under the Indenture and the amount in the Series Account of the Debt Service Reserve Fund is not reduced below the then applicable Debt Service Reserve Requirement with respect to such Series of Bonds, earnings on investments in the Series Account of the Debt Service Reserve Fund shall be transferred to the related Series Account of the Revenue Fund. Otherwise, earnings on investments in each Series Account of the Debt Service Reserve Fund shall be retained therein until applied as set forth herein. Unless otherwise provided in a Supplemental Indenture, in the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement as a result of an optional prepayment by the owner of a lot or parcel of land of a Special Assessment against such lot or parcel, which Special Assessment is pledged for the payment and security of such Series of Bonds, the excess amount shall be transferred from the Series Account of the Debt Service Reserve Fund to the Bond Redemption Fund established for such Series of Bonds, as a credit against the principal amount of the prepayment otherwise required to be made by the owner of such lot or parcel. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, and in the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement for any other reason, the excess amount shall be transferred from the Series Account of the Debt Service Reserve Fund to the related Series Account of the Revenue Fund.

Whenever for any reason on an Interest Payment Date or principal payment date or mandatory redemption date with respect to a related Series of Bonds secured by a Series Account of the Debt Service Reserve Fund the amount in the related Series Interest Account, the related Series Principal Account or the related Series Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on such Series of Bonds thereon on such payment dates, the Trustee shall, without further instructions, transfer the amount of any such deficiency from the related Series Account of the Debt Service Reserve Fund into the related Series Interest Account, the related Series Principal Account and the related Series Sinking Fund Account, as the case may be, with priority to the related Series Interest Account and then, proportionately according to the respective deficiencies therein, to the related Series Principal Account and the related Series Sinking Fund Account, to be applied to pay amounts due with respect to a Series of Bonds secured by the Series Account of the Debt Service Reserve Fund on such date.

Notwithstanding the foregoing, in lieu of the required deposits into the related Series Account of the Debt Service Reserve Fund, the Issuer may cause to be deposited into the Series Account of the Debt Service Reserve Fund a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit either in lieu of any cash amount required to be deposited therein in connection with the issuance of any Series of Bonds 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 Series Account of the Debt Service Reserve Fund, which Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit shall

(a) The Trustee shall apply the amounts required to be transferred to the Series Sinking Fund Account (less any moneys applied to the purchase of Bonds of the applicable Series pursuant to the next sentence hereof) on the Sinking Fund Installment date in each of the years set forth in a Supplemental Indenture to the redemption of Bonds of a Series in the amounts, manner and maturities and on the dates set forth in a Supplemental Indenture, at a Redemption Price of 100% of the principal amount thereof. At the written direction of the Issuer, the Trustee shall apply moneys from time to time available in the applicable Series Sinking Fund Account to the purchase of Bonds of the applicable Series which mature in the aforesaid years, at prices not higher than the principal amount thereof, in lieu of redemption as aforesaid, provided that firm purchase commitments can be made before the notice of redemption would otherwise be required to be given. In the event of purchases at less than the principal amount thereof, the difference between the amount in the Series Sinking Fund Account representing the principal amount of the Bonds so purchased and the purchase price thereof (exclusive of accrued interest) shall be transferred to the related Series Interest Account of the Debt Service Fund.

(b) Accrued interest on purchased or redeemed Bonds of a Series shall be paid from the related Series Interest Account of the Debt Service Fund.

(c) In lieu of paying the Debt Service Requirements necessary to allow any mandatory redemption of Bonds of a Series from the related Series Sinking Fund Account, the Issuer may present to the Trustee Bonds of a Series purchased by the Issuer pursuant to subparagraph (a) above and furnished for such purposes; provided, however, that no Bonds of such Series so purchased shall be credited towards the Debt Service Requirements in respect of the mandatory redemption of Bonds of such Series for which notice of redemption has been given pursuant to Section 8.02 of this Master Indenture. Any Bond so purchased shall be presented to the Trustee for cancellation. In such event, the Debt Service Requirements with respect to the Bonds of a Series for the period in which the purchased Bonds are presented to the Trustee shall, for all purposes hereunder, be reduced by an amount equal to the aggregate principal amount of any such Bonds (and the interest applicable thereto) so presented.

SECTION 6.05. DEBT SERVICE RESERVE FUND. The Trustee is hereby authorized and directed to establish a Debt Service Reserve Fund and pursuant to a Supplemental Indenture a Series Account for each Series of Bonds issued hereunder. The Debt Service Reserve Fund and each Series Account therein shall be held by the Trustee for the benefit of each related Series of Bonds; provided, however, that notwithstanding anything to the contrary contained in this Master Indenture, the Supplemental Indenture authorizing the issuance of a Series of Bonds may provide that the Debt Service Reserve Fund is not applicable and no account therein shall secure such Series of Bonds. The Debt Service Reserve Fund and each Series Account therein shall constitute an irrevocable trust fund to be applied solely as set forth herein and shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, on the date of issuance and delivery of a Series of Bonds an amount of Bond proceeds equal to the Debt Service Reserve Requirement in respect of such Series of Bonds, calculated as of the date of issuance and delivery of such Series of Bonds,

be payable (upon the giving of notice as required thereunder) on any Interest Payment Date or principal payment date on which a deficiency exists which cannot be remedied by moneys in any other Fund or Account held pursuant to the Indenture and available for such purpose. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, if any such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit is substituted for moneys on deposit in the Series Account of the Debt Service Reserve Fund, or if at any time there are excess moneys in the Series Account of the Debt Service Reserve Fund, the excess moneys in the Series Account of the Debt Service Reserve Fund shall be transferred to and deposited in the related Series Account of the Revenue Fund. If a disbursement is made from a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit, the Issuer shall be obligated to either reinstate the maximum limits of such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit immediately following such disbursement or to deposit into the Series Account of the Debt Service Reserve Fund, as provided in the Indenture for restoration of withdrawals from the Series Account of the Debt Service Reserve Fund, funds in the amount of the disbursement made under such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit.

In the event that upon the occurrence of any deficiency in a Series Interest Account, a Series Principal Account or a Series Sinking Fund Account, the Series Account of the Debt Service Reserve Fund is then funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, the Trustee shall, on an Interest Payment Date or principal payment date or mandatory redemption date to which such deficiency relates, draw upon the Debt Service Reserve Letter of Credit or cause to be paid under the Debt Service Reserve Insurance Policy an amount sufficient to remedy such deficiency, in accordance with the terms and provisions of the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy as applicable, and any corresponding reimbursement or other agreement governing the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy; provided, however, that if at the time of such deficiency the Series Account of the Debt Service Reserve Fund is only partially funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, prior to drawing on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as applicable, the Trustee shall first apply any cash and securities on deposit in the Series Account of the Debt Service Reserve Fund to remedy the deficiency in accordance with the second paragraph of this Section 6.05 and, if after such application a deficiency still exists, the Trustee shall make up the balance of the deficiency by drawing on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as provided in this sentence. Amounts drawn on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy shall be applied as set forth in the second paragraph of this Section 6.05. Any amounts drawn under a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy shall be reimbursed to the issuer thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy.

SECTION 6.06. BOND REDEMPTION FUND. The Trustee is hereby authorized and directed to establish a Series Bond Redemption Fund for each Series of Bonds issued hereunder

into which shall be deposited, moneys in the amounts and at the times provided in Sections 5.01, 6.01, 6.03, 6.05, 9.08(c) and 9.14(c) of this Master Indenture. The Series Bond Redemption Fund shall constitute an irrevocable trust fund to be applied solely as set forth in the applicable Indenture and shall be held by the Trustee separate and apart from all other Funds and Accounts held under such Indenture and from all other moneys of the Trustee. All earnings on investments held in the Series Bond Redemption Fund shall be retained therein and applied as set forth below.

Moneys in the Series Bond Redemption Fund (including all earnings on investments held in the Series Bond Redemption Fund) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, (except for prepayments of Special Assessments) to make such deposits into the Series Rebate Fund, if any, as the Issuer may direct in writing in accordance with an arbitrage rebate agreement, such moneys thereupon to be used solely for the purposes specified in said arbitrage rebate agreement. Any moneys so transferred from the Series Bond Redemption Fund to the Series Rebate Fund shall thereupon be free from the lien and pledge of the related Indenture;

SECOND, to be used to call for redemption pursuant to clause (b) of Section 8.01 hereof an amount of Bonds of the applicable Series equal to the amount of money transferred to the Series Bond Redemption Fund pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices, including interest due thereon, provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption, the Bonds of the applicable Series which are subject to optional redemption pursuant to Section 8.01(a) hereof such amount of Bonds (including interest thereon) of the applicable Series as, with the redemption premium, may be practicable; provided, however, that not less than Five Thousand Dollars (\$5,000) principal amount of Bonds of the applicable Series shall be called for redemption at one time.

Any such redemption shall be made in accordance with the provisions of Article VIII of this Master Indenture. The Issuer shall pay all expenses in connection with such redemption.

SECTION 6.07. DRAWINGS ON CREDIT FACILITY. With respect to Bonds in respect of which there has been issued a Credit Facility, the Trustee shall draw on the Credit Facility in accordance with the provisions for drawing under such Credit Facility, and within the requisite time period, all as set forth in the Credit Facility Agreement or the Supplemental Indenture.

SECTION 6.08. PROCEDURE WHEN FUNDS ARE SUFFICIENT TO PAY ALL BONDS OF A SERIES. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, if at any time the moneys held by the Trustee in the Funds and Accounts

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under Section 7.02) shall, to the extent not invested in Investment Securities, and to the extent permitted by law, be fully secured as to both principal and interest earned, by Investment Securities of the types set forth in the definition of Investment Securities and the provisions thereof. If at any time the Trustee is unwilling to accept such deposits or unable to secure them as provided above, the Trustee may deposit such moneys with any other depository which is authorized to receive them and the deposits of which are insured by the Federal Deposit Insurance Corporation (including the FDIC Savings Association Insurance Fund). All deposits in any other depository in excess of the amount covered by insurance (whether under this Section 7.01 or Section 7.02 as aforesaid) shall, to the extent permitted by law, be fully secured as to both principal and interest earned, in the same manner as required herein for deposits with the Trustee. Such security shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000.

SECTION 7.02. INVESTMENT OR DEPOSIT OF FUNDS. Except to the extent otherwise provided in a Supplemental Indenture with respect to a specific Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in any Series Account in the Debt Service Fund and any Series Bond Redemption Fund created under any Supplemental Indenture only in Government Obligations and securities described in subparagraph (3) or (6), of the definition of Investment Securities. Except to the extent otherwise provided in a Supplemental Indenture with respect to a specific Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in any Series Account of the Debt Service Reserve Fund in Investment Securities. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth herein. All securities securing investments under this Section shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, subject to Section 6.05 of this Master Indenture and unless otherwise provided in a Supplemental Indenture with respect to a specific Series of Bonds, any interest and other income so received shall be deposited in the related Series Account of the Revenue Fund. Upon the written request of the Issuer, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which the securities were held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof, except as provided hereinafter. If net proceeds from the sale of securities held in any Fund or Account shall be less than the amount invested and, as a result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund

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hereunder (other than the Rebate Fund) and under a Supplemental Indenture and available therefor are sufficient to pay the principal or Redemption Price of, as the case may be, and interest on all Bonds of a Series then Outstanding under such Indenture to maturity or prior redemption, together with any amounts due the Issuer and the Trustee, Paying Agent, Registrar, and Credit Facility Issuer, the Trustee, at the written direction of the Issuer, shall apply the amounts in the Series Funds and Series Accounts to the payment of the aforesaid obligations and the Issuer shall not be required to pay over any further Pledged Revenues with respect to such Series of Bonds unless and until it shall appear that there is a deficiency in the Funds and Accounts held by the Trustee.

SECTION 6.09. CERTAIN MONEYS TO BE HELD FOR SERIES BONDOWNERS ONLY. Each Series of Bonds issued pursuant to this Master Indenture and a Supplemental Indenture shall be secured by Pledged Revenues, as set forth herein, and otherwise may be secured by such additional Funds and Accounts and other security (including, but not limited to, Credit Facilities) established by the pertinent Supplemental Indenture. Moneys and investments in the various Funds and Accounts created under a Supplemental Indenture expressly and solely for the benefit of the Series of Bonds issued under such Supplemental Indenture shall be held in trust by the Trustee for the benefit of the Holders of, and Credit Facility Issuer with respect to, Bonds of that Series only.

SECTION 6.10. UNCLAIMED MONEYS. In the event any Bond shall not be presented for payment when the principal of such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such Bond have been deposited with the Trustee for the benefit of the Owner of the Bond and have remained unclaimed for three (3) years after the date payment thereof becomes due, such amounts shall, upon the written request of the Issuer, if the Issuer is not at the time to the actual knowledge of a Responsible Officer of the Trustee in default with respect to any covenant in the Indenture or the Bonds contained, be paid to the Issuer, and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Trustee, before making payment to the Issuer, may, at the expense of the Issuer and if directed by the Issuer, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

ARTICLE VII SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS

SECTION 7.01. DEPOSITS AND SECURITY THEREFOR. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, all moneys received by the Trustee under a Supplemental Indenture for deposit in any Fund or Account established under the Indenture or such Supplemental Indenture shall be considered trust funds, shall not be subject to lien or attachment, except for the lien created by the Indenture, and shall be deposited with the Trustee, until or unless invested or deposited as provided in Section 7.02 hereof. All deposits of moneys received by the Trustee under the Indenture or such Supplemental Indenture (whether original deposits under this Section 7.01 or deposits or redeposits in time accounts

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or Account, the amount of such deficit shall be transferred to such Fund or Account from the related Series Account of the Revenue Fund.

Absent specific instructions as aforesaid, all moneys in the Funds and Accounts established under the Indenture shall be held uninvested. The Trustee shall not be liable or responsible for any loss or failure to achieve the highest return, or entitled to any gain resulting from any investment or sale upon the investment instructions of the Issuer or otherwise, including that set forth in the first sentence of this paragraph. The Trustee may make any investments permitted by the provisions of this Section 7.02 through its own bond department or investment department or that of its affiliates or subsidiaries and may charge its normal and customary fees for such investments.

The Trustee may conclusively rely upon the Issuer's written instructions as to both the suitability and legality of all investments directed hereunder or under any Supplemental Indenture. Ratings of investments shall be determined at the time of purchase of such investments and without regard to ratings subcategories. The Trustee shall have no responsibility to monitor the ratings of investments.

SECTION 7.03. VALUATION OF FUNDS. Except for the assets on deposit in the Debt Service Reserve Fund, the Trustee shall value the assets in each of the Funds and Accounts established hereunder or under any Supplemental Indenture within five (5) Business Days following each November 1 Interest Payment Date. With respect to the assets in the Debt Service Reserve Fund, including all accounts established therein, the Trustee shall value such assets forty-five (45) days prior to each Interest Payment Date, and, in either case, as soon as practicable after each such valuation date (but no later than ten (10) days after each such valuation date) shall provide the Issuer a report of the status of each Fund and Account as of the valuation date. In computing the assets of any Fund or Account, investments and accrued interest thereon shall be deemed a part thereof, subject to Section 7.02 hereof. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder or under any Supplemental Indenture, obligations in which money in such Fund or Account shall have been invested shall be valued at the market value.

SECTION 7.04. BROKERAGE CONFIRMATIONS. The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish or make available to the Issuer monthly transaction statements that include detail for all investment transactions made by the Issuer hereunder.

SECTION 7.05. PATRIOT ACT REQUIREMENTS OF THE 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 identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other

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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.

ARTICLE VIII REDEMPTION AND PURCHASE OF BONDS

SECTION 8.01. REDEMPTION DATES AND PRICES. The Bonds may be made subject to optional, mandatory and extraordinary redemption and purchase, either in whole or in part, by the Issuer, prior to maturity in the amounts, at the times and in the manner provided in this Article VIII and in a Supplemental Indenture.

(a) **Optional Redemption.** Bonds of a Series shall be subject to optional redemption at the written direction of the Issuer, at the times and upon payment of the Redemption Price plus the accrued interest to the redemption date, as provided in a Supplemental Indenture.

(b) **Extraordinary Mandatory Redemption in Whole or in Part.** Except as otherwise provided in a Supplemental Indenture with respect to Bonds of the related Series, Bonds of a Series are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Interest Payment Date, at an extraordinary mandatory Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, (i) from moneys deposited into the related Series Bond Redemption Fund following the payment in full of Special Assessments on any portion of the District Lands in accordance with the provisions of Section 9.08(a) hereof; (ii) from moneys deposited into the related Series Bond Redemption Fund following the payment in full of Special Assessments on any portion of the District Lands as a result of any prepayment of Special Assessments in accordance with Section 9.08(b) hereof; (iii) when sufficient moneys are on deposit in the related Series Funds and Accounts (other than the Rebate Fund and any other Fund or Account expressly pledged to a different Series of Bonds as provided in a Supplemental Indenture with respect to a Series of Bonds or any money required to pay Costs of the Project or Deferred Costs) to pay and redeem all Outstanding Bonds of a Series and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the Indenture; (iv) unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds from moneys in excess of the Debt Service Reserve Requirement in the Series Account of the Debt Service Reserve Fund transferred to the Series Bond Redemption Fund pursuant to Section 6.05 hereof; (v) from excess moneys transferred from the Series Account of the Revenue Fund to the Series Bond Redemption Fund in accordance with Section 6.03 of this Master Indenture; (vi) from moneys, if any, on deposit in the Series Bond Redemption Fund pursuant to Section 9.14(c) hereof following condemnation or the sale of any portion of the District Lands benefited by a Project to a governmental entity under threat of condemnation by such governmental entity or the damage or destruction of all or substantially all of the Project when such moneys are not to be used pursuant to 9.14(c) to repair, replace or restore the Project provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be

delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable; or (vii) from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund in accordance with Section 5.01(c) hereof.

(c) **Mandatory Sinking Fund Redemption.** Bonds of a Series shall be subject to mandatory sinking fund redemption at a Redemption Price of 100% of the principal amount thereof plus accrued interest to the redemption date, in the years and amounts set forth in a Supplemental Indenture.

In connection with such mandatory sinking fund redemption of Bonds, amounts shall be transferred from the applicable Series Account of the Revenue Fund to the Series Sinking Fund Account of the Debt Service Fund, all as more particularly described in Section 6.03 hereof.

The principal amounts of scheduled Sinking Fund Installments shall be reduced as specified by the Issuer in writing or as provided in Section 8.04 hereof by any principal amounts of the Bonds redeemed pursuant to Section 8.01(a) and (b) hereof or purchased pursuant to Section 6.04 hereof.

Upon any purchase or redemption of Bonds other than in accordance with scheduled Sinking Fund Installments, the Issuer shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Bonds of such Series in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Bonds of such Series. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Bonds of such Series in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a Sinking Fund Installment is due, the foregoing recalculation shall not be made to Sinking Fund Installments due in the year in which such redemption or purchase occurs, but shall be made to Sinking Fund Installments for the immediately succeeding and subsequent years.

SECTION 8.02. NOTICE OF REDEMPTION AND OF PURCHASE. Except where otherwise required by a Supplemental Indenture, when required to redeem or purchase Bonds of a Series under any provision of the Indenture or directed to do so by the Issuer, the Trustee shall cause notice of the redemption, either in whole or in part, to be given by Electronic Means or mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses and also to any Credit Facility Issuer, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Bonds of such Series for which notice was duly mailed in accordance with this Section 8.02. Such notice shall be given in the name of the Issuer, shall be dated, shall set forth the Bonds of such Series Outstanding which

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shall be called for redemption or purchase and shall include, without limitation, the following additional information:

- (a) the redemption or purchase date;
- (b) the redemption or purchase price;
- (c) CUSIP numbers, to the extent applicable, and any other distinctive numbers and letters;
- (d) if less than all Outstanding Bonds of a Series to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed or purchased;
- (e) that on the redemption or purchase date the redemption or purchase price will become due and payable upon surrender of each such Bond or portion thereof called for redemption or purchase, and that interest thereon shall cease to accrue from and after said date;
- (f) the place where such Bonds are to be surrendered for payment of the redemption or purchase price, which place of payment shall be a corporate trust office of the Trustee; and
- (g) any condition or conditions to be met prior to the redemption of the Bonds of such Series, including, but not limited to receipt of funds sufficient to accomplish the redemption of the Bonds.

If at the time of mailing of notice of an optional redemption or purchase, the Issuer shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Bonds called for redemption or purchase, such notice shall state that it is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

If the amount of funds deposited with the Trustee for such redemption, or otherwise available, is insufficient to pay the Redemption Price and accrued interest on the Bonds so called for redemption on the redemption date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and among different maturities of Bonds in the same manner as the initial selection of Bonds to be redeemed, and from and after such redemption date, interest on the Bonds or portions thereof not so paid shall cease to accrue and become payable; but interest on any Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Bonds not been called for redemption.

The notices required to be given by this Section 8.02 shall state that no representation is made as to correctness or accuracy of the CUSIP numbers listed in such notice or printed on the Bonds.

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If any required (a) unconditional notice of redemption has been duly given, mailed or waived by the Owners of all Bonds called for redemption or (b) conditional notice of redemption has been so given, mailed or waived and the redemption moneys have been duly deposited with the Trustee or Paying Agent, then in either case, the Bonds called for redemption shall be payable on the redemption date at the applicable Redemption Price plus accrued interest, if any, to the redemption date. Bonds of a Series so called for redemption, for which moneys have been duly deposited with the Trustee, will cease to bear interest on the specified redemption date, shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

Payment of the Redemption Price, together with accrued interest, shall be made by the Trustee or Paying Agent to or upon the order of the Owners of the Bonds called for redemption upon surrender of such Bonds. The Redemption Price of the Bonds to be redeemed, the expenses of giving notice and any other expenses of redemption, shall be paid out of the Fund from which redemption is to be made or by the Issuer, or as specified in a Supplemental Indenture.

SECTION 8.03. PARTIAL REDEMPTION OF BONDS. Except to the extent otherwise provided in a Supplemental Indenture, if less than all of a Series of Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of the Bonds to be called for redemption by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any partial redemption of Bonds of a Series pursuant to Section 8.01(a), such redemption shall be effectuated by redeeming Bonds of such Series of such maturities in such manner as shall be specified by the Issuer in writing, subject to the provisions of Section 8.01 hereof. In the case of any partial redemption of Bonds of a Series pursuant to Section 8.01(b), such redemption shall be effectuated by redeeming Bonds of such Series pro rata among the maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds of such Series to be redeemed multiplied times a fraction the numerator of which is the principal amount of the Series of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds of such Series outstanding immediately prior to the redemption date.

ARTICLE IX COVENANTS OF THE ISSUER

SECTION 9.01. POWER TO ISSUE BONDS AND CREATE LIEN. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Bonds, to adopt and execute the Master Indenture and to pledge the Pledged Revenues for the benefit of the Bonds of a Series and any Credit Facility Issuer, except to the extent otherwise provided in a Supplemental Indenture. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Bonds of a Series and any Credit Facility Issuer with respect to such Series. The Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The

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Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Bondholders and any Credit Facility Issuer under the Indenture against all claims and demands of all other Persons whomsoever.

SECTION 9.02. PAYMENT OF PRINCIPAL AND INTEREST ON BONDS. The payment of the principal or Redemption Price of and interest on all of the Bonds of a Series issued under the Indenture shall be secured forthwith equally and ratably by a first lien on and pledge of the Pledged Revenues, except to the extent otherwise provided in a Supplemental Indenture, and Pledged Revenues in an amount sufficient to pay the principal or Redemption Price of and interest on the Bonds of a Series authorized by the Indenture are hereby irrevocably pledged to the payment of the principal or Redemption Price of and interest on the Bonds of a Series authorized under the Indenture, as the same become due and payable. The Issuer shall promptly pay the interest on and the principal or Redemption Price of every Bond issued hereunder according to the terms thereof, but shall be required to make such payment only out of the Pledged Revenues.

THE BONDS AUTHORIZED UNDER THE INDENTURE AND THE OBLIGATION EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, INCLUDING, WITHOUT LIMITATION, THE CAPITAL IMPROVEMENT PROGRAM OR ANY PORTION THEREOF IN RESPECT OF WHICH ANY SUCH BONDS ARE BEING ISSUED, OR ANY PART THEREOF, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES AS SET FORTH IN THE INDENTURE. NOTHING IN THE BONDS AUTHORIZED UNDER THE INDENTURE OR IN THE INDENTURE SHALL BE CONSTRUED AS OBLIGATING THE ISSUER TO PAY THE BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON EXCEPT FROM THE PLEDGED REVENUES, OR AS PLEDGING THE FAITH AND CREDIT OF THE ISSUER, THE CITY, THE COUNTY, OR THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR AS OBLIGATING THE ISSUER, THE CITY, THE COUNTY, OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR.

SECTION 9.03. SPECIAL ASSESSMENTS, RE-ASSESSMENTS.

(a) Unless otherwise provided by Supplemental Indenture, the Issuer shall levy Special Assessments, and evidence and certify the same to the Tax Collector or shall cause the Property Appraiser to certify the same on the tax roll to the Tax Collector for collection by the Tax Collector and enforcement by the Tax Collector or the Issuer pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as applicable, and Section 9.04 hereof, to the extent and in an amount sufficient to pay Debt Service Requirements on all Outstanding Bonds.

(b) If any Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Issuer shall be satisfied that any such Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the

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delinquent Special Assessment. In the event the provisions of Chapter 197, Florida Statutes, and any provisions of the Act with respect to such sale are inapplicable by operation of law, then upon the delinquency of any Special Assessment the Issuer may, to the extent permitted by law, utilize any other method of enforcement as provided by Section 9.04 hereof, including, without limitation, declaring the entire unpaid balance of such Special Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed, pursuant to the provisions of Section 170.10, Florida Statutes, in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, Florida Statutes, and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law.

SECTION 9.06. SALE OF TAX CERTIFICATES AND ISSUANCE OF TAX DEEDS; FORECLOSURE OF SPECIAL ASSESSMENT LIENS. If the Special Assessments levied and collected under the uniform method described in Section 9.04 are delinquent, then the applicable procedures for issuance and sale of tax certificates and tax deeds for nonpayment shall be followed in accordance with Chapter 197, Florida Statutes, and related statutes. Alternatively, if the uniform method of levy and collection is not utilized, and if any property shall be offered for sale for the nonpayment of any Special Assessment, and no person or persons shall purchase the same for an amount at least equal to the full amount due on the Special Assessment (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the Issuer for an amount equal to the balance due on the Special Assessment (principal, interest, penalties and costs, plus attorneys' fees, if any) from any legally available funds of the Issuer, and the Issuer shall thereupon receive in its corporate name (or in the name of a special purpose entity) the title to the property for the benefit of the Owners. The Issuer, either through its own actions or actions caused to be done through the Trustee, shall have the power and shall use its best efforts to lease or sell such property and deposit all of the net proceeds of any such lease or sale into the related Series Account of the Revenue Fund. Not less than ten (10) days prior to the filing of any foreclosure action or any sale of tax deed as herein provided, the Issuer shall cause written notice thereof to be mailed to the Owners of the Series of Bonds secured by such delinquent Special Assessments. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the Issuer, it shall give written notice thereof to such Owners. The Issuer, either through its own actions or actions caused to be done through the Trustee, agrees that it shall be required to take the measure provided by law for sale of property acquired by it as trustee for the Owners within thirty (30) days after the receipt of the request therefor signed by the Majority Owners of all Outstanding Bonds of the Series payable from Special Assessments assessed on such property.

SECTION 9.07. BOOKS AND RECORDS WITH RESPECT TO SPECIAL ASSESSMENTS. In addition to the books and records required to be kept by the Issuer pursuant to the provisions of Section 9.17 hereof, the Issuer shall keep books and records for the collection of the Special Assessments on the District Lands, which such books, records and accounts shall be kept separate and apart from all other books, records and accounts of the Issuer. The District Manager or the District Manager's designee, at the end of each Fiscal Year, shall prepare a written report setting forth the collections received, the number and amount of delinquencies, the proceedings taken to enforce collections and cure delinquencies and an estimate of time for the

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Issuer shall have omitted to make such Special Assessment when it might have done so, the Issuer shall either (i) take all necessary steps to cause a new Special Assessment to be made for the whole or any part of said improvement or against any property benefited by said improvement, or (ii) in its sole discretion, make up the amount of such Special Assessment from any legally available moneys, which moneys shall be deposited into the applicable Series Account in the Revenue Fund. In case such second Special Assessment shall be annulled, the Issuer shall obtain and make other Special Assessments until a valid Special Assessment shall be made.

SECTION 9.04. METHOD OF COLLECTION. Special Assessments shall be collected by the Issuer in accordance with the provisions of the Act and Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes thereto, as applicable, in accordance with the terms of this Section. Unless otherwise provided by Supplemental Indenture, the Issuer shall use its best efforts to adopt the uniform method for the levy, collection and enforcement of Special Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, or any successor statutes thereto, as soon as practicable, or a comparable alternative method afforded by Section 197.3631, Florida Statutes. If using such uniform method, the Issuer shall use its best efforts to enter into one or more written agreements with the Property Appraiser and the Tax Collector, either individually or jointly (together, the "Property Appraiser and Tax Collector Agreement") in order to effectuate the provisions of this Section. The Issuer shall use its best efforts to ensure that any such Property Appraiser and Tax Collector Agreement remains in effect for at least as long as the final maturity of Bonds Outstanding under the Indenture. To the extent that it is not in the best interests of the Issuer to collect Special Assessments, all or in part, pursuant to the "uniform tax roll collection" method under Chapter 197, Florida Statutes, the Issuer may elect to collect and enforce Special Assessments, all or in part, pursuant to any available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto. The election to collect and enforce Special Assessments in any year pursuant to any one method shall not, to the extent permitted by law, preclude the Issuer from electing to collect and enforce Special Assessments pursuant to any other method permitted by law in any subsequent year.

Notwithstanding the immediately preceding paragraph or any other provision in this Master Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the written direction of the Majority Owners of a Series of Bonds, requests in writing that the Issuer not use the uniform method, but instead collect and enforce the Special Assessments securing such Series of Bonds pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the Issuer shall collect and enforce said Special Assessments in the manner and pursuant to the method so requested by the Trustee.

SECTION 9.05. DELINQUENT SPECIAL ASSESSMENTS. Subject to the provisions of Section 9.04 hereof, if the owner of any lot or parcel of land assessed for a particular Project shall be delinquent in the payment of any Special Assessment, then such Special Assessment shall be enforced pursuant to the provisions of Chapter 197, Florida Statutes, or any successor statute thereto, including but not limited to the sale of tax certificates and tax deeds as regards such

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conclusion of such legal proceedings. A copy of such report shall, upon written request, be mailed by the Issuer to any Owner.

SECTION 9.08. REMOVAL OF SPECIAL ASSESSMENT LIENS. Except as otherwise provided in a Supplemental Indenture with respect to a related Series of Bonds the following procedures shall apply in connection with the removal of Special Assessment liens.

(a) At any time from the date of levy of Special Assessments on a parcel of District Lands through the date that is thirty (30) days after the related Project has been completed and the Board of the Issuer has adopted a resolution accepting such Project as provided by Section 170.09, Florida Statutes, as amended, any owner of property subject to the Special Assessments may, at its option, require the Issuer to release and extinguish the lien upon its property by virtue of the levy of the Special Assessments that relate to a Series of Bonds by paying to the Issuer the entire amount of such Special Assessment on such property, without interest. The Issuer may require all landowners to waive such right.

(b) At any time subsequent to thirty (30) days after the related Project has been completed and the Board of the Issuer has adopted a resolution accepting such Project as provided by Section 170.09, Florida Statutes, as amended, any owner of property subject to the Special Assessments may, at its option, require the Issuer to release and extinguish the lien upon its property by virtue of the levy of the Special Assessments by paying to the Issuer the entire amount of the Special Assessment, plus accrued interest to the next succeeding Interest Payment Date (or the second succeeding Interest Payment Date if such prepayment is made within forty (40) calendar days before an Interest Payment Date), attributable to the property subject to Special Assessment owned by such owner. The Issuer may require all landowners to waive such right, or to limit the number of prepayments that may be made.

(c) Upon receipt of a prepayment as described in (a) or (b) above, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by an authorized officer of the Issuer, to the effect that the Special Assessment has been paid and that such Special Assessment lien is thereby released and extinguished. Except as otherwise provided by a Supplemental Indenture, upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the applicable Series Bond Redemption Fund to be applied to the redemption of Bonds in accordance with Section 8.01(b)(i) or (ii) hereof, as the case may be.

SECTION 9.09. DEPOSIT OF SPECIAL ASSESSMENTS. The Issuer covenants to cause any Special Assessments collected or otherwise received by it to be deposited with the Trustee within five (5) Business Days after receipt thereof for deposit into the applicable Series Account of the Revenue Fund (except that amounts received as prepayments of Special Assessments shall be designated by the Issuer in writing as such upon delivery to the Trustee and shall be deposited directly into the related Series Bond Redemption Fund).

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SECTION 9.10. CONSTRUCTION TO BE ON ISSUER LANDS. Except for certain off site mitigation, roadway, utility connections, landscaping improvements or additional improvements required by the City pursuant to Interlocal Agreement or other applicable law which are or may be outside the District Lands and are required in order for the District Lands to be developed, the Issuer covenants that no part of a Project will be constructed on, over or under lands other than (i) lands good and marketable title to which is owned by the Issuer or other appropriate entity in fee simple, (ii) lands on, over or under which the Issuer or other appropriate entity shall have acquired perpetual easements for the purposes of the Project, or (iii) lands, including public streets and highways, the right to the use and occupancy of which for such purposes shall be vested in the Issuer or other appropriate entity by law or by valid franchises, licenses, easements or rights of way or other legally effective permissions or approval.

SECTION 9.11. OPERATION, USE AND MAINTENANCE OF PROJECT. The Issuer shall establish and enforce reasonable rules and regulations governing the use of a Project owned by the Issuer, and the operation thereof, such rules and regulations to be adopted in accordance with the Act, and the Issuer shall operate, use and maintain the Project owned by the Issuer in accordance with the Act and all other applicable federal and State laws, rules and regulations; the Issuer shall maintain and operate the Project owned by the Issuer in an efficient and economical manner, shall at all times maintain the same in good repair and in sound operating condition and shall make all necessary repairs, renewals and replacements.

SECTION 9.12. OBSERVANCE OF AND COMPLIANCE WITH VALID REQUIREMENTS. The Issuer shall pay all municipal or governmental charges lawfully levied or assessed upon the Capital Improvement Program or any part thereof or upon any revenues when the same shall become due, and the Issuer shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Capital Improvement Program. The Issuer shall not, except as otherwise permitted in Section 9.24 of this Article, create or suffer to be created any lien or charge upon any Project or upon Pledged Revenues, except the lien and charge of the Bonds on the Pledged Revenues.

SECTION 9.13. PAYMENT OF OPERATING OR MAINTENANCE COSTS BY STATE OR OTHERS. The Issuer may permit the United States of America, the State, or any of their agencies, departments or political subdivisions to pay all or any part of the cost of maintaining, repairing and operating any Project out of funds other than Pledged Revenues.

SECTION 9.14. PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE; MAINTENANCE OF INSURANCE; USE OF INSURANCE AND CONDEMNATION PROCEEDS.

(a) Except as otherwise provided in subsection (d) of this Section, the Issuer will carry or cause to be carried, in respect of any Project, comprehensive general liability insurance (covering bodily injury and property damage) issued by one or more insurance companies authorized and qualified to do business under the laws of the State, in such amounts as is customary for similar operations, or as is more specifically set forth hereinbelow.

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rendered because such proceeds or awards are insufficient for such purposes, the Issuer may deposit any other legally available funds in such separate fund in an amount required to enable the Consulting Engineer to render its certificate. If the insurance proceeds or condemnation awards deposited in such separate fund are more than sufficient to repair the damaged property or to replace the destroyed or taken property, the balance thereof remaining shall be deposited in the credit of the related Series Account in the Revenue Fund.

(d) The Issuer shall be entitled to provide all or a portion of the insurance coverage required by subsections (a) and (b) of this Section through Qualified Self Insurance, provided that the requirements hereinafter set forth in this subsection (d) are satisfied. "Qualified Self Insurance" means insurance maintained through a program of self insurance or insurance maintained with a company or association in which the Issuer has a material interest or of which the Issuer has control, either singly or with others.

Prior to participation in any plan of Qualified Self Insurance not currently in effect, the Issuer shall obtain from the District Manager an evaluation of the proposed plan together with an opinion to the effect that (A) the proposed Qualified Self Insurance plan will provide the coverage required by subsections (a) and (b) of this Section, and (B) the proposed Qualified Self Insurance plan provides for the creation of actuarially sound reserves. The Trustee shall have no duty to review such evaluation.

Each plan of Qualified Self Insurance shall be in written form, shall provide that upon the termination of such plan reserves will be established or insurance acquired in amounts adequate to cover any potential retained liability in respect of the period of self insurance, and shall be reviewed annually by the District Manager or registered actuary who shall deliver to the Issuer a report on the adequacy of the reserves established thereunder in light of claims made. If the District Manager or registered actuary determines that such reserves are inadequate in light of the claims made, he shall make recommendations as to the amount of reserves that should be established and maintained, and the Issuer shall comply with such recommendations. The Trustee shall be under no duty to evaluate the accuracy or sufficiency of any Qualified Self Insurance plan nor determine compliance by the Issuer with the requirements of this Section.

(e) Copies of all recommendations and approvals made by the Consulting Engineer under the provisions of this Section shall be filed with the District Manager.

Within the first six (6) months of each Fiscal Year, the District Manager shall prepare a complete report of the status of the insurance coverages relating to all Projects, such report to include, without being limited thereto, a schedule of all insurance policies required by the Indenture which are then in effect, stating with respect to each policy the name of the insurer, the amount, number and expiration date, and the hazards and the risks covered thereby. The Issuer shall maintain a copy of such report and shall, upon written request, provide a copy to any Owner.

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(b) At all times, to the extent commercially available, the Issuer shall maintain a practical insurance program, with reasonable terms, conditions, provisions and costs which the District Manager determines will afford adequate protection against loss caused by damage to or destruction of any component of any Project owned by the Issuer. Limits for such coverage will be subject to the Consulting Engineer's recommendations which are to be provided in an annual report, as required by Section 9.21 hereof. The Issuer shall also, at all times, maintain a practical comprehensive general liability insurance program with respect to such Project for such coverage, with such reasonable terms, conditions, provisions and costs as the District Manager determines will afford adequate protection against bodily injury and property damage.

All insurance policies of the Issuer relating to any Project shall be carried with companies authorized to do business in the State, with a Best Rating of no less than "A" as to management and Class "V" as to financial strength; provided, however, that if, in the opinion of the District Manager, adequate insurance protection under reasonable terms, conditions, provisions and cost cannot be purchased from an insurance company with the above-designated ratings, then the District Manager, on behalf of the Issuer, may secure such insurance protection as the Issuer determines to be in its best interests and otherwise consistent with the Indenture; provided further, however, that the Issuer may act as a self-insurer in accordance with the requirements of subsection (d) hereof. All policies providing the insurance coverages required by this Section shall designate the Issuer as the loss-payee and shall be made payable to the Issuer.

(c) All proceeds received from property damage or destruction insurance and all proceeds received from the condemnation of a Project or any part thereof are hereby pledged by the Issuer as security for the related Series of Bonds and shall be deposited at the option of the Issuer, but subject to the limitations hereinafter described, either (i) into a separate fund to be established by the Trustee for such purpose, and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) into the related Series Bond Redemption Fund for the purpose of purchasing or redeeming Bonds according to the provisions set forth in Article VIII hereof. The Issuer shall not be entitled to deposit insurance proceeds or condemnation awards into the separate fund described above in clause (i) of this paragraph (and such proceeds and awards shall be deposited directly into the related Series Bond Redemption Fund pursuant to clause (ii) of this paragraph) unless there shall have been filed with the Issuer within a reasonable time after the damage, destruction or condemnation (A) a certificate from the Consulting Engineer that the proceeds of the insurance or condemnation awards deposited into such separate fund, together with other funds available for such purposes, will be sufficient to repair, rebuild, replace or restore such property to substantially the same condition as it was in prior to its damage, destruction or condemnation (taking into consideration any changes, alterations and modifications that the Issuer may desire), (B) an opinion from the Consulting Engineer that the Project can be repaired, rebuilt, replaced or restored within two (2) years following the damage, destruction or condemnation thereof and (C) an opinion of the Consulting Engineer that, in each of the three (3) Fiscal Years following completion of such repair, rebuilding, replacement or restoration, the Issuer will be in compliance with its obligations hereunder. If the certificate described in clause (A) of this paragraph is not

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SECTION 9.15. COLLECTION OF INSURANCE PROCEEDS. Copies of all insurance policies referred to in Section 9.14 of this Article shall be available at the offices of the Issuer at all reasonable times to the inspection of the Holders of \$1,000,000 or more in aggregate principal amount of the related Series of Bonds and their agents and representatives duly authorized in writing. The Issuer covenants that it will take such action as may be reasonably necessary to demand, collect and sue for any insurance money which may become due and payable under any policy of insurance required under the Indenture, whether such policy is payable to the Issuer or to the Trustee. The Trustee is hereby authorized in its own name to demand, collect, sue and receive any insurance money which may become due and payable under any policies payable to it, subject to the payment of its and its counsel's fees, costs and expenses and indemnification to its satisfaction.

Any appraisal or adjustment of any loss or damage under any policy of insurance required under the Indenture, whether such policy is payable to the Issuer or to the Trustee, and any settlement or payment of indemnity under any such policy which may be agreed upon by the Issuer and any insurer shall be evidenced by a certificate, signed by the District Manager approved by the Consulting Engineer. The Trustee shall in no way be liable or responsible for the collection of insurance moneys in case of any loss or damage.

SECTION 9.16. USE OF REVENUES FOR AUTHORIZED PURPOSES ONLY. None of the Pledged Revenues shall be used for any purpose other than as provided in the Indenture and no contract or contracts shall be entered into or any action taken by the Issuer or the Trustee which will be inconsistent with the provisions of the Indenture.

SECTION 9.17. BOOKS, RECORDS AND ANNUAL REPORTS. The Issuer shall keep proper books of record and account in accordance with Generally Accepted Governmental Accounting Principles (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to any Project, and which, together with all other books and records of the Issuer, including, without limitation, insurance policies, relating to any Project, shall at all times be subject during regular business hours to the inspection of the Trustee.

SECTION 9.18. OBSERVANCE OF ACCOUNTING STANDARDS. The Issuer covenants that all the accounts and records of the Issuer relating to any Project will be kept according to Generally Accepted Governmental Accounting Principles consistently applied and consistent with the provisions of the Indenture.

SECTION 9.19. EMPLOYMENT OF CERTIFIED PUBLIC ACCOUNTANT. The Issuer shall employ or cause to be employed as required a Certified Public Accountant to perform accounting and auditing functions and duties required by the Act and the Indenture.

SECTION 9.20. ESTABLISHMENT OF FISCAL YEAR, ANNUAL BUDGET. The Issuer has established a Fiscal Year beginning October 1 of each year and ending September 30 of the following year. The reports and budget of the Issuer shall relate to such Fiscal Year unless

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and until, in accordance with applicable law, a different Fiscal Year is established by Certified Resolution of the Issuer.

On or before the first day of each Fiscal Year the Issuer shall adopt a final Annual Budget for such Fiscal Year for the payment of anticipated operating and maintenance expenses and shall supply a copy of such budget promptly upon the approval thereof to any Bondholders who shall have so requested in writing and shall have filed their names and addresses with the Secretary of the Board for such purpose. If for any reason the Issuer shall not have adopted the Annual Budget on or before the first day of any Fiscal Year, the Annual Budget for the preceding Fiscal Year shall, until the adoption of the new Annual Budget, be deemed in force for the ensuing Fiscal Year. The Issuer may at any time adopt an amended or supplemental Annual Budget for the remainder of the current Fiscal Year, and when such amended or supplemental Annual Budget is approved it shall be treated as the official Annual Budget under the Indenture. Copies of such amended or supplemental Annual Budget shall be mailed by the Issuer to any Bondholders who shall have so requested in writing and shall have filed their names and addresses with the Secretary of the Board for such purpose.

SECTION 9.21. EMPLOYMENT OF CONSULTING ENGINEER, CONSULTING ENGINEER'S REPORT.

(a) The Issuer shall, for the purpose of performing and carrying out the duties imposed on the Consulting Engineer by the Indenture, employ one or more independent engineers or engineering firms or corporations having a statewide and favorable repute for skill and experience in such work.

(b) The Issuer shall cause the Consulting Engineer to make an inspection of the portions of the Capital Improvement Program owned by the Issuer at least once in each Fiscal Year and, on or before the first day of July in each Fiscal Year, to submit to the Board a report setting forth (i) its findings as to whether such portions of the Capital Improvement Program owned by the Issuer have been maintained in good repair, working order and condition, and (ii) its recommendations as to:

(1) the proper maintenance, repair and operation of any Project owned by the Issuer during the ensuing Fiscal Year and an estimate of the amount of money necessary for such purposes; and

(2) the insurance to be carried under the provisions of Section 9.14 hereof and the amount that should be set aside monthly for the purpose of paying insurance premiums which fall due less often than monthly.

Promptly after the receipt of such reports by the Issuer, copies thereof shall be mailed by the Issuer to all Bondholders who shall have filed their names and addresses with the Secretary of the Board for such purpose.

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within the custody or control of such officer, agent or employee at one time. The premiums on such surety bonds shall be paid by the Issuer as an expense of operation and maintenance of a Project.

SECTION 9.26. NO LOSS OF LIEN ON PLEDGED REVENUES. The Issuer shall not do or omit to do, or suffer to be done or omitted to be done, any matter or thing whatsoever whereby the lien of the Bonds on the Pledged Revenues or any part thereof, or the priority thereof, would be lost or impaired; provided, however, that this Section shall not prohibit the Trustee from transferring moneys to the Rebate Fund held by the Trustee under any arbitrage rebate agreement.

SECTION 9.27. COMPLIANCE WITH OTHER CONTRACTS AND AGREEMENTS. The Issuer shall comply with and abide by all of the terms and conditions of any and all contracts and agreements which the Issuer enters into in connection with the Capital Improvement Program and the issuance of the Bonds.

SECTION 9.28. ISSUANCE OF ADDITIONAL OBLIGATIONS. The Issuer shall not issue any obligations other than the Bonds payable from Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, payable from Pledged Revenues except as provided in Section 6.01 hereof with respect to the reimbursement due any Credit Facility Issuer.

SECTION 9.29. EXTENSION OF TIME FOR PAYMENT OF INTEREST PROHIBITED. The Issuer shall not directly or indirectly extend or assent to an extension of time for payment of any claim for interest on any of the Bonds and shall not directly or indirectly be a party to or approve any arrangement therefor by purchasing or funding or in any manner keeping alive any such claim for interest; no claim for interest which in any way, at or after maturity, shall have been transferred or pledged apart from the Bonds to which it relates or which shall in any manner have been kept alive after maturity by extension or by purchase thereof by or on behalf of the Issuer, shall be entitled, in case of a default hereunder, to any benefit or security under the Indenture except after the prior payment in full of the principal of all Bonds and claims for interest appertaining thereto not so transferred, pledged, kept alive or extended.

SECTION 9.30. FURTHER ASSURANCES. The Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of the Indenture.

SECTION 9.31. USE OF BOND PROCEEDS TO COMPLY WITH INTERNAL REVENUE CODE. The Issuer covenants to the Holders of the Bonds that it will not make or direct the making of any investment or other use of the proceeds of any Bonds issued hereunder which would cause such Bonds to be "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code or "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code, and that it will comply with the

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SECTION 9.22. AUDIT REPORTS. The Issuer covenants that, no later than the date required by State law, which is currently nine (9) months after the end of each Fiscal Year, it will cause an audit to be made by a Certified Public Accountant covering all receipts and moneys then on deposit with or in the name of the Trustee or the Issuer and any security held therefor and any investments thereof. Copies of such audit reports shall be filed with the District Manager and the Secretary of the Board, and mailed by said Secretary to the Consulting Engineer and to all Bondholders who shall have filed their names and addresses with him for such purpose. If the material required to be in such audit also appears in the annual report of the Issuer provided for in Section 9.17 hereof in a manner that can be readily identified, then the filing of a copy of such annual audit shall satisfy the requirement of this Section.

SECTION 9.23. [RESERVED].

SECTION 9.24. COVENANT AGAINST SALE OR ENCUMBRANCE EXCEPTIONS. Subject to Section 9.28 hereof, the Issuer covenants that, (a) except for those improvements comprising the Capital Improvement Program that are to be conveyed by the Issuer to the City, the County, the State, or another governmental entity and (b) except as in this Section permitted, it will not sell, lease or otherwise dispose of or encumber the Capital Improvement Program, or any part thereof. The Issuer may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of a Series of Bonds or from Pledged Revenues if the District Manager shall determine, with the approval of the Consulting Engineer, that such items are no longer needed or are no longer useful in connection with the construction, maintenance and operation of the Project financed with such Series of Bonds, and the proceeds thereof shall be applied to the replacement of the properties so sold or disposed of or, at the written direction of the Issuer shall be deposited to the credit of the related Series Account in the Revenue Fund.

Upon any sale of property relating to a Project, the aggregate of which in any thirty (30) day period exceeds Fifty Thousand Dollars (\$50,000) under the provisions of this Section, the Issuer shall provide written notice to the Trustee of the property so sold and the amount and disposition of the proceeds thereof.

The Issuer may lease or grant easements, franchises or concessions for the use of any part of the Capital Improvement Program not incompatible with the maintenance and operation thereof, if the Consulting Engineer shall approve such lease, easement, franchise or concession in writing, and the net proceeds of any such lease, easement, franchise or concession (after the making of provision for payment from said proceeds of all costs incurred in financing, constructing, operating, maintaining or repairing such leases, easements, franchises or concessions) shall be deposited as received to the credit of related Series Account in the Revenue Fund.

SECTION 9.25. FIDELITY BONDS. Every officer, agent or employee of the Issuer having custody or control of any of the Pledged Revenues shall be bonded by a responsible corporate surety in an amount not less than the greatest amount reasonably anticipated to be

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requirements of such Code section and related regulations throughout the term of such Bonds. The Issuer hereby further covenants and agrees to comply with the procedures and covenants contained in any arbitrage rebate agreement executed in connection with the issuance of each Series of Bonds so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on each Series of Bonds.

SECTION 9.32. CORPORATE EXISTENCE AND MAINTENANCE OF PROPERTIES. For so long as any Bonds are Outstanding hereunder, unless otherwise provided by the Act, the Issuer shall maintain its corporate existence as a local unit of special purpose government under the Act and shall provide for or otherwise require the Capital Improvement Program, and all parts thereof owned by the Issuer to be (a) continuously operated, repaired, improved and maintained as shall be necessary to provide adequate service to the lands benefited thereby; and (b) in compliance with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority.

SECTION 9.33. CONTINUING DISCLOSURE. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of a Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the Issuer or any other party obligated pursuant to a Continuing Disclosure Agreement to comply with such Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any participating underwriter or the Majority Owners of a Series of Bonds and receipt of indemnity to its satisfaction, shall) or any Holder of the Bonds or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Section 9.33.

SECTION 9.34. PROVISIONS RELATING TO BANKRUPTCY OR INSOLVENCY OF LANDOWNER. The provisions of this Section 9.34 shall apply both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least five percent (5%) of the Special Assessments securing a Series of Bonds (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding"), except where such tax parcel shall be homestead property. For as long as any Series of Bonds remain outstanding, in any Proceeding involving the Issuer, any Insolvent Taxpayer, any Series of Bonds or any Special Assessments securing a Series of Bonds, the Issuer shall be obligated to act in accordance with direction from the Trustee with regard to all matters directly or indirectly affecting the Series of Bonds or for as long as any such Series of Bonds remain Outstanding.

The Issuer further acknowledges and agrees that, although a Series of Bonds may be issued by the Issuer, the Owners of the Series of Bonds are categorically a party with a financial stake in the transaction and, consequently, a party with a vested interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer:

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(a) the Issuer hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Special Assessments securing a Series of Bonds, such Series of Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee; provided, however, that the Trustee shall be deemed to have consented, on behalf of the Majority Owners of Outstanding Bonds of a Series, to the proposed action if the Issuer does not receive a written response from the Trustee within forty five (45) days following written request to a Responsible Officer of the Trustee for such consent;

(b) the Trustee shall have the right, but is not obligated to (unless directed in writing by the Majority Owners of Outstanding Bonds of a Series and receipt by Trustee of indemnity satisfactory to the Trustee), (i) vote in any such Proceeding and all claims of the Issuer, except for any claims the Issuer may have related to the Issuer's operation and maintenance assessments or other claims unrelated to the Special Assessments securing a Series of Bonds or such Series of Bonds and (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the Issuer, except for any claims the Issuer may have related to the Issuer's operation and maintenance assessments or other claims unrelated to the Special Assessments securing a Series of Bonds or such Series of Bonds, including without limitation, motions seeking relief from the automatic stay, dismissal of the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, and objections to disclosure statements, plans of liquidation or reorganization, and motions for use of cash collateral, seeking approval of sales or post-petition financing; and, if the Trustee chooses to exercise any such rights (or is directed in writing by the Majority Owners of Outstanding Bonds of a Series and receipt by Trustee of indemnity satisfactory to the Trustee), the Issuer shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the Issuer in connection with any Proceeding of any Insolvent Taxpayer, including, without limitation, the right to file and/or prosecute any claims, to propose and prosecute a plan, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the United States Bankruptcy Code, and

(c) the Issuer shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of the lands owned by any Insolvent Taxpayer submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to the Trustee's enforcement of the Issuer claim with respect to the Special Assessments securing a Series of Bonds or receipt of adequate protection (as that term is defined in the United States Bankruptcy Code).

Without limiting the generality of the foregoing, the Issuer agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Special Assessments securing a Series of Bonds, (ii) to deliver to the Issuer a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

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shall have been given to the Issuer by the Trustee, which notice may be given by the Trustee in its discretion and which notice shall be given by the Trustee at the written request of the Majority Owners of the Bonds of such Series; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the Issuer shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion;

(f) written notice shall have been received by the Trustee from a Credit Facility Issuer securing Bonds of such Series that an event of default has occurred under the Credit Facility Agreement, or there shall have been a failure by said Credit Facility Issuer to make said Credit Facility available or to reinstate the interest component of said Credit Facility in accordance with the terms of said Credit Facility, to the extent said notice or failure is established as an event of default under the terms of a Supplemental Indenture;

(g) The Trustee withdraws more than twenty-five percent (25%) of the available funds from a Series Account of the Debt Service Reserve Fund established to pay Debt Service Requirements for a Series of Bonds and such amount is not replenished within twelve (12) months of the date of withdrawal (including from collections of delinquent Special Assessments); or

(h) More than twenty-five percent (25%) of the operation and maintenance assessments levied and collected directly by the Issuer on District Lands subject to the Special Assessments securing such Series of Bonds are not paid within ninety (90) days of the date such are due and payable ("Delinquent Direct Billed Operation and Maintenance Assessments").

An Event of Default with respect to a Series of Bonds shall not be an Event of Default as to any other Series of Bonds, unless otherwise provided in a Supplemental Indenture.

SECTION 10.03. NO ACCELERATION. No Series of Bonds issued under this Master Indenture shall be subject to acceleration.

SECTION 10.04. LEGAL PROCEEDINGS BY TRUSTEE. If any Event of Default with respect to a Series of Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Majority Owners of the Outstanding Bonds of such Series and receipt of indemnity to its satisfaction shall, in its capacity as Trustee:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Bonds of such Series, including, without limitation, the right to require the Issuer to carry out any agreements with, or for the benefit of, the Bondholders of the Bonds of such Series and to perform its or their duties under the Act;

(b) bring suit upon the Series of Bonds;

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Notwithstanding the provisions of paragraph (a) above, nothing in this Section 9.34 shall preclude the Issuer from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance assessments, and the Issuer shall be free to pursue such a claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the Issuer in pursuance of its claim for operation and maintenance assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or directions with respect to the Special Assessments securing a Series of Bonds whether such claim is pursued by the Issuer or the Trustee.

Notwithstanding anything herein to the contrary, the Trustee shall not be required to take any action with respect to a Proceeding unless it has been directed in writing by the Majority Owners and has received indemnity satisfactory to it

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

SECTION 10.01. EVENTS OF DEFAULT AND REMEDIES. Except to the extent otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, events of default and remedies with respect to each Series of Bonds shall be as set forth in this Master Indenture.

SECTION 10.02. EVENTS OF DEFAULT DEFINED. Each of the following shall be an "Event of Default" under the Indenture, with respect to a Series of Bonds:

(a) if payment of any installment of interest on any Bond of such Series is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Bond of such Series is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the Issuer, for any reason, fails to, or is rendered incapable of fulfilling its obligations under the Indenture or under the Act; or

(d) if the Issuer proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the Issuer or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the Issuer and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or

(e) if the Issuer defaults in the due and punctual performance of any other covenant in the Indenture or in any Bond of such Series issued pursuant to the Indenture and such default continues for sixty (60) days after written notice thereof that requires the same to be remedied

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(c) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds of such Series;

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds of such Series; and

(e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing such Series of Bonds.

SECTION 10.05. DISCONTINUANCE OF PROCEEDINGS BY TRUSTEE. If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, the Issuer, the Trustee, the Paying Agent and the Bondholders shall be restored to their former positions and rights hereunder as though no such proceeding had been taken.

SECTION 10.06. BONDHOLDERS MAY DIRECT PROCEEDINGS. The Majority Owners of the Outstanding Bonds of a Series then subject to remedial proceedings under this Article X shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law or the provisions of the Indenture.

SECTION 10.07. LIMITATIONS ON ACTIONS BY BONDHOLDERS. No Bondholder shall have any right to pursue any remedy hereunder unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the Majority Owners of the Outstanding Bonds of the applicable Series shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities (including reasonable counsel fees, costs and expenses), and (d) the Trustee shall have failed to comply with such request within a reasonable time.

SECTION 10.08. TRUSTEE MAY ENFORCE RIGHTS WITHOUT POSSESSION OF BONDS. All rights under the Indenture and a Series of Bonds may be enforced by the Trustee without the possession of any of the Bonds of such Series or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Holders of the Bonds of such Series.

SECTION 10.09. REMEDIES NOT EXCLUSIVE. Except as limited under Section 15.01 of this Master Indenture, no remedy contained in the Indenture is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 10.10. DELAYS AND OMISSIONS NOT TO IMPAIR RIGHTS. No delay or omission in respect of exercising any right or power accruing upon any Event of Default shall impair such right or power or be a waiver of such Event of Default, and every remedy given by this Article X may be exercised from time to time and as often as may be deemed expedient.

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SECTION 10.11. APPLICATION OF MONEYS IN EVENT OF DEFAULT. Any moneys received by the Trustee or the Paying Agent, as the case may be, in connection with any proceedings brought under this Article X with respect to a Series of Bonds shall be applied in the following priority:

(a) to the payment of the costs of the Trustee, the Registrar and Paying Agent incurred in connection with actions taken under this Article X with respect to such Series of Bonds, including reasonable counsel fees, costs and expenses and any disbursements of the Trustee, the Registrar and the Paying Agent and payment of unpaid fees and expenses owed to the Trustee, the Registrar and the Paying Agent.

(b) unless the principal of all the Bonds of such Series shall have become due and payable:

FIRST: to payment of all installments of interest then due on the Bonds of such Series in the order of maturity of such installments of interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any preference or priority of one installment of interest over any other installment; and

SECOND: to payment to the persons entitled thereto of the unpaid principal or Redemption Price of any of the Bonds of such Series which shall have become due in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full the principal or Redemption Price coming due on such Bonds on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any preference or priority of one such Bond of a Series over another or of any installment of interest over another.

(c) If the principal of all Bonds of a Series shall have become due and payable, to the payment of principal or Redemption Price (as the case may be) and interest then owing on the Bonds of such Series and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or Redemption Price and interest ratably, without preference or priority of one Bond of such Series over another or of any installment of interest over any other installment of interest.

Any surplus remaining after the payments described above shall be paid to the Issuer or to the Person lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

For purposes of the application of moneys described above, to the extent payments of principal of and interest on a Series of Bonds shall have been made under a Credit Facility relating thereto, the Credit Facility Issuer shall be entitled to moneys in the related Series Accounts in the Debt Service Fund in accordance with the agreement pursuant to which such Credit Facility has been issued (but subject to subsection (a) hereof and Section 11.04 hereof) and the Certified

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(f) upon failure of any property owner to pay an installment of Special Assessments collected directly by the Issuer when due, that the entire Special Assessments related to the applicable Series of Bonds on the tax parcel as to which such delinquent Special Assessment pertains, with interest and penalties thereon, shall immediately become due and payable and the Issuer shall cause to be commenced the necessary legal proceedings for the foreclosure of liens of delinquent Special Assessments related to the applicable Series of Bonds with respect to such tax parcel, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages. Notwithstanding anything to the contrary herein, the Issuer shall be entitled to first recover from any foreclosure before such proceeds are applied to the payment of principal or interest on the Bonds, all fees and costs expended in connection with such foreclosure, regardless of whether such fees and costs are included as part of the Special Assessments, as defined herein.

ARTICLE XI THE TRUSTEE, THE PAYING AGENT AND REGISTRAR

SECTION 11.01. ACCEPTANCE OF TRUST. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article XI, to all of which the parties hereto the Bondholders and any Credit Facility Issuer agree. The Trustee shall act as Trustee under this Indenture. Except during the continuance of an Event of Default, the Trustee shall have only such duties as are expressly set forth herein, and no duties shall be implied on the part of the Trustee. In case any Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Master Indenture, and use the same degree of care and skill in their exercise, as a reasonably prudent man would exercise or use under the circumstances in the conduct of his own affairs.

SECTION 11.02. NO RESPONSIBILITY FOR RECITALS. The recitals, statements and representations in this Master Indenture or in the Bonds, save only the Trustee's Certificate of Authentication, if any, upon the Bonds, have been made by the Issuer and not by the Trustee and the Trustee shall be under no responsibility for the correctness thereof.

SECTION 11.03. TRUSTEE MAY ACT THROUGH AGENTS; ANSWERABLE ONLY FOR WILLFUL MISCONDUCT OR NEGLIGENCE. The Trustee may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel concerning all questions hereunder and the advice of such Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and reliance thereon. The Trustee shall not be answerable for the default or misconduct of any attorney or agent selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under the Indenture nor for anything whatever in connection with the trust hereunder, except only its own negligence or willful misconduct. The permissive right of the Trustee to take actions enumerated in this Master Indenture shall not be construed as a duty.

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Resolution of the Issuer authorizing the issuance of such Bonds to which such Credit Facility relates.

SECTION 10.12. TRUSTEE'S RIGHT TO RECEIVER; COMPLIANCE WITH ACT. The Trustee shall be entitled as of right to the appointment of a receiver and the Trustee, the Bondholders and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the Act and other applicable law of the State. When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 10.13. TRUSTEE AND BONDHOLDERS ENTITLED TO ALL REMEDIES UNDER ACT. It is the purpose of this Article to provide such remedies to the Trustee and Bondholders as may be lawfully granted under the provisions of the Act and other applicable laws of the State; if any remedy herein granted shall be held unlawful, the Trustee and the Bondholders shall nevertheless be entitled to every other remedy provided by the Act and other applicable laws of the State. It is further intended that, insofar as lawfully possible, the provisions of this Article X shall apply to and be binding upon any receiver appointed in accordance with Section 10.12 hereof.

SECTION 10.14. CREDIT FACILITY ISSUER'S RIGHTS UPON EVENTS OF DEFAULT. Anything in the Indenture to the contrary notwithstanding, if any Event of Default has occurred and is continuing while a Credit Facility securing all or a portion of such Bonds of a Series Outstanding is in effect, the Credit Facility Issuer shall have the right, in lieu of the Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility, by an instrument in writing, executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Indenture, or exercising any trust or power conferred on the Trustee by the Indenture. Said direction shall be controlling to the extent the direction of Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility would have been controlling under this Article. If the Credit Facility Issuer shall be in default in the performance of its obligations under the Credit Facility, said Credit Facility Issuer shall have no rights under this Section.

SECTION 10.15. ISSUER COVENANTS AFTER EVENT OF DEFAULT. The Issuer covenants and agrees that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of this Master Indenture and the applicable Supplemental Indenture, the provisions for the collection of delinquent Special Assessments, the provisions for the foreclosure of liens of delinquent Special Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the written direction of, and on behalf of, the Majority Owners, from time to time, of the applicable Series of Bonds. Notwithstanding anything to the contrary herein, and unless otherwise directed by the Majority Owners and allowed pursuant to Federal or State law, the Issuer acknowledges and agrees that

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The Trustee shall not be accountable for the use or application of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee so long as it does so in accordance with the provisions of this Master Indenture. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds. None of the provisions of this Master Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it. The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Master Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

SECTION 11.04. COMPENSATION AND INDEMNITY. The Issuer shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, and shall, to the extent permitted by law, indemnify and hold the Trustee harmless against any liabilities which it may incur in the proper exercise and performance of its powers and duties hereunder, except with respect to its own willful misconduct or negligence. If the Issuer defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys held by the Trustee, or coming into its hands and payable to the Issuer (but exclusive of the Rebate Fund and moneys from a drawing on any Credit Facility), which right of payment shall be prior to the right of the Holders of the Bonds. The provision for indemnity shall survive the termination of the Indenture and, as to any Trustee, its removal or resignation as Trustee. Notwithstanding anything herein to the contrary, no provision of this Master Indenture shall require the Trustee to expend or risk its own funds.

SECTION 11.05. NO DUTY TO RENEW INSURANCE. The Trustee shall be under no duty to effect or to renew any insurance policy nor shall it incur any liability for the failure of the Issuer to require or effect or renew insurance or to report or file claims of loss thereunder.

SECTION 11.06. NOTICE OF DEFAULT; RIGHT TO INVESTIGATE. The Trustee shall give written notice by Electronic Means or first-class mail to registered Holders of a Series of Bonds of all defaults actually known to the Trustee, unless such defaults have been remedied (the term "defaults" for purposes of this Section and Section 11.07 being defined to include the events specified as "Events of Default" in Article X hereof, but not including any notice or periods of grace provided for therein); provided that, except in the case of a default in payment of

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principal or interest or Redemption Price, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders. The Trustee shall not be deemed to have notice of any default other than a payment default under the Indenture or a notification by a Credit Facility Issuer of a default under its Credit Facility, unless notified in writing of such default by the Majority Owners of the Outstanding Bonds of a Series. The Trustee may, however, at any time require of the Issuer full information as to the performance of any covenant hereunder, and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Issuer, an investigation into the affairs of the Issuer.

SECTION 11.07. OBLIGATION TO ACT ON DEFAULTS. The Trustee shall be under no obligation to take any action in respect of any default or otherwise, unless it is requested in writing to do so by the Majority Owners of the Outstanding Bonds which are or would be, upon the taking of such action, subject to remedial proceedings under Article X of this Master Indenture, and if in the Trustee's opinion such action may tend to involve expense or liability, unless it is also furnished with indemnity satisfactory to it. The Trustee shall have no responsibility for actions taken at the direction of the Majority Owners.

SECTION 11.08. RELIANCE BY TRUSTEE. The Trustee shall conclusively rely upon and shall be fully protected in acting on any requisition, resolution, notice, telegram, Electronic Means, facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed, signed or given by the persons purporting to be authorized (which in the case of the Issuer shall be a Responsible Officer) or to have been prepared and furnished pursuant to any of the provisions of the Indenture; the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

SECTION 11.09. TRUSTEE MAY DEAL IN BONDS. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if the Trustee were not a party to the Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the Issuer; provided, however, that if the Trustee determines that any such relation is in conflict with its duties under the Indenture, it shall eliminate the conflict or resign as Trustee.

SECTION 11.10. CONSTRUCTION OF AMBIGUOUS PROVISIONS. The Trustee may construe any ambiguous or inconsistent provisions of the Indenture, and except as otherwise provided in Article XIII of this Master Indenture, any construction by the Trustee shall be binding upon the Bondholders. The Trustee shall give prompt notice to the Issuer of any intention to make such construction.

SECTION 11.11. RESIGNATION OF TRUSTEE. The Trustee may resign and be discharged of the trusts created by the Indenture by written resignation filed with the Secretary of the Issuer not less than sixty (60) days before the date when such resignation is to take effect

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amounts owed to the Trustee, shall pay over to the successor Trustee all moneys held by it hereunder and, upon written request of the successor Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument or instruments prepared by the Issuer transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the predecessor Trustee, except for its rights under Section 11.04 hereof.

SECTION 11.16. MERGER OF TRUSTEE. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, or any corporation which shall have purchased substantially all of the bond administration business of the corporate trust department shall be the successor Trustee under the Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that any such successor corporation continuing to act as Trustee hereunder shall meet the requirements of Section 11.14 hereof, and if such corporation does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article XI. The Trustee may not resign as the Paying Agent or the Registrar without resigning as Trustee.

SECTION 11.17. EXTENSION OF RIGHTS AND DUTIES OF TRUSTEE TO PAYING AGENT AND REGISTRAR. The provisions of Sections 11.02, 11.03, 11.04, 11.08, 11.09, 11.10 and 11.16 hereof are hereby made applicable to the Paying Agent and the Registrar, as appropriate, and any Person serving as Paying Agent and/or Registrar, hereby enters into and agrees to comply with the covenants and agreements of the Indenture applicable to the Paying Agent and Registrar, respectively.

SECTION 11.18. RESIGNATION OF PAYING AGENT OR REGISTRAR. The Paying Agent or Registrar may resign and be discharged of the duties created by the Indenture by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the Issuer, the Trustee, and any rating agency that shall then have in effect a rating on any of the Bonds, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving written notice of such resignation not less than three (3) weeks prior to such resignation date to the Bondholders, mailed to their addresses as such appear in the Bond Register. Such resignation shall take effect on the date specified in such instrument and notice, but only if a successor Paying Agent or Registrar shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Registrar. If the successor Paying Agent or Registrar shall not have been appointed within a period of sixty (60) days following the giving of notice, then the Paying Agent or Registrar shall be authorized to petition any court of competent jurisdiction to appoint a successor Paying Agent or Registrar as provided in Section 11.22 hereof.

SECTION 11.19. REMOVAL OF PAYING AGENT OR REGISTRAR. The Paying Agent or Registrar may be removed at any time prior to any Event of Default by the Issuer by filing with the Paying Agent or Registrar to be removed, and with the Trustee, an instrument or

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Notice of such resignation shall be sent by Electronic Means or first-class mail to each Bondholder as its name and address appears on the Bond Register and to any Paying Agent if not also the Trustee, Registrar if not also the Trustee, Authenticating Agent and Credit Facility Issuer, if any, at least sixty (60) days before the resignation is to take effect. Such resignation shall take effect on the day specified in the Trustee's notice of resignation unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor; provided, however, that notwithstanding the foregoing, such resignation shall not take effect until a successor Trustee has been appointed. If a successor Trustee has not been appointed within sixty (60) days after the Trustee has given its notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed. Notice of such resignation shall also be given to any rating agency that shall then have in effect a rating on any of the Bonds.

SECTION 11.12. REMOVAL OF TRUSTEE. The Trustee may be removed at any time by either (a) the Issuer, if no default exists under the Indenture, or (b) an instrument or concurrent instruments in writing, executed by the Majority Owners of the Bonds then Outstanding and filed with the Issuer. A photographic copy of any instrument or instruments filed with the Issuer under the provisions of this paragraph, duly certified by a Responsible Officer, shall be delivered promptly by the Issuer to the Trustee and to any Paying Agent, Registrar, Authenticating Agent and Credit Facility Issuer, if any.

SECTION 11.13. APPOINTMENT OF SUCCESSOR TRUSTEE. If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the Issuer shall appoint a successor and shall mail notice of such appointment by first-class mail to each Bondholder as its name and address appear on the Bond Register, and to the Paying Agent, Registrar, Authenticating Agent, Credit Facility Issuer, if any, and any rating agency that shall then have in effect a rating on any of the Bonds. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation or removal as the date when such resignation or removal was to take effect, the Majority Owners of all Bonds then Outstanding may appoint a successor Trustee.

SECTION 11.14. QUALIFICATION OF SUCCESSOR. A successor Trustee shall be a bank or trust company with trust powers, having a combined net capital and surplus of at least \$50,000,000.

SECTION 11.15. INSTRUMENTS OF SUCCESSION. Subject to Section 11.16 hereof, any successor Trustee shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder and thereupon, such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder, after deducting all

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instruments in writing executed by the Issuer appointing a successor, or an instrument or instruments in writing designating, and accompanied by an instrument or appointment by the Issuer of, such successor. Such removal shall be effective thirty (30) days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent or Registrar appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder.

SECTION 11.20. APPOINTMENT OF SUCCESSOR PAYING AGENT OR REGISTRAR. In case at any time the Paying Agent or Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto exist in the office of the Paying Agent or Registrar, as the case may be, and a successor shall be appointed by the Issuer, and in case at any time the Paying Agent or Registrar shall resign, then a successor shall be appointed by the Issuer. After any such appointment, notice of such appointment shall be given by the Issuer to the predecessor Paying Agent or Registrar, the successor Paying Agent or Registrar, the Trustee, Credit Facility Issuer, if any, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. Any new Paying Agent or Registrar so appointed shall immediately, and without further act, supersede the predecessor Paying Agent or Registrar.

SECTION 11.21. QUALIFICATIONS OF SUCCESSOR PAYING AGENT OR REGISTRAR. Every successor Paying Agent or Registrar (a) shall be a commercial bank or trust company (i) duly organized under the laws of the United States or any state or territory thereof, (ii) authorized by law to perform all the duties imposed upon it by the Indenture and (iii) capable of meeting its obligations hereunder, and (b) shall have a combined net capital and surplus of at least \$50,000,000.

SECTION 11.22. JUDICIAL APPOINTMENT OF SUCCESSOR PAYING AGENT OR REGISTRAR. In case at any time the Paying Agent or Registrar shall resign and no appointment of a successor Paying Agent or Registrar shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Paying Agent or Registrar may forthwith apply to a court of competent jurisdiction for the appointment of a successor Paying Agent or Registrar. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Paying Agent or Registrar. Notice of such appointment shall be given by the Successor Registrar or Paying Agent to the Issuer, the Trustee, Credit Facility Issuer, if any, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. In the absence of such an appointment, the Trustee shall become the Registrar or Paying Agent, and shall so notify the Issuer, any rating agency that shall have issued a rating on the Bonds, and all Bondholders.

SECTION 11.23. ACCEPTANCE OF DUTIES BY SUCCESSOR PAYING AGENT OR REGISTRAR. Any successor Paying Agent or Registrar shall become duly vested with all the

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estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent or Registrar herein. Upon written request of such Paying Agent or Registrar, such predecessor Paying Agent or Registrar and the Issuer shall, after payment of such Paying Agent or Registrar's fees and expenses, execute and deliver an instrument transferring to such successor Paying Agent or Registrar all the estates, property, rights and powers hereunder, except for its rights under Section 11.04 hereof, of such predecessor Paying Agent or Registrar and such predecessor Paying Agent or Registrar shall pay over and deliver to the successor Paying Agent or Registrar all moneys and other assets at the time held by it hereunder.

SECTION 11.24. SUCCESSOR BY MERGER OR CONSOLIDATION. Any corporation into which any Paying Agent or Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Paying Agent or Registrar hereunder shall be a party, or any corporation which shall have purchased substantially all of the bond administration business of the corporate trust department shall be the successor Paying Agent or Registrar under the Indenture without the execution or filing of any paper or any further act on the part of the parties thereto, anything in the Indenture to the contrary notwithstanding.

**ARTICLE XII
ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS**

SECTION 12.01. ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS. Any action to be taken by Bondholders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by an agent appointed in writing. The fact and date of the execution by any person of any such instrument may be provided by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Any action by the Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered by the Issuer, Trustee, Paying Agent or Registrar in pursuance thereof.

**ARTICLE XIII
AMENDMENTS AND SUPPLEMENTS**

SECTION 13.01. AMENDMENTS AND SUPPLEMENTS WITHOUT BONDHOLDERS' CONSENT. This Master Indenture and any Supplemental Indenture may be amended or supplemented, from time to time, without the consent of the Bondholders, by a Supplemental Indenture authorized by a Certified Resolution of the Issuer filed with the Trustee, for one or more of the following purposes:

(a) to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;

(b) for any purpose not inconsistent with the terms of the Indenture, or to cure any ambiguity or to cure, correct or supplement any defective provision (whether because of a

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inconsistency with any other provision hereof or (otherwise) of the Indenture, in such manner as shall not impair the security hereof or thereof or adversely affect the rights and remedies of the Bondholders;

(c) to provide for the execution of any and all contracts and other documents as may be required in order to effectuate the conveyance of any Project to the State, the City or any department, agency or branch thereof, or any other unit of government of the State, provided, however, that the Issuer shall have caused to be delivered to the Trustee an opinion of Bond Counsel stating that such conveyance shall not impair the security hereof or adversely affect the rights and remedies of the Bondholders; and

(d) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190 and 197, Florida Statutes, so long as, in the opinion of counsel to the Issuer, such changes either: (i) do not have an adverse effect on the Holders of the Bonds; or (ii) if such changes do have an adverse effect, that they nevertheless are required to be made as a result of such amendments.

SECTION 13.02. AMENDMENTS WITH BONDHOLDERS' CONSENT. Subject to the provisions of Section 13.03 hereof, this Master Indenture may be amended from time to time by a Supplemental Indenture and any Supplemental Indenture approved by the Majority Owners of the Bonds then Outstanding in the case of the Master Indenture, and of the Series of Bonds then Outstanding and secured by such Supplemental Indenture in the case of an amendment of a Supplemental Indenture; provided that with respect to (a) the interest payable upon any Bonds, (b) the dates of maturity or redemption provisions of any Bonds, (c) this Article XIII and (d) the security provisions hereunder or under any Supplemental Indenture, which may only be amended by approval of the Owners of all Bonds to be so amended.

SECTION 13.03. TRUSTEE AUTHORIZED TO JOIN IN AMENDMENTS AND SUPPLEMENTS; RELIANCE ON COUNSEL. The Trustee is authorized to join in the execution and delivery of any Supplemental Indenture or amendment permitted by this Article XIII and in so doing may conclusively rely on a written opinion of Counsel at the expense of the Issuer that such Supplemental Indenture or amendment is so permitted and has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement have been done. The Trustee shall not be obligated to enter into any Supplemental Indenture or amendment that imposes additional obligations on the Trustee or adversely affects the Trustee's rights and remedies hereunder.

**ARTICLE XIV
DEFEASANCE**

SECTION 14.01. DEFEASANCE. When interest on, and principal or Redemption Price (as the case may be) of, the Bonds of a Series or any portion thereof to be defeased have been paid, or there shall have been deposited with the Trustee or such other escrow agent designated in a Certified Resolution of the Issuer (the "Escrow Agent") moneys sufficient, or Defeasance

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Securities, the principal of and interest on which, when due, together with any moneys, remaining uninvested, will provide sufficient moneys to fully pay (i) such Bonds of a Series or portion thereof to be defeased, and (ii) any other sums payable hereunder by the Issuer, the right, title and interest of the Trustee with respect to such Bonds of a Series or portion thereof to be defeased shall thereupon cease, the lien of the Indenture on the Pledged Revenues, and the Funds and Accounts established under the Indenture shall be defeased and discharged, and the Trustee, on written demand of the Issuer, shall release the Indenture as to such Bonds of a Series or portion thereof to be so defeased and shall execute such documents to evidence such release as may be reasonably required by the Issuer and shall turn over to the Issuer or to such Person, body or authority as may be entitled to receive the same all balances remaining in any Series Funds and Accounts upon the defeasance in whole of all of the Bonds of a Series.

SECTION 14.02. DEPOSIT OF FUNDS FOR PAYMENT OF BONDS. If the Issuer deposits with the Escrow Agent moneys sufficient, or Defeasance Securities, the principal of and interest on which, when due, together with any moneys remaining uninvested, will provide sufficient moneys to pay the principal or Redemption Price of any Bonds of a Series becoming due, either at maturity or by redemption or otherwise, together with all interest accruing thereon to the date of maturity or such prior redemption, and reimburses or causes to be reimbursed or pays or causes to be paid the other amounts required to be reimbursed or paid under Section 14.01 hereof, interest on such Bonds of a Series shall cease to accrue on such date of maturity or prior redemption and all liability of the Issuer with respect to such Bonds of a Series shall likewise cease, except as hereinafter provided; provided, however, that (a) if any Bonds are to be redeemed prior to the maturity thereof, notice of the redemption thereof shall have been duly given in accordance with the provisions of Section 8.02 hereof, or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice, and (b) in the event that any Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days following a deposit of moneys with the Escrow Agent, in accordance with this Section, the Issuer shall have given the Escrow Agent, in form satisfactory to the Escrow Agent, irrevocable instructions to mail to the Owners of such Bonds at their addresses as they appear on the Bond Register, a notice stating that a deposit in accordance with this Section has been made with the Escrow Agent and that the Bonds to which such notice relates are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price (as the case may be) of, and interest on, said Bonds of a Series. Thereafter such Bonds shall be deemed not to be Outstanding hereunder and the Owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Escrow Agent shall hold such funds in trust for such Owners. At the time of the deposit referred to above, there shall be delivered to the Escrow Agent a verification from a firm of independent certified public accountants stating that the principal of and interest on the Defeasance Securities, together with the stated amount of any cash remaining on deposit with the Escrow Agent, will be sufficient without reinvestment to pay the remaining principal of, redemption premium, if any, and interest on such defeased Bonds.

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Money so deposited with the Escrow Agent which remains unclaimed three (3) years after the date payment thereof becomes due shall, upon written request of the Issuer, if the Issuer is not at the time to the actual knowledge of a responsible officer of the Escrow Agent in default with respect to any covenant in the Indenture or the Bonds of such Series contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Escrow Agent, before making payment to the Issuer, may, at the written direction and expense of the Issuer, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

**ARTICLE XV
MISCELLANEOUS PROVISIONS**

SECTION 15.01. LIMITATIONS ON RECOURSE. No personal recourse shall be had for any claim based on the Indenture or the Bonds against any member of the Board of the Issuer, officer, employee or agent, past, present or future, of the Issuer or of any successor body as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

The Bonds are payable solely from the Pledged Revenues, and any other moneys held by the Trustee under the Indenture for such purpose. There shall be no other recourse under the Bonds, the Indenture or otherwise, against the Issuer or any other property now or hereafter owned by it.

SECTION 15.02. PAYMENT DATES. In any case where an Interest Payment Date or the maturity date of the Bonds or the date fixed for the redemption of any Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 15.03. NO RIGHTS CONFERRED ON OTHERS. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Bonds.

SECTION 15.04. ILLEGAL PROVISIONS DISREGARDED. If any term of the Indenture or the Bonds or the application thereof for any reason or circumstances shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such terms or provisions to Persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

SECTION 15.05. SUBSTITUTE NOTICE. If for any reason it shall be impossible to make publication of any notice required hereby in a newspaper or newspapers, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

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SECTION 15.06. NOTICES. Any notice, demand, direction, request or other instrument authorized or required by the Indenture to be given to or filed with the Issuer or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of the Indenture if and when personally delivered and receipted for, or sent by registered United States mail, return receipt requested, addressed as follows:

- (a) As to the Issuer: Cypress Bluff Community Development District
c/o Government Management Services, LLC
475 West Town Place, Suite 114
World Golf Village
St. Augustine, Florida 32092
Attention: District Manager
- With a copy to: Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301
Attention: Katie Buchanan, Esq.
- (b) As to the Trustee: The Bank of New York Mellon Trust Company, N.A.
10161 Centurion Parkway North
Jacksonville, Florida 32256
Attention: Corporate Trust

Any of the foregoing may, by notice sent to each of the others, designate a different or additional address to which notices under the Indenture are to be sent

All documents received by the Trustee under the provisions of the Indenture and not required to be redelivered shall be retained in its possession, subject at all reasonable times to the inspection of the Issuer, any Consultant, any Bondholder and the agents and representatives thereof as evidence in writing.

The Trustee shall have the right to accept and act upon directions or instructions given pursuant to this Master Indenture or any other document reasonably relating to the Bonds and delivered using Electronic Communications (defined below); provided, however, that the Issuer shall provide to the Trustee an incumbency certificate listing Authorized Officers with the authority to provide such directions or instructions (each an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Trustee directions or instructions using Electronic Communications and the Trustee in its discretion elects to act upon such directions or instructions, the Trustee's understanding of such directions or instructions shall be deemed controlling. The Issuer understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Trustee shall conclusively presume that directions or instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided

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to the Trustee have been sent by such Authorized Officer. The Issuer shall be responsible for ensuring that only Authorized Officers transmit such directions or instructions to the Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. The Issuer agrees: (i) to assume all risks arising out of the use of Electronic Communications to submit directions or instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Trustee and that there may be more secure methods of transmitting directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. "Electronic Communications" shall mean the following communications methods: Electronic Means, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

SECTION 15.07. CONTROLLING LAW. The Indenture shall be governed by and construed in accordance with the laws of the State without regard to conflict of law principles.

SECTION 15.08. SUCCESSORS AND ASSIGNS. All the covenants, promises and agreements in the Indenture contained by or on behalf of the Issuer or by or on behalf of the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15.09. HEADINGS FOR CONVENIENCE ONLY. The table of contents and descriptive headings in this Master Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 15.10. COUNTERPARTS. This Master Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 15.11. APPENDICES AND EXHIBITS. Any and all appendices or exhibits referred to in and attached to this Master Indenture are hereby incorporated herein and made a part hereof for all purposes.


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IN WITNESS WHEREOF, the Cypress Bluff Community Development District has caused this Master Indenture to be executed by the Chair of its Board and its corporate seal to be hereunto affixed, attested by the Secretary or Assistant Secretary of its Board and The Bank of New York Mellon Trust Company, N.A. has caused this Master Indenture to be executed by one of its corporate officers, all as of the day and year first above written.

[SEAL]


Attest:


Secretary/Assistant Secretary,
Board of Supervisors



CYPRESS BLUFF COMMUNITY
DEVELOPMENT DISTRICT

By:


Chair, Board of Supervisors

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., a national
banking association, as Trustee, Paying
Agent and Registrar

By:


Title: Vice President

EXHIBIT A
LEGAL DESCRIPTION OF
CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT
[ATTACHED]

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Cypress Bluff CDD Parcel

A portion of Sections 32 and 33, Township 3 South, Range 28 East, together with a portion of Sections 4, 5, 8 and 9, Township 4 South, Range 28 East, Duval County, Florida, being more particularly described as follows:

For a Point of Reference, commence at the Northwest corner of said Section 33; thence North 88°37'28" East, along the Northerly line of said Section 33, a distance of 1343.30 feet to the Point of Beginning.

From said Point of Beginning, thence continue North 88°37'28" East, along said Northerly line of said Section 33, a distance of 289.49 feet; thence South 07°44'13" East, departing said Northerly line, 1305.77 feet; thence South 13°31'53" East, 2389.14 feet; thence South 04°33'08" West, 1865.63 feet; thence South 18°03'25" West, 1232.39 feet; thence South 05°12'52" East, 2061.31 feet; thence South 19°40'49" West, 3784.88 feet; thence South 04°56'56" West, 366.20 feet; thence South 89°37'47" West, 1624.99 feet; thence South 00°22'13" East, 418.10 feet; thence South 88°55'30" West, 1799.90 feet to a point lying on the Easterly limited access right of way line of State Road No. 9B, a 400 foot limited access right of way per Florida Department of Transportation right of way map Section 72002-2513, Financial Project No. 209294-1; thence Northerly along said Easterly limited access right of way line the following 3 courses: Course 1, thence North 14°27'30" West, 403.98 feet to the point of curvature of a curve concave Easterly having a radius of 5529.58 feet, Course 2, thence Northerly along the arc of said curve, through a central angle of 14°09'36", an arc length of 1366.57 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 07°22'42" West, 1363.10 feet; Course 3, thence North 00°17'54" West, 1535.00 feet to a point of intersection with the Easterly limited access right of way line of State Road No. 9A, a variable width limited access right of way per Florida Department of Transportation right of way map Section 72002-2511, Work Program Identification No. 2114883, said point also being on a non-tangent curve concave Westerly having a radius of 3000.00 feet; thence Northerly along said Easterly limited access right of way line the following 4 courses: Course 1, thence Northerly, departing said Easterly limited access right of way line of State Road No. 9B and along the arc of said curve, through a central angle of 29°31'23", an arc length of 1545.82 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 07°27'47" East, 1528.78 feet; Course 2, thence North 07°17'54" West, 984.62 feet to the point of curvature of a curve concave Easterly having a

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Cypress Bluff CDD Parcel (continued)

50.60 feet; Course 40, thence North 57°17'36" East, 58.75 feet; Course 41, thence North 17°44'41" East, 38.19 feet; Course 42, thence North 41°44'07" East, 55.91 feet; Course 43, thence South 78°01'28" East, 36.71 feet; Course 44, thence North 76°54'19" East, 50.12 feet; Course 45, thence South 78°17'09" East, 69.51 feet; Course 46, thence North 85°04'13" East, 33.16 feet; Course 47, thence North 35°50'17" East, 30.71 feet; Course 48, thence North 05°06'56" East, 69.59 feet; Course 49, thence North 25°14'24" East, 59.38 feet; Course 50, thence North 36°08'27" East, 68.81 feet; Course 51, thence North 42°18'11" West, 56.04 feet; Course 52, thence North 01°48'23" East, 43.34 feet; Course 53, thence South 71°57'16" East, 51.30 feet; Course 54, thence South 45°23'16" East, 54.76 feet; Course 55, thence South 19°52'56" West, 39.91 feet; Course 56, thence South 14°36'59" East, 42.26 feet; Course 57, thence South 40°20'23" East, 57.10 feet; Course 58, thence South 59°04'18" East, 52.23 feet; Course 59, thence South 13°07'44" East, 44.38 feet; Course 60, thence South 24°46'40" East, 56.39 feet; Course 61, thence South 26°06'15" East, 32.51 feet; Course 62, thence South 02°12'11" West, 41.80 feet; thence South 45°09'13" East, departing said boundary line, 35.48 feet to the Northeast corner of those lands described and recorded in Official Records Book 14863, page 469, of said current Public Records; thence North 89°59'26" West, along the Northerly line of said Official Records Book 14863, page 469, a distance of 70.00 feet to the Northwest corner thereof; thence South 00°00'34" West, along the Westerly line of last said lands, 65.00 feet to the Southwest corner thereof; thence South 89°59'26" East, along the Southerly line of said lands, 70.00 feet to the Southeast corner thereof, said corner lying on said Southwesterly right of way line of R.G. Skinner Parkway; thence South 00°00'34" West, along said Southwesterly right of way line, 107.34 feet to a point lying on the Southerly terminus of said R.G. Skinner Parkway; thence South 89°59'26" East, departing said Southwesterly right of way line and along said Southerly terminus, 110.00 feet to a point lying on the Southerly line of said Official Records Book 14340, page 1809; thence Easterly and Northerly along the Southerly and Easterly lines of last said lands the following 62 courses: Course 1, thence South 00°00'34" West, departing said Southerly terminus, 145.55 feet; Course 2, thence South 89°59'26" East, 2280.15 feet; Course 3, thence North 07°41'27" West, 12.17 feet; Course 4, thence North 20°26'25" West, 28.98 feet; Course 5, thence North 06°37'03" East, 35.94 feet; Course 6, thence North 26°09'20" East, 47.24 feet; Course 7, thence North 10°50'26" East, 18.12 feet; Course 8, thence North 19°27'45" East, 19.37 feet; Course 9, thence North 10°56'37" East, 57.23 feet; Course 10, thence North 31°50'19" West, 53.99 feet; Course 11, thence North 25°51'04" West, 36.99 feet; Course 12, thence North 29°13'43" West, 21.65 feet; Course 13, thence North 71°51'12" West, 34.33 feet; Course 14, thence North 04°17'54" East, 38.72 feet; Course 15, thence North 00°16'03" East, 31.09 feet; Course 16, thence North 16°06'04" East, 32.18 feet; Course 17, thence North 20°33'04" West, 21.97 feet; Course 18, thence North 56°02'19" West, 40.42 feet; Course 19, thence North 02°24'10" West, 36.61 feet; Course 20, thence North 02°52'34" East, 35.41 feet; Course 21, thence North 00°06'57" East, 45.28 feet; Course 22, thence North 08°57'28" East, 54.79 feet; Course 23, thence North 06°50'55" West, 38.58 feet; Course 24, thence North 14°46'17" East, 32.02 feet; Course 25,

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Cypress Bluff CDD Parcel (continued)

radius of 11600.00 feet, Course 3, thence Northerly along the arc of said curve, through a central angle of 07°00'07", an arc length of 1417.21 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 05°47'54" West, 1416.33 feet; Course 4, thence North 00°17'54" West, 5839.87 feet to its intersection with the Southwesterly right of way line of R.G. Skinner Parkway, a 110 foot right of way as presently established; thence Southeasterly along said Southwesterly right of way line the following 3 courses: Course 1, thence Southerly departing said Easterly limited access right of way line and along the arc of a curve concave Easterly having a radius of 300.00 feet, through a central angle of 43°17'06", an arc length of 276.64 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 21°56'27" East, 221.29 feet; Course 2, thence South 43°55'00" East, 446.83 feet to the point of curvature of a curve concave Northeasterly having a radius of 600.00 feet; Course 3, thence Southeasterly along the arc of said curve, through a central angle of 25°15'01", an arc length of 261.42 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 56°12'31" East, 262.29 feet; thence South 68°50'01" East, continuing along said Southwesterly right of way line, 263.07 feet to a point lying on the boundary line of those lands described and recorded in Official Records Book 14340, page 1809, of the current Public Records of said county; thence Southerly along said boundary line the following 62 courses: Course 1, thence South 56°47'19" West, departing said Southwesterly right of way line, 34.93 feet; Course 2, thence South 59°53'26" West, 60.77 feet; Course 3, thence South 28°07'37" West, 63.38 feet; Course 4, thence South 36°12'31" West, 52.77 feet; Course 5, thence South 44°25'16" West, 53.99 feet; Course 6, thence South 60°24'13" West, 59.40 feet; Course 7, thence South 37°46'20" West, 47.85 feet; Course 8, thence South 12°02'36" East, 52.58 feet; Course 9, thence South 13°05'33" East, 42.42 feet; Course 10, thence South 16°44'01" West, 53.11 feet; Course 11, thence South 18°07'14" West, 49.93 feet; Course 12, thence South 23°19'42" West, 58.13 feet; Course 13, thence North 84°25'00" West, 84.95 feet; Course 14, thence South 60°24'25" East, 68.26 feet; Course 15, thence South 81°52'44" East, 73.42 feet; Course 16, thence South 35°00'24" East, 50.94 feet; Course 17, thence South 42°29'27" East, 62.28 feet; Course 18, thence South 72°15'23" East, 63.91 feet; Course 19, thence North 73°27'14" East, 68.75 feet; Course 20, thence North 51°47'07" East, 59.88 feet; Course 21, thence North 65°14'07" East, 64.44 feet; Course 22, thence South 44°57'44" East, 51.37 feet; Course 23, thence South 41°27'00" East, 50.99 feet; Course 24, thence North 68°09'16" East, 90.76 feet; Course 25, thence North 00°26'34" West, 52.95 feet; Course 26, thence North 39°25'04" West, 59.68 feet; Course 27, thence North 46°31'57" East, 62.01 feet; Course 28, thence North 50°00'38" East, 57.16 feet; Course 29, thence North 88°38'44" East, 49.62 feet; Course 30, thence South 67°21'23" East, 54.16 feet; Course 31, thence South 14°50'50" East, 56.45 feet; Course 32, thence South 48°06'29" East, 55.42 feet; Course 33, thence South 04°06'11" East, 57.55 feet; Course 34, thence South 38°52'42" West, 48.46 feet; Course 35, thence South 08°09'16" West, 60.88 feet; Course 36, thence South 29°03'41" East, 51.97 feet; Course 37, thence South 07°41'54" East, 90.90 feet; Course 38, thence South 75°57'31" East, 33.30 feet; Course 39, thence South 80°17'39" East,

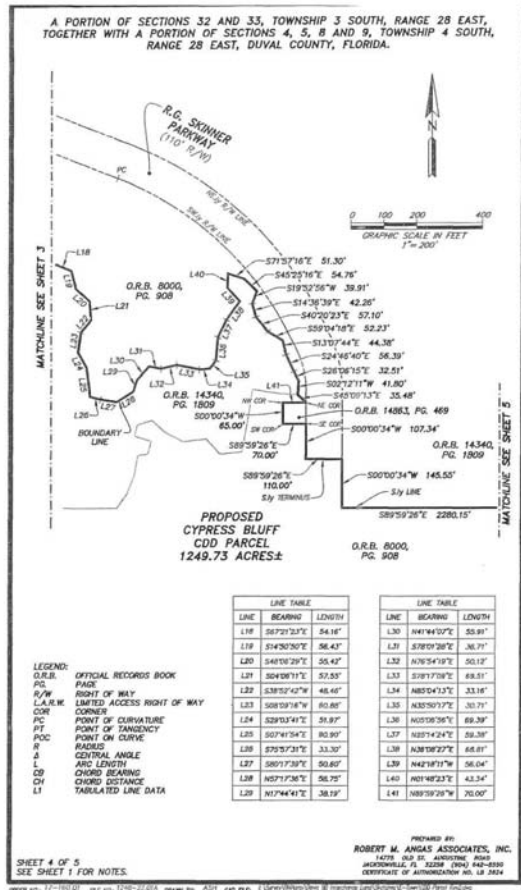
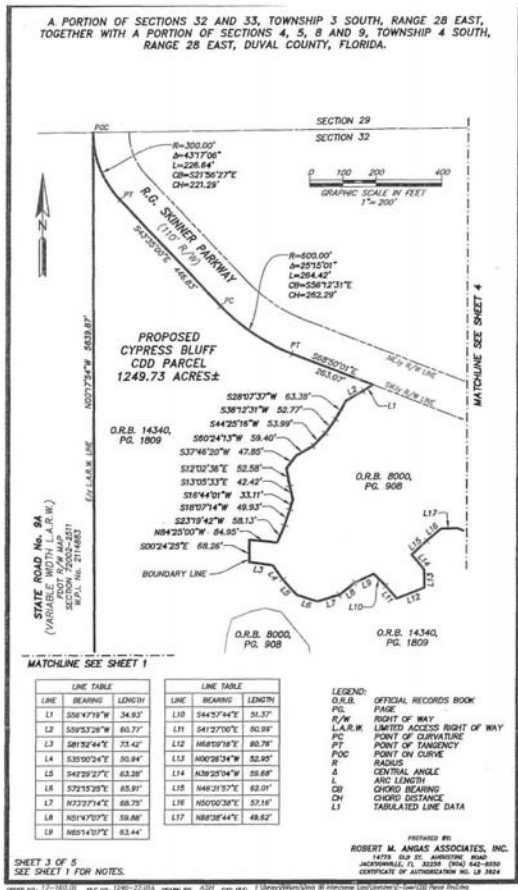
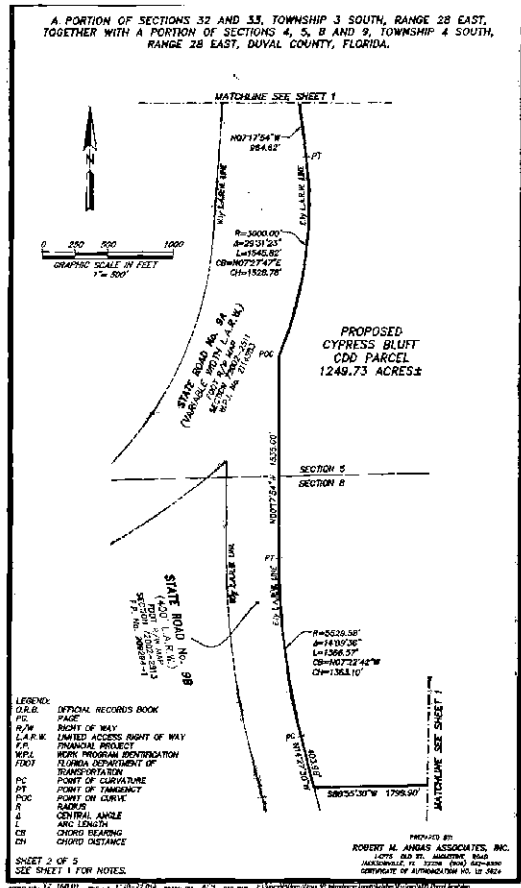
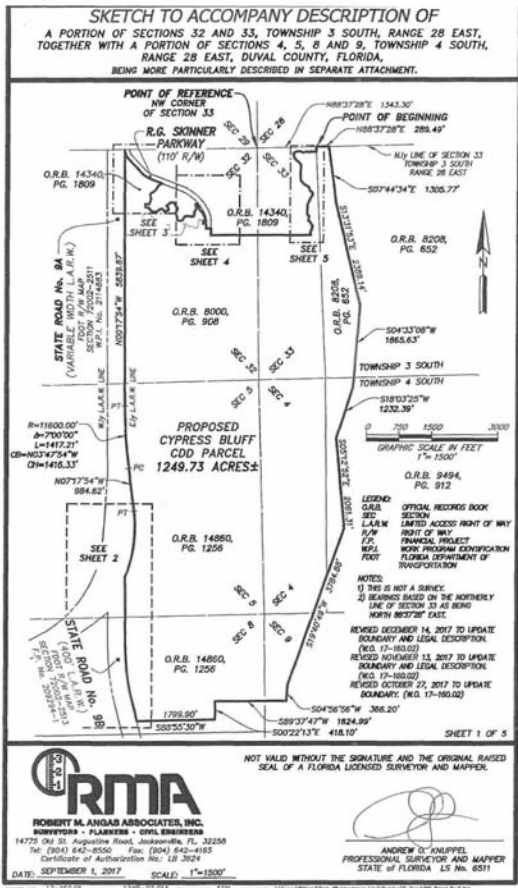
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thence North 24°38'30" East, 38.36 feet; Course 26, thence North 21°16'45" East, 42.29 feet; Course 27, thence North 46°41'48" East, 24.95 feet; Course 28, thence North 09°37'57" East, 38.41 feet; Course 29, thence North 40°13'50" East, 35.75 feet; Course 30, thence North 25°36'12" East, 31.37 feet; Course 31, thence North 21°18'20" East, 52.69 feet; Course 32, thence North 30°51'04" West, 51.14 feet; Course 33, thence North 62°04'55" West, 46.62 feet; Course 34, thence North 18°00'39" West, 57.14 feet; Course 35, thence North 23°51'03" West, 51.16 feet; Course 36, thence North 64°02'20" West, 56.18 feet; Course 37, thence North 64°21'59" West, 44.40 feet; Course 38, thence North 45°11'49" West, 58.29 feet; Course 39, thence North 37°43'23" West, 68.80 feet; Course 40, thence North 02°41'36" West, 88.50 feet; Course 41, thence North 02°06'49" West, 73.09 feet; Course 42, thence North 04°53'38" East, 36.05 feet; Course 43, thence North 05°05'30" East, 95.10 feet; Course 44, thence North 28°50'30" West, 58.14 feet; Course 45, thence North 48°55'53" West, 68.30 feet; Course 46, thence North 45°34'57" West, 74.88 feet; Course 47, thence North 29°56'25" West, 51.40 feet; Course 48, thence North 12°05'37" West, 72.07 feet; Course 49, thence North 31°46'26" East, 28.73 feet; Course 50, thence North 62°21'20" East, 59.52 feet; Course 51, thence North 89°26'28" East, 25.20 feet; Course 52, thence North 82°18'54" East, 55.94 feet; Course 53, thence South 65°50'59" East, 41.72 feet; Course 54, thence South 66°19'42" East, 49.58 feet; Course 55, thence North 47°17'56" East, 30.64 feet; Course 56, thence North 84°19'39" East, 48.59 feet; Course 57, thence South 67°19'32" East, 48.05 feet; Course 58, thence North 57°16'24" East, 26.00 feet; Course 59, thence North 89°32'02" East, 47.84 feet; Course 60, thence South 87°36'33" East, 51.75 feet; Course 61, thence North 85°07'24" East, 50.38 feet; Course 62, thence North 01°03'43" West, 115.11 feet to the Point of Beginning.

Containing 1249.73 acres, more or less.



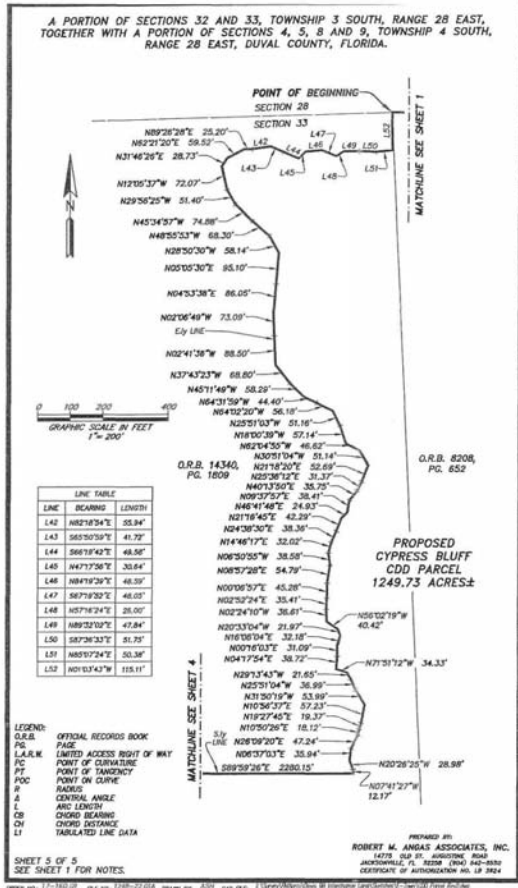


EXHIBIT B

DESCRIPTION OF THE CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program is the Improvement Plan described in the Improvement Plan for the Cypress Bluff Community Development District as adopted by the District at its meeting on August 1, 2018, as may be amended from time to time.

EXHIBIT C

(FORM OF BOND)

The following legend shall appear on the Bond only if the Bonds are privately placed:

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BASED UPON THE EXEMPTION FROM REGISTRATION AVAILABLE UNDER SECTION 3(a)(2) THEREOF, AND MAY BE SOLD OR OTHERWISE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR," AS SUCH TERM IS DEFINED IN 17 C.F.R. SECTION 230.501(a), OR ANY SUCCESSOR PROVISION THERETO, IN ACCORDANCE WITH APPLICABLE FEDERAL AND STATE SECURITIES LAWS AND OTHERWISE IN ACCORDANCE WITH THE PROVISIONS OF THE INDENTURE REFERRED TO BELOW.

R. _____ \$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BOND,
SERIES []

Interest Rate _____ Maturity Date _____ Date of Original Issuance _____, 20__ CUSIP _____

Registered Owner: _____

Principal Amount: _____

KNOW ALL PERSONS BY THESE PRESENTS that the Cypress Bluff Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Jacksonville, Florida, as paying agent (said The Bank of New York Mellon Trust Company, N.A. and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the Principal Amount set forth above with interest thereon at the Interest Rate per annum set forth above, computed on 360-day year of twelve 30-day months, payable on the first day of May and November of each year, provided, however, that presentation shall not be required while Bonds are registered in book-entry only. Principal of this Bond is payable at the designated corporate trust office of the Paying Agent in lawful money of the United States of America. Interest on this

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Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed on each Interest Payment Date to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by The Bank of New York Mellon Trust Company, N.A., as Registrar (and any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each interest payment date or the date on which the principal of a Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to _____, 20__, in which case from the date of original issuance identified on the face of this Bond, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below). Capitalized terms used herein and not otherwise defined shall be as defined the Indenture.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, THE CITY OF JACKSONVILLE, FLORIDA, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO COLLECT SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE CITY OF JACKSONVILLE, FLORIDA, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee, or such other authenticating agent as may be appointed by the Trustee under the Indenture, of the certificate of authentication attached hereto.

This Bond is one of an authorized issue of Bonds of the Cypress Bluff Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act") and Ordinance No. 2018-335 of the City Council of the City of Jacksonville, Florida, enacted on June 26, 2018 and effective on June 29, 2018, as amended, designated as

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"Cypress Bluff Community Development District Special Assessment Bonds, Series _____" (the "Bonds"), in the aggregate principal amount of _____ Dollars (\$ _____) of like date, tenor and effect, except as to number. The Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act, to pay a portion of the costs of the design, acquisition and construction of facilities and basic comprising the Issuer's Capital Improvement Program, or any other project improvements pursuant to the Act. The Bonds shall be issued as fully registered Bonds in authorized denominations, as set forth in the Indenture. The Bonds are issued under and secured by a Master Trust Indenture dated as of February 1, 2019, (the "Master Indenture"), as amended and supplemented by a _____ Supplemental Trust Indenture dated as of _____, 20____ (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the Issuer and the Trustee, executed counterparts of which are on file at the designated corporate trust office of the Trustee in Jacksonville, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds issued under the Indenture, the operation and application of the Debt Service Fund and other Funds and Accounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of, premium, if any, and the interest on the Bonds, the levy and the collection of Special Assessments, the nature and extent of the security for the Bonds, the terms and conditions on which the Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of Bonds, the conditions under which such Indenture may be amended with the consent of the Majority Owners of the Bonds Outstanding, and as to other rights and remedies of the registered owners of the Bonds.

The registered owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

It is expressly agreed by the registered owner of this Bond that such registered owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the City of Jacksonville, Florida, the State of Florida or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the City of Jacksonville, Florida, the State of Florida or any other political subdivision thereof, for the payment of the principal of, premium, if any, and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture, except for Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

By the acceptance of this Bond, the registered owner heretofore assents to all the provisions of the Indenture.

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This Bond is payable from and secured by Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. The Indenture provides for the levy and the evidencing and certifying, of non ad valorem assessments in the form of Special Assessments to secure and pay the Bonds.

The Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Bonds shall be made on the dates specified below. Upon any redemption of Bonds other than in accordance with scheduled Sinking Fund Installments, the Issuer shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Bonds. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a Sinking Fund Installment is due, the foregoing recalculation shall not be made to Sinking Fund Installments due in the year in which such redemption or purchase occurs, but shall be made to Sinking Fund Installments for the immediately succeeding and subsequent years.

Optional Redemption

The Bonds are subject to redemption at the option of the Issuer in whole or in part at any time on or after _____, 1, _____, at the redemption prices (expressed as percentages of principal amount to be redeemed) set forth below, plus accrued interest to the redemption date, upon notice from the Issuer to the Trustee as set forth in the Indenture.

Redemption Period (Both Dates Inclusive)	Redemption Price
_____ 1, _____ to _____ 31, _____	\$ _____
_____ 1, _____ to _____ 31, _____	
_____ 1, _____ and thereafter	

Mandatory Sinking Fund Redemption

The Bonds are subject to mandatory sinking fund redemption on May 1 in the years and in the principal amounts set forth below at a redemption price of 106% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall be reduced as specified by the Issuer by the principal amount of any Bonds redeemed pursuant to optional or extraordinary mandatory redemption as set forth above or purchased and cancelled pursuant to the provisions of the Indenture.

Year	Principal Amount of Bonds to be Paid	Year	Principal Amount of Bonds to be Paid
------	---	------	---

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Extraordinary Mandatory Redemption in Whole or in Part

The Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any interest payment date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, (i) from moneys deposited into the Bond Redemption Fund following the payment in full of Special Assessments on any portion of the District Lands in accordance with the provisions of the Section 9.08(a) of the Indenture; (ii) from moneys deposited into the Bond Redemption Fund following the payment in full of Special Assessments on any portion of the District Lands as a result of any prepayment of Special Assessments in accordance with the provisions of Section 9.08(b) of the Indenture; (iii) when sufficient moneys are on deposit in the related Funds and Accounts (other than the Rebate Fund and any other fund or account as provided in the Supplemental Indenture) to pay and redeem all Outstanding Bonds and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the Indenture; (iv) unless otherwise provided in the applicable Supplemental Indenture from moneys in excess of the Debt Service Reserve Requirement in the Debt Service Reserve Fund transferred to the Bond Redemption Fund pursuant to the Indenture; (v) from excess moneys transferred from the Revenue Fund to the Bond Redemption Fund in accordance with the Indenture; or (vi) from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund in accordance with the Indenture.

Notice of Redemption

The Trustee shall cause notice of redemption to be mailed at least thirty (30) but not more than sixty (60) days prior to the date of redemption to all registered owners of Bonds to be redeemed (as such owners appear on the books of the Registrar on the fifth (5th) day prior to such mailing) and to certain additional parties as set forth in the Indenture; provided, however, that failure to mail any such notice or any defect in the notice or the mailing thereof shall not affect the validity of the redemption of the Bonds for which such notice was duly mailed in accordance with the Indenture. If less than all of the Bonds shall be called for redemption, the notice of redemption shall specify the Bonds to be redeemed. On the redemption date, the Bonds called for redemption will be payable at the designated corporate trust office of the Paying Agent and on such date interest shall cease to accrue, such Bonds shall cease to be entitled to any benefit under the Indenture and such Bonds shall not be deemed to be outstanding under the provisions of the Indenture and the registered owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. If the amount of funds so deposited

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with the Trustee, or otherwise available, is insufficient to pay the redemption price and interest on all Bonds so called for redemption on such date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and interest on any Bonds not paid shall continue to accrue, as provided in the Indenture.

Partial Redemption of Bonds.

If less than all the Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of Bonds to be redeemed by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any partial redemption of Bonds pursuant to an optional redemption, such redemption shall be effectuated by redeeming Bonds of such maturities in such manner as shall be specified by the Issuer in writing, subject to the provisions of the Indenture. In the case of any partial redemption of Bonds pursuant to an extraordinary mandatory redemption, such redemption shall be effectuated by redeeming Bonds pro rata among the maturities, treating each date on which a Sinking Fund installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds to be redeemed multiplied times a fraction the numerator of which is the principal amount of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds outstanding immediately prior to the redemption date.

The Issuer shall keep books for the registration of the Bonds at the corporate trust office of the Registrar in Jacksonville, Florida. Subject to the restrictions contained in the Indenture, the Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee or such other authenticating agent as may be appointed by the Trustee under the Indenture shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing. Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds. Neither the Issuer nor the Registrar on behalf of the Issuer shall be required (i) to issue transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

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The Issuer, the Trustee, the Paying Agent and the Registrar may deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, the Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

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IN WITNESS WHEREOF, the Cypress Bluff Community Development District has caused this Bond to be signed by the facsimile signature of the Chair of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the facsimile signature of the Secretary or Assistant Secretary of its Board of Supervisors, all as of the date hereof.

CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT

(SEAL)

By: _____
Name: _____
Title: Chair, Board of Supervisors

(SEAL)

Attest:

By: _____
Name: _____
Title: Secretary/Assistant Secretary
Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: _____, 20__

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
Authorized Officer

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STATEMENT OF VALIDATION

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Fourth Judicial Circuit of Florida, in and for Duval County, Florida, rendered on the 31st day of October, 2018.

Chair, Board of Supervisors

Assistant Secretary, Board of Supervisors

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with rights of survivorship and not as tenants in common
- UNIFORM TRANSFER MIN ACT - _____ Custodian _____
(Cust) (Minor)
- Under Uniform Transfer to Minors
- Act _____
(State)

Additional abbreviations may also be used though not in the above list.

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ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto _____
(please print or typewrite name and address of assignee)

_____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature Guarantor:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Please insert social security or other identifying number of Assignee.

EXHIBIT D

FORM OF REQUISITION
CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES []

The undersigned, a Responsible Officer of the Cypress Bluff Community Development District (the "Issuer") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), dated as of February 1, 2019, as supplemented by that certain _____ Supplemental Trust Indenture dated as of _____ 1, 20____ (collectively, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

- (A) Requisition Number:
- (B) Name of Payee:
- (C) Amount Payable:
- (D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments, or, state Costs of Issuance, if applicable):
- (E) Amount, if any, that is to be used for a Deferred Cost:
- (F) Fund or Account from which disbursement to be made:

The undersigned hereby certifies that:

1. _____ obligations in the stated amount set forth above have been incurred by the Issuer,

or

_____ this requisition is for Costs of Issuance payable from the Acquisition and Construction Fund that have not previously been paid;
2. each disbursement set forth above is a proper charge against the Acquisition and Construction Fund;
3. each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Project;

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4. _____ each disbursement represents a Cost of the Project which has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the Issuer notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the Issuer is at the date of such certificate entitled to retain.

Originals or copies of the invoice(s) from the vendor of the property acquired or the services rendered, or other appropriate documentation of costs paid, with respect to which disbursement is hereby requested are on file with the Issuer.

CYPRESS BLUFF COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Responsible Officer

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CONSULTING ENGINEER'S APPROVAL
FOR NON-COST OF ISSUANCE REQUESTS ONLY

If this requisition is for a disbursement for other than Costs of Issuance, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the Project with respect to which such disbursement is being made; and (iii) the report of the Consulting Engineer, as such report shall have been amended or modified on the date hereof.

Consulting Engineer

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SECOND SUPPLEMENTAL TRUST INDENTURE

BETWEEN

CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

Dated as of April 1, 2020

Authorizing and Securing

\$7,705,000

CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT
Special Assessment Bonds, Series 2020

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THIS SECOND SUPPLEMENTAL TRUST INDENTURE dated as of April 1, 2020 (the "Second Supplemental Indenture") between CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT (the "Issuer"), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America, with its designated corporate trust office currently located at 10161 Centurion Parkway North, Jacksonville, Florida 32256 (said banking association and any bank or trust company becoming successor trustee under this Second Supplemental Indenture being hereinafter referred to as the "Trustee");

WITNESSETH:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") and Ordinance No. 2018-335-E enacted by the City Council of the City of Jacksonville, Florida (the "City") on June 26, 2018 and effective on June 29, 2018, as amended by Ordinance 2019-599E enacted by the City on October 22, 2019, effective October 28, 2019 for the purpose, among other things, of financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure within and without the boundaries of the premises to be governed by the Issuer; and

WHEREAS, the premises governed by the Issuer (referred to herein as the "District Lands") are described more fully in Exhibit A to the Master Trust Indenture dated as of February 1, 2019 (the "Master Indenture"), between the Issuer and the Trustee, and currently consists of approximately 1,273.92 acres of land located entirely within the City; and

WHEREAS, the Issuer has been created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands; and

WHEREAS, the Issuer has determined to undertake, in one or more stages, the acquisition and construction of certain public infrastructure and associated professional fees and incidental costs related thereto pursuant to the Act for the special benefit of the District Lands (as further described in Exhibit B to the Master Indenture, the "Capital Improvement Plan"); and

WHEREAS, the Board of Supervisors of the Issuer (the "Board") duly adopted Resolution No. 2018-27 on August 1, 2018 (the "Initial Bond Resolution"), authorizing, among other things, the issuance, in one or more series, of not to exceed \$96,000,000 aggregate principal amount of its Cypress Bluff Community Development District Special Assessment Bonds in order to pay all or a portion of the costs of the planning, financing, acquisition, construction, reconstruction, equipping and installation of the Capital Improvement Plan; and

WHEREAS, the District's Resolution 2020-06 was duly adopted by the Board on February 25, 2020, authorizing, among other things, the sale of its Special Assessment Bonds, Series 2020 (the "Series 2020 Bonds") which are issued hereunder, as one Series of Bonds under, and as defined in, the Master Indenture, and has authorized the execution and delivery of the Master Indenture and this Second Supplemental Indenture to secure the issuance of the Series 2020 Bonds and to set forth the terms of the Series 2020 Bonds; and

WHEREAS, the Issuer will apply the proceeds of the Series 2020 Bonds to: (i) finance a portion the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2020 Project (as defined herein); (ii) pay certain costs associated with the issuance of the Series 2020 Bonds; and (iii) make a deposit into the Series 2020 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2020 Bonds, without privilege or priority of one Series 2020 Bond over another; and

WHEREAS, the Series 2020 Bonds will be secured by a pledge of the Pledged Revenues (as hereinafter defined) to the extent provided herein, which Pledged Revenues consist primarily of the Series 2020 Special Assessments (as hereinafter defined) levied on that portion of the District Lands benefitted by the Series 2020 Project; and

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Series 2020 Bonds, the security and payment of the principal or redemption price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2020 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2020 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to the Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Revenues as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2020 Bonds issued hereunder and any other amounts owed hereunder, and any Bonds issued on a parity with the Series 2020 Bonds, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Series 2020 Bonds issued and to be issued under this Second Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this Second Supplemental Indenture) of any one

"Authorized Denomination" shall mean, with respect to the Series 2020 Bonds, \$5,000 or any integral multiple thereof; provided however, that the Series 2020 Bonds shall be delivered to the initial purchasers thereof in aggregate principal amounts of \$100,000 or integral multiples of \$5,000 in excess of \$100,000.

"Collateral Assignment" shall mean the Collateral Assignment and Assumption of Development and Contract Rights, dated April 15, 2020, between the District, the Master Developer and the Landowner.

"Completion Agreement" shall mean the Completion Agreement by and between the Issuer and the Master Developer, dated April 15, 2020, as such agreement may be modified from time to time.

"Declaration of Consent" shall mean the Declaration of Consent to Jurisdiction of Cypress Bluff Community Development District and to Imposition of Special Assessments for Series 2020 Bonds, dated April 15, 2020, delivered by the Landowner.

"District Manager" shall mean the person or entity serving as the Issuer's District Manager from time to time. The initial District Manager shall be Government Management Services, LLC.

"Engineer's Report" shall mean the Improvement Plan for the Cypress Bluff Community Development District, as amended, dated September 24, 2019, as supplemented by the Supplemental Engineer's Report for the Series 2020 Capital Improvements dated February 25, 2020, each as prepared by England, Thims & Miller, Inc.

"Indenture" shall mean, collectively, the Master Indenture, as supplemented and as particularly supplemented by this Second Supplemental Indenture.

"Interest Payment Date" shall mean May 1 and November 1 of each year, commencing November 1, 2020.

"Landowner" shall mean Eastland Timber, LLC, a Florida limited liability company, and any affiliate or any entity which succeeds to its interests and assumes any or all of the responsibilities of said entity and each landowner of an individual Sold Parcel.

"Master Developer" shall mean E-Town Development, Inc., a Florida incorporated company, and any affiliate or any entity which succeeds to its interests and assumes any or all of the responsibilities of said entity, as the developer of the District Lands.

"Methodology Consultant" shall mean, initially, Governmental Management Services, LLC, or such successor Methodology Consultant appointed by the District.

"Parcel E-2" shall mean that portion of the District Lands designated as parcel E-2 in the Assessment Methodology.

Series 2020 Bond over any other Series 2020 Bond, all as provided in the Indenture (as hereinafter defined), and any Bonds issued on a parity with the Series 2020 Bonds.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Series 2020 Bonds issued, and any Bonds issued on a parity with the Series 2020 Bonds, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2020 Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Second Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this Second Supplemental Indenture to be and remain in full force and effect.

**ARTICLE I.
DEFINITIONS**

In this Second Supplemental Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

"Acquisition Agreement" shall mean, collectively, the Agreement Regarding the Acquisition of Certain Work Product and Infrastructure, dated April 15, 2020, by and between the Issuer and the Master Developer and the Agreement Regarding the Acquisition of Certain Work Product and Infrastructure, dated April 15, 2020, by and between the Issuer and the Landowner.

"Arbitrage Certificate" shall mean that certain Arbitrage Certificate of the Issuer, dated April 15, 2020, relating to certain restrictions on arbitrage under the Code.

"Assessment Methodology" shall mean, collectively, the Cypress Bluff Community Development District Master Special Assessment Methodology Report dated August 20, 2018, as supplemented by the Supplemental Assessment Methodology Report for the Special Assessment Revenue Bonds Series 2020, dated April 13, 2020, each as prepared by the Methodology Consultant and relating to the Series 2020 Bonds, including, without limitation, all exhibits and appendices thereto.

"Assessment Resolutions" shall mean Resolution Nos. 2018-25, 2018-26, 2018-34 and Resolution No. 2020-08 of the Issuer adopted August 20, 2018, August 20, 2018 and April 13, 2020, respectively, as amended and supplemented from time to time.

"Parcel E-3(b)/(c)" shall mean that portion of the District Lands designated as parcel E-3(b)/(c) in the Assessment Methodology.

"Parcel E-4" shall mean that portion of the District Lands designated as parcel E-4 in the Assessment Methodology.

"Parcel E-5" shall mean that portion of the District Lands designated as parcel E-5 in the Assessment Methodology.

"Parcel E-6" shall mean that portion of the District Lands designated as parcel E-6 in the Assessment Methodology.

"Parcel E-7(a)" shall mean that portion of the District Lands designated as parcel E-7(a) in the Assessment Methodology.

"Parcel E-7(b)" shall mean that portion of the District Lands designated as parcel E-7(b) in the Assessment Methodology.

"Parcel E-7(c)" shall mean that portion of the District Lands designated as parcel E-7(c) in the Assessment Methodology.

"Parcel E-8" shall mean that portion of the District Lands designated as parcel E-8 in the Assessment Methodology.

"Parcel E-7(c) Project" shall mean the portion of the Capital Improvement Plan benefitting Parcel E-7(c) and financed with proceeds of the Series 2020 Bonds on deposit in the Series 2020 Acquisition and Construction Subaccount - Parcel E-7(c) of the Series 2020 Acquisition and Construction Account.

"Paying Agent" shall mean the Trustee, and its successors and assigns as Paying Agent hereunder.

"Pledged Revenues" shall mean, with respect to the Series 2020 Bonds (a) all revenues received by the Issuer from the Series 2020 Special Assessments levied and collected on that portion of the District Lands benefitted by the Series 2020 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2020 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2020 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

"Quarterly Redemption Date" shall mean February 1, May 1, August 1 and November 1.

"Registrar" shall mean the Trustee, and its successors and assigns as Registrar hereunder.

"Regular Record Date" shall mean the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

"Resolution" shall mean, collectively, Resolution No. 2018-27 of the Issuer adopted on August 1, 2018, as supplemented by Resolution No. 2020-06 of the Issuer adopted on February 25, 2020.

"Second Supplemental Indenture" shall mean this Second Supplemental Trust Indenture dated as of March 1, 2020, by and between the Issuer and the Trustee, as supplemented or amended.

"Series 2020 Acquisition and Construction Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Second Supplemental Indenture.

"Series 2020 Acquisition and Construction Subaccount – Sold Parcels" shall mean the Account so designated, established as a separate Subaccount within the Series 2020 Acquisition and Construction Account pursuant to Section 4.01(a) of this Second Supplemental Indenture

"Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c)" shall mean the Account so designated, established as a separate Subaccount within the Series 2020 Acquisition and Construction Account pursuant to Section 4.01(a) of this Second Supplemental Indenture.

"Series 2020 Bond Redemption Fund" shall mean the Series 2020 Bond Redemption Fund established pursuant to Section 4.01(g) of this Second Supplemental Indenture.

"Series 2020 Costs of Issuance Subaccount" shall mean the Account so designated, established as a separate Subaccount within the Series 2020 Acquisition and Construction Account pursuant to Section 4.01(a) of this Second Supplemental Indenture.

"Series 2020 Debt Service Reserve Account" shall mean the Account so designated, established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this Second Supplemental Indenture.

"Series 2020 Debt Service Reserve Requirement" shall mean, an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirement for the Series 2020 Bonds as of any date of calculation as provided for herein, which initially is \$247,300.43.

"Sold Parcels" shall mean that portion of the District Lands designated as Parcel E-2, Parcel E-3(b)/(c), Parcel E-4, Parcel E-5, Parcel E-6, Parcel E-7(a), Parcel E-7(b) and Parcel E-8 in the Assessment Methodology.

"Sold Parcels Project" shall mean the portion of the Capital Improvement Plan benefitting Sold Parcels and financed with proceeds of the Series 2020 Bonds on deposit in the Series 2020 Acquisition and Construction Subaccount – Sold Parcels of the Series 2020 Acquisition and Construction Account.

"True-Up Agreement" shall mean the Agreement between the Issuer and the several landowners of the Sold Parcels and Parcel E-7(c) Regarding the True-Up and Payment of Series 2020 Assessments, each dated April 15, 2020.

"Trustee" shall mean The Bank of New York Mellon Trust Company, N.A., a national banking association, and its successors and assigns.

"Uniform Method" shall mean the uniform method for the levy, collection and enforcement of Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended.

The words "hereof," "herein," "hereto," "hereby," and "hereunder" (except in the forms of Series 2020 Bonds), refer to the entire Indenture.

Every "request," "requisition," "order," "demand," "application," "notice," "statement," "certificate," "consent," or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by a Responsible Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

ARTICLE II
THE SERIES 2020 BONDS

SECTION 2.01 Amounts and Terms of Series 2020 Bonds; Issue of Series 2020 Bonds. No Series 2020 Bonds may be issued under this Second Supplemental Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2020 Bonds that may be issued under this Second Supplemental Indenture is expressly limited to \$7,705,000. The Series 2020 Bonds shall be numbered consecutively from R-1 and upwards.

(b) Any and all Series 2020 Bonds shall be issued substantially in the form attached as Exhibit C to the Master Indenture, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such

"Series 2020 General Account" shall mean the Account so designated, established as a separate Account under the Series 2020 Bond Redemption Fund pursuant to Section 4.01(g) of this Second Supplemental Indenture.

"Series 2020 Interest Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(d) of this Second Supplemental Indenture.

"Series 2020 Lands" shall mean that portion of the District Lands subject to the lien of the Series 2020 Special Assessments.

"Series 2020 Prepayment" shall mean the payment by any owner of property of the amount of Series 2020 Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments and prepayments which become due pursuant to the "true-up" mechanism contained in the Assessment Resolutions and the True-Up Agreement. "Prepayments" shall include, without limitation, Series 2020 Prepayment Principal.

"Series 2020 Prepayment Account" shall mean the Account so designated, established as a separate Account under the Series 2020 Bond Redemption Fund pursuant to Section 4.01(g) of this Second Supplemental Indenture.

"Series 2020 Prepayment Principal" shall mean the portion of a Prepayment corresponding to the principal amount of Series 2020 Special Assessments being prepaid.

"Series 2020 Principal Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(c) of this Second Supplemental Indenture.

"Series 2020 Project" shall mean, collectively, the Sold Parcels Project and the Parcel E-7(c) Project.

"Series 2020 Revenue Account" shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 4.01(b) of this Second Supplemental Indenture.

"Series 2020 Sinking Fund Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(e) of this Second Supplemental Indenture.

"Series 2020 Special Assessments" shall mean the Special Assessments levied on that portion of the District Lands specially benefitted by the Series 2020 Project or any portion thereof, which assessments correspond in amount to the debt service on the Series 2020 Bonds.

additional changes as may be necessary or appropriate to conform to the provisions of the Resolution and this Second Supplemental Indenture. The Issuer shall issue the Series 2020 Bonds upon execution of this Second Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's written request, authenticate such Series 2020 Bonds and deliver them as specified in the request.

SECTION 2.02 Execution. The Series 2020 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03 Authentication. The Series 2020 Bonds shall be authenticated as set forth in the Master Indenture. No Series 2020 Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04 Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2020 Bonds.

(a) The Series 2020 Bonds are being issued hereunder in order to provide funds to (i) pay a portion of the Costs of the Series 2020 Project, (ii) fund the Series 2020 Debt Service Reserve Account, and (iii) pay the costs of issuance of the Series 2020 Bonds. The Series 2020 Bonds shall be designated "Cypress Bluff Community Development District (Duval County, Florida) Special Assessment Bonds, Series 2020," and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2020 Bonds shall be dated the date of original issuance thereof. Interest on the Series 2020 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2020 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to November 1, 2020, in which case from the date of original issuance of the Series 2020 Bonds, or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

(c) Except as otherwise provided in Section 2.07 hereof in connection with a book-entry only system of registration of the Series 2020 Bonds, the principal or Redemption Price of the Series 2020 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2020 Bonds. Except as otherwise provided in Section 2.07 hereof in connection with a book-entry only system of registration of the Series 2020 Bonds, the payment of interest on the Series 2020 Bonds shall be made on each Interest

Payment Date to the Owners of the Series 2020 Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2020 Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2020 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2020 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date.

SECTION 2.05 Debt Service on the Series 2020 Bonds.

The Series 2020 Bonds will mature on November 1 in the years, be issued in the principal amounts and bear interest at the rates per annum, subject to the right of prior redemption in accordance with their terms, as follows.

Maturity Date (November 1)	Principal Amount	Interest Rate
2025	\$ 990,000	3.900%
2030	845,000	4.350
2040	2,405,000	5.000
2049	3,465,000	5.200

(a) Interest on the Series 2020 Bonds will be computed in all cases on the basis of a 360-day year comprised of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2020 Bonds on the day before the default occurred.

responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints the Trustee as Paying Agent for the Series 2020 Bonds. The Trustee hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09 Conditions Precedent to the Issuance of the Series 2020 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2020 Bonds, all the Series 2020 Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Assessment Resolutions;
- (b) Executed originals of the Master Indenture and this Second Supplemental Indenture;
- (c) An opinion of Counsel to the Issuer addressed to the Issuer and the Trustee substantially to the effect that (i) the Issuer has been duly established and validly exists as a community development district under the Act, (ii) the Issuer has good right and lawful authority under the Act to undertake the Series 2020 Project being financed with the proceeds of the Series 2020 Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to construct, acquire, own and operate the Series 2020 Project, (iii) all proceedings undertaken by the Issuer with respect to the Series 2020 Special Assessments have been in accordance with Florida law, (iv) the Issuer has taken all action necessary to levy and impose the Series 2020 Special Assessments, and (v) the Series 2020 Special Assessments are legal, valid and binding liens upon the property against which such Series 2020 Special Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;
- (d) A certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the Series 2020 Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this Second Supplemental Indenture;
- (e) Executed copies of the Acquisition Agreement, Completion Agreement, Collateral Assignment, and True-Up Agreement;

SECTION 2.06 Disposition of Series 2020 Bond Proceeds. From the net proceeds of the Series 2020 Bonds received by the Trustee, which shall be \$7,550,900 (reflecting the aggregate principal amount of the Series 2020 Bonds of \$7,705,000 less an underwriter's discount of \$154,100 and retained by the purchaser of the Series 2020 Bonds);

- (a) \$247,300.43, which is an amount equal to the initial Series 2020 Debt Service Reserve Requirement, shall be deposited in the Series 2020 Debt Service Reserve Account of the Debt Service Reserve Fund;
- (b) \$170,000.00 shall be deposited into the Series 2020 Costs of Issuance Subaccount of the Series 2020 Acquisition and Construction Account and applied to pay costs of issuance of the Series 2020 Bonds;
- (c) \$3,164,628.45 shall be deposited into the Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c) of the Series 2020 Acquisition and Construction Account of the Acquisition and Construction Fund to be applied to pay Costs of the Parcel E-7(c) Project in accordance with Article V of the Master Indenture;
- (d) \$3,968,971.12 constituting all remaining proceeds of the Series 2020 Bonds, shall be deposited in the Series 2020 Acquisition and Construction Subaccount-Sold Parcels of the Series 2020 Acquisition and Construction Account of the Acquisition and Construction Fund to be applied to pay Costs of the Sold Parcels Project in accordance with Article V of the Master Indenture.

SECTION 2.07 Book-Entry Form of Series 2020 Bonds. The Series 2020 Bonds shall be issued as one fully registered bond per maturity and deposited with The Depository Trust Company, New York, New York ("DTC"), which is responsible for establishing and maintaining records of ownership for its participants.

The Issuer shall enter into a letter of representations with DTC providing for such book-entry only system, in accordance with the provisions of Section 2.11 of the Master Indenture. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository. If the Issuer does not replace DTC within sixty (60) days of such termination and, in all instances, prior to the next Interest Payment Date, the Trustee will, at the expense of the Issuer, register and deliver to the Beneficial Owners replacement Series 2020 Bonds in the form of fully registered Series 2020 Bonds in accordance with the instructions from Cede & Co. While the Series 2020 Bonds are registered in book-entry only, presentation of the Series 2020 Bonds is not necessary for payment thereon.

SECTION 2.08 Appointment of Registrar and Paying Agent. The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the "Bond Register") for the registration, transfer and exchange of the Series 2020 Bonds, and hereby appoints the Trustee, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. The Trustee hereby accepts its appointment as Registrar and its duties and

(f) A certificate of the Methodology Consultant addressing the validity of the Series 2020 Assessments.

Delivery to the Trustee of the net proceeds from the issuance and sale of the Series 2020 Bonds is conclusive evidence of the satisfaction of conditions precedent for authentication of the Series 2020 Bonds.

ARTICLE III.

REDEMPTION OF SERIES 2020 BONDS

SECTION 3.01 Redemption Dates and Prices. The Series 2020 Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2020 Bonds shall be made on the dates hereinafter required. If less than all the Series 2020 Bonds are to be redeemed pursuant to an optional redemption or an extraordinary mandatory redemption, the portions of the Series 2020 Bonds to be redeemed shall be selected as provided in Section 8.03 of the Master Indenture unless specifically provided herein. Partial redemptions of Series 2020 Bonds shall be made in such a manner that the remaining Series 2020 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2020 Bond of each maturity.

- (a) **Optional Redemption.** The Series 2020 Bonds may, at the option of the Issuer in writing, be called for redemption prior to maturity in whole or in part at any time on or after November 1, 2030 (less than all Series 2020 Bonds to be specified by the Issuer in writing), at a Redemption Price equal to 100% of the principal amount of Series 2020 Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the date of redemption.
- (b) **Extraordinary Mandatory Redemption in Whole or in Part.** The Series 2020 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Quarterly Redemption Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2020 Bonds to be redeemed, plus interest accrued to the date of redemption, as follows:

- (i) from Series 2020 Prepayments deposited into the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund following the payment in whole or in part of Series 2020 Special Assessments on any portion of the Series 2020 Lands in accordance with the provisions of Section 4.05(a) of this Second Supplemental Indenture, including any excess moneys transferred from the Series 2020 Debt Service Reserve Account to the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund resulting from

such Series 2020 Prepayment pursuant to Section 4.01(f)(ii) of this Second Supplemental Indenture.

- (ii) on or after the Completion Date of the Series 2020 Project, by application of moneys remaining in the Series 2020 Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Series 2020 Project, which has been transferred as specified in Section 4.01(a) hereof to the Series 2020 General Account of the Series 2020 Bond Redemption Fund, credited toward extinguishment of the Series 2020 Special Assessments and applied toward the redemption of the Series 2020 Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2020 Special Assessments which the Issuer shall describe to the Trustee in writing.
- (iii) following condemnation or the sale of any portion of the Series 2020 Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the Series 2020 Project to the Trustee by or on behalf of the Issuer for deposit into the Series 2020 General Account of the Series 2020 Bond Redemption Fund in order to effectuate such redemption and, which moneys shall be applied by the Issuer to redeem Series 2020 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2020 Special Assessments which the Issuer shall describe to the Trustee in writing.
- (iv) following the damage or destruction of all or substantially all of the Series 2020 Project to such extent that, in the reasonable opinion of the Issuer, the repair and restoration thereof would not be economical or would be impracticable, to the extent of amounts paid by the Issuer to the Trustee for deposit to the Series 2020 General Account of the Series 2020 Bond Redemption Fund which moneys shall be applied by the Issuer to redeem Series 2020 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2020 Special Assessments; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the date of redemption and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Series 2020 Project would not be economical or would be impracticable, such certificate upon which the Trustee shall be entitled to rely.

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(v) from moneys, if any, on deposit in the Series 2020 Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2020 Bonds and accrued interest thereon to the date of redemption in addition to all amounts owed to Persons under the Indenture.

(vi) on February 1, 2021, from amounts transferred to the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund from the Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c) of the Series 2020 Acquisition and Construction Account and from any applicable true-up payment as provided in Section 4.01(a) of this Second Supplemental Indenture.

(c) **Mandatory Sinking Fund Redemption.** The Series 2020 Bond maturing on November 1, 2025 is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2020 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

Year (November 1)	Sinking Fund Installment	Year (November 1)	Sinking Fund Installment
2020	\$290,000	2023	\$140,000
2021	130,000	2024	145,000
2022	135,000	2025*	150,000

*Final Maturity

The Series 2020 Bond maturing on November 1, 2030 is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2020 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

Year (November 1)	Sinking Fund Installment	Year (November 1)	Sinking Fund Installment
2026	\$155,000	2029	\$175,000
2027	160,000	2030*	185,000
2028	170,000		

*Final Maturity

The Series 2020 Bond maturing on November 1, 2040 is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2020 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

Year (November 1)	Sinking Fund Installment	Year (November 1)	Sinking Fund Installment
2031	\$190,000	2036	\$245,000
2032	200,000	2037	255,000
2033	210,000	2038	270,000
2034	220,000	2039	285,000
2035	235,000	2040*	295,000

*Final Maturity

The Series 2020 Bond maturing on November 1, 2049 is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2020 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

Year (November 1)	Sinking Fund Installment	Year (November 1)	Sinking Fund Installment
2041	\$310,000	2046	\$400,000
2042	330,000	2047	420,000
2043	345,000	2048	445,000
2044	365,000	2049*	470,000
2045	380,000		

*Final Maturity

SECTION 3.02 **Notice of Redemption.** When required to redeem Series 2020 Bonds under any provision of this Second Supplemental Indenture or directed to redeem Series 2020 Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2020 Bonds to be redeemed notice of the redemption, as set forth in Section 8.02 of the Master Indenture.

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ARTICLE IV.
ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS;
ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF SPECIAL
ASSESSMENT LIENS

SECTION 4.01 **Establishment of Certain Funds and Accounts.**

(a) The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the "Series 2020 Acquisition and Construction Account," and within such Account, two (2) Subaccounts designated as the "Series 2020 Acquisition and Construction Subaccount – Sold Parcels," and the "Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c)". Proceeds of the Series 2020 Bonds shall be deposited into the Series 2020 Acquisition and Construction Account and the Subaccounts therein in the amounts set forth in Section 2.06 of this Second Supplemental Indenture, together with any excess moneys transferred to the Series 2020 Acquisition and Construction Account. Such moneys in the subaccounts of the Series 2020 Acquisition and Construction Account shall be applied as set forth in Article V of the Master Indenture and Sections 4.01(a) and 3.01(b)(ii) of this Second Supplemental Indenture to pay costs to acquire and construct the respective portion of the Series 2020 Project. Each requisition shall indicate which subaccount of the Series 2020 Acquisition and Construction Subaccount the funds are to be drawn from, such form of requisition is attached as Exhibit D to the Master Indenture. After the Completion Date of the respective portion of the Series 2020 Project and after retaining in the respective subaccount of the Series 2020 Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of any portion of the respective portion of the Series 2020 Project set forth in the Consulting Engineer's Certificate establishing such Completion Date, any funds remaining in the respective subaccount of the Series 2020 Acquisition and Construction Account shall be transferred to and deposited into the Series 2020 General Account of the Series 2020 Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2020 Bonds, and the respective subaccount of the Series 2020 Acquisition and Construction Account shall be closed.

Amounts on deposit in the Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c) of the Series 2020 Acquisition and Construction Account shall be retained therein and shall not be available to pay Costs of the Parcel E-7(c) Project, unless and until the Issuer has delivered to the Trustee a certificate, on which the Trustee may conclusively rely, to the effect that the sale of Parcel E-7(c) has closed, at which time proceeds on deposit in the Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c) of the Series 2020 Acquisition and Construction Account shall be made available to the Master Developer to pay costs of the Parcel E-7(c) Project. If on December 15, 2020 the Issuer has not received notice from the Landowner that the sale of Parcel E-7(c) has closed, any amount remaining in the Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c) of the Series 2020 Acquisition and Construction Account shall be transferred to and deposited in the Series 2020 General Account of the Series 2020

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Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2020 Bonds as prescribed herein.

There is hereby established within the Series 2020 Acquisition and Construction Account of the Acquisition and Construction Fund held by the Trustee a "Series 2020 Costs of Issuance Subaccount." Amounts in the Series 2020 Costs of Issuance Subaccount shall be applied by the Trustee to pay the costs relating to the issuance of the Series 2020 Bonds. Six months after the date of issuance of the Series 2020 Bonds, any moneys remaining in the Series 2020 Costs of Issuance Subaccount which have not been requisitioned by the Issuer to pay costs relating to the issuance of the Series 2020 Bonds shall be deposited into the Series 2020 Acquisition and Construction Subaccount-Sold Parcels and applied as set forth in Article V of the Master Indenture and Section 4.01(a) of this Second Supplemental Indenture, and the Series 2020 Costs of Issuance Subaccount shall be closed.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2020 Revenue Account." Series 2020 Special Assessments (except for Series 2020 Prepayments which shall be identified as such by the Issuer to the Trustee to be deposited in the Series 2020 Prepayment Account) shall be deposited by the Trustee into the Series 2020 Revenue Account which shall be applied as set forth in Article VI of the Master Indenture and Section 4.02 of this Second Supplemental Indenture.

(c) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2020 Principal Account." Moneys shall be deposited into such Account as provided in Article VI of the Master Indenture and Section 4.02 of this Second Supplemental Indenture, and applied for the purposes provided therein.

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2020 Interest Account." Proceeds of the Series 2020 Bonds shall be deposited into such Account in the amount set forth in Section 2.06(c) of this Second Supplemental Indenture. Moneys deposited into such Account pursuant to the Master Indenture and Section 4.02 of this Second Supplemental Indenture, shall be applied for the purposes provided therein.

(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2020 Sinking Fund Account." Moneys shall be deposited into such Account as provided in Article VI of the Master Indenture and Section 4.02 of this Second Supplemental Indenture and applied for the purposes provided therein and in Sections 3.01(c) of this Second Supplemental Indenture.

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redemption on February 1, 2021. On December 15, 2020 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Issuer shall determine the Series 2020 Debt Service Reserve Requirement, taking into account the extraordinary mandatory redemption of the Series 2020 Bonds related to the Parcel E-7(c) Project, and shall direct the Trustee in writing to transfer any amount on deposit in the Series 2020 Debt Service Reserve Account in excess of the Series 2020 Debt Service Reserve Requirement (except for excess resulting from interest earnings) from the Series 2020 Debt Service Reserve Account to the Series 2020 General Account of the Series 2020 Bond Redemption Fund.

(B)

(iv) Earnings on investments in the Series 2020 Debt Service Reserve Account shall be disposed of as follows:

(A) If as of the last date on which amounts on deposit in the Series 2020 Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2020 Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2020 Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2020 Debt Service Reserve Account shall be deposited to the credit of the Series 2020 Debt Service Reserve Account until the amounts on deposit therein equal the Series 2020 Debt Service Reserve Requirement; and

(B) As long as no notice of an Event of Default under the Indenture has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2020 Debt Service Reserve Account is not reduced below the then Series 2020 Debt Service Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (x) prior to the Completion Date of the Series 2020 Project, on a pro rata basis to the Series 2020 Acquisition and Construction Subaccount – Sold Parcels and the Series 2020 Acquisition and Construction Subaccount – Parcel E-7(c) of the Acquisition and Construction Fund, and (y) on and after the Completion Date of all of the components of the Series 2020 Project, to the Series 2020 Revenue Account of the Revenue Fund. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2020 Debt Service Reserve Account shall remain therein.

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2020 Bond Redemption Fund" and within such Fund, a "Series 2020 General Account" and a "Series 2020 Prepayment Account." Except as otherwise provided in this Second Supplemental

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(f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish an Account within the Debt Service Reserve Fund designated as the "Series 2020 Debt Service Reserve Account."

(i) Proceeds of the Series 2020 Bonds shall be deposited into the Series 2020 Debt Service Reserve Account in the amount set forth in Section 2.06(a) of this Second Supplemental Indenture, which account will be held for the benefit of all of the Series 2020 Bonds, without privilege or priority of one Series 2020 Bond over another, and such moneys, together with any other moneys deposited into such Account pursuant to the Master Indenture, shall be applied for the purposes provided therein and in this Section 4.01(f). On each March 15, June 15, September 15 and December 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amounts on deposit in the Series 2020 Debt Service Reserve Account and transfer any excess therein (except for excess resulting from interest earnings as provided in Section 4.01(f)(iv) below, excess resulting from failure of receipt of notice by the Trustee from the Issuer as provided in Section 4.01(f)(iii) below, and excess resulting from Prepayments as provided in Section 4.01(f)(ii) below) above the Series 2020 Debt Service Reserve Requirement, as follows: (A) prior to the Completion Date of the Series 2020 Project, to the Series 2020 Acquisition and Construction Subaccount- Sold Parcels of the Acquisition and Construction Fund, and (B) on and after the Completion Date of the Series 2020 Project, such amounts shall be transferred to the Series 2020 Revenue Account.

(ii) Notwithstanding the foregoing paragraph, so long as no Event of Default has occurred and has not been cured, upon an optional prepayment by the owner of a lot or parcel of land of a Series 2020 Special Assessment against such lot or parcel as provided in Section 4.05(a) of this Second Supplemental Indenture, the District, on March 15, June 15, September 15 and December 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), shall determine the Series 2020 Debt Service Reserve Requirement, taking into account such optional prepayment and shall direct the Trustee in writing to transfer any amount on deposit in the Series 2020 Debt Service Reserve Account in excess of the Series 2020 Debt Service Reserve Requirement (except for excess resulting from interest earnings) from the Series 2020 Debt Service Reserve Account to the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund, as a credit against the Series 2020 Prepayment otherwise required to be made by the owner of such lot or parcel.

(iii)

(A) In the event that notice is not received by the Trustee from the Issuer pursuant to the provisions of Section 4.01(a) hereof, the portion of the Series 2020 Bonds relating to the Parcel E-7(c) Project are subject to

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Indenture, moneys to be deposited into the Series 2020 Bond Redemption Fund, as provided in Article VI of the Master Indenture shall be deposited to the Series 2020 General Account of the Series 2020 Bond Redemption Fund. Series 2020 Prepayments shall be identified as such by the Issuer to the Trustee to then be deposited directly into the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund, as provided in the Indenture.

(i) Moneys in the Series 2020 General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2020 Bonds, if any, as the Issuer may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2020 General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the Indenture;

SECOND, to be used to call for redemption pursuant to Section 3.01(b)(ii) through (xv) hereof an amount of Series 2020 Bonds equal to the amount of money transferred to the Series 2020 General Account pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2020 Bonds that are subject to optional redemption pursuant to Section 3.01(a) hereof such amount of Series 2020 Bonds as, with the redemption premium, may be practicable; provided, however, that not less than \$5,000 principal amount of Bonds shall be called for redemption at one time.

(ii) Moneys in the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund (including all earnings on investments therein) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i), hereof an amount of Series 2020 Bonds equal to the amount of money transferred to the Series 2020 Prepayment Account pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in Section 3.01(b)(i) hereof.

SECTION 4.02 Series 2020 Revenue Account. The Trustee shall transfer from amounts on deposit in the Series 2020 Revenue Account of the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

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FIRST, not later than the Business Day preceding each May 1 and November 1, to the Series 2020 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2020 Bonds due on such May 1 or November 1, less any amounts on deposit in the Series 2020 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each November 1, to the Series 2020 Principal Account of the Debt Service Fund, an amount equal to the principal amount of Series 2020 Bonds Outstanding and maturing on such November 1, if any, less any amounts on deposit in the Series 2020 Principal Account not previously credited;

THIRD, no later than the Business Day next preceding each November 1, to the Series 2020 Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2020 Bonds subject to sinking fund redemption on such November 1, less any amount on deposit in the Series 2020 Sinking Fund Account not previously credited;

FOURTH, upon receipt but no later than the Business Day next succeeding each Interest Payment Date, to the Series 2020 Debt Service Reserve Account an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2020 Debt Service Reserve Requirement;

FIFTH, notwithstanding the foregoing, at any time the Series 2020 Bonds are subject to redemption on a date which is not an Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2020 Interest Account the amount necessary to pay interest on the Series 2020 Bonds subject to redemption on such date; and

SIXTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2020 Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the Issuer shall direct the Trustee in writing to make such deposit thereto.

Prior to the Completion Date of the Series 2020 Project, on each November 2, the Trustee shall transfer the balance on deposit in the Series 2020 Revenue Account to the Series 2020 Acquisition and Construction Subaccount – Sold Parcels on or after the Completion Date of the Series 2020 Project, on each November 2, the Trustee shall transfer to the Issuer, at the Issuer's written direction, the balance on deposit in the Series 2020 Revenue Account on such November 2 to be used for any lawful purpose of the Issuer; provided, however, that on the date of such proposed transfer the amount on deposit in the Series 2020 Debt Service Reserve Account shall be equal to the Series 2020 Debt Service Reserve Requirement and, provided, further, that no notice of an Event of Default under the Indenture has been delivered to the Trustee, including the payment of Trustee's fees and expenses then due.

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deposit in the Series 2020 Debt Service Reserve Account to equal or exceed the Series 2020 Debt Service Reserve Requirement and accompanied by cash flows which demonstrate that, after giving effect to the proposed redemption of Series 2020 Bonds, there will be sufficient Pledged Revenues to pay the principal and interest, when due, on all Series 2020 Bonds that will remain Outstanding. The written instructions shall be delivered to the Trustee on or prior to the 46th day prior to a Quarterly Redemption Date.

(b) Upon receipt of Series 2020 Prepayments as described in paragraph (a) above, which includes accrued interest to the next succeeding Quarterly Redemption Date (or the second succeeding Quarterly Redemption Date if such prepayment is made within forty-five (45) calendar days before a Quarterly Redemption Date), subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee and clearly identify in writing such amounts as a Series 2020 Prepayment and the Issuer shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by the District Manager, to the effect that the Series 2020 Special Assessment has been paid in whole or in part and that such Series 2020 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund to be applied in accordance with Section 4.01(g)(ii) of this Second Supplemental Indenture, to the redemption of Series 2020 Bonds in accordance with Section 3.01(b)(i) of this Second Supplemental Indenture.

The Trustee shall conclusively rely on the Issuer's determination of what moneys constitute Prepayments. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the applicable Series 2020 Bonds pursuant to Section 3.01(b)(i) of this Second Supplemental Indenture on each March 15, June 15, September 15 and December 15.

ARTICLE V. ADDITIONAL COVENANTS OF THE ISSUER

SECTION 5.01 Collection of Series 2020 Special Assessments. Notwithstanding Section 9.04 of the Master Trust Indenture, the Series 2020 Special Assessments shall be directly collected and enforced by the Issuer pursuant to the provisions of the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto; provided, however, Series 2020 Special Assessments levied on platted lots and pledged hereunder to secure the Series 2020 Bonds will be collected pursuant to the Uniform Method pursuant to Section 9.04 of the Master Trust Indenture. The Issuer covenants to enter into a Property Appraiser and Tax Collector Agreement with the County in order to comply with the provisions of this Section.

Notwithstanding the immediately preceding paragraph or any other provision in the Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at

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SECTION 4.03 Power to Issue Series 2020 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2020 Bonds, to execute and deliver the Indenture and to pledge the Pledged Revenues for the benefit of the Series 2020 Bonds to the extent set forth herein. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2020 Bonds, except for Bonds issued to refund all or a portion of the Series 2020 Bonds. The Series 2020 Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2020 Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04 Series 2020 Project to Conform to Plans and Specifications; Changes. The Issuer will proceed to complete the Series 2020 Project, as described in the Engineer's Report, in accordance with the plans and specifications therefor, as such plans and specifications may be amended by the Issuer from time to time; provided that prior to any such amendment of the plans and specifications for the Series 2020 Project, the Consulting Engineer shall have delivered its certificate approving the proposed amendment to such plans and specifications.

SECTION 4.05 Prepayments; Removal of Special Assessment Liens.

(a) At any time any owner of property subject to the Series 2020 Special Assessments may, at its option, or under certain circumstances described in the Assessment Resolutions in connection with Series 2020 Prepayments derived from application of the "true-up" mechanism therein, require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2020 Special Assessments by paying to the Issuer all or a portion of the Series 2020 Special Assessment which shall constitute Series 2020 Prepayments as directed in writing by the Issuer pursuant to the provisions of Section 4.01(g)(ii) of this Second Supplemental Indenture, plus accrued interest to the next succeeding Quarterly Redemption Date (or the second succeeding Quarterly Redemption Date if such prepayment is made within forty-five (45) calendar days before a Quarterly Redemption Date), attributable to the property subject to Series 2020 Special Assessment owned by such owner; provided, however, to the extent that such payments are to be used to redeem Series 2020 Bonds in the event the amount in the Series 2020 Debt Service Reserve Account will exceed the Series 2020 Debt Service Reserve Requirement as a result of a Series 2020 Prepayment in accordance with this Section 4.05(a) and the resulting redemption in accordance with Section 3.01(b)(i) of this Second Supplemental Indenture of Series 2020 Bonds, the excess amount above the Series 2020 Debt Service Reserve Requirement shall be transferred from the Series 2020 Debt Service Reserve Account to the Series 2020 Prepayment Account of the Series 2020 Bond Redemption Fund, as a credit against the Series 2020 Prepayment otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the Issuer together with a certificate of a Responsible Officer of the Issuer stating that, after giving effect to such transfers sufficient moneys will be on

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the written direction of the Majority Owners of the Series 2020 Bonds, requests that the Issuer not use the Uniform Method, but instead collect and enforce Series 2020 Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the Issuer shall collect and enforce said Series 2020 Special Assessments in the manner and pursuant to the method so requested by the Trustee.

Any Series 2020 Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable landowner and be payable not later than thirty (30) days prior to each Interest Payment Date.

SECTION 5.02 Additional Covenant Regarding Series 2020 Special Assessments. In addition to, and not in limitation of, the covenants contained elsewhere in the Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2020 Special Assessments, including the Assessment Resolutions and the Assessment Methodology, and to levy the Series 2020 Special Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2020 Bonds, when due.

SECTION 5.03 Foreclosure of Assessment Lien. Notwithstanding Section 9.06 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2020 Special Assessments and Series 2020 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2020 Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2020 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the Issuer for an amount equal to the balance due on the Series 2020 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the Issuer and the Issuer shall receive in its corporate name or in the name of a special purpose entity title to the property for the benefit of the Owners of the Series 2020 Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners of the Series 2020 Bonds, but shall not be obligated, to direct the Issuer with respect to any action taken pursuant to this Section. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the related Series 2020 Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the Series 2020 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the Series 2020 Bonds.

SECTION 5.04 No Parity Bonds; Limitation on Parity Liens. Other than refunding bonds issued to refund the Outstanding Series 2020 Bonds, the Issuer shall not, while any Series

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2020 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Pledged Revenues. The Issuer further covenants and agrees that so long as the Series 2020 Bonds are Outstanding, it will not impose debt service Special Assessments for capital projects on any lands subject to the Series 2020 Special Assessments without the written consent of the Majority Owners; provided, however, such consent shall not be required if the additional debt service Special Assessments, when taking into account the Series 2020 Special Assessments, does not cause the aggregate annual debt service Special Assessments on such lands to exceed \$30.00 per front footage (by way of example, the aggregate debt service on a 50' lot could not exceed \$1,500), evidence of which shall be provided by the Issuer to the Trustee in a written certificate upon which the Trustee may conclusively rely. Notwithstanding the foregoing, the Issuer is not precluded from imposing capital Special Assessments on property then subject to the Series 2020 Special Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District, evidence of which shall be provided by the Issuer to the Trustee in a written certificate upon which the Trustee shall conclusively rely.

SECTION 5.05 Acknowledgment Regarding Series 2020 Acquisition and Construction Account Moneys Following an Event of Default. In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2020 Bonds, the Series 2020 Bonds are payable solely from the Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Series 2020 Bonds, (i) the Pledged Revenues include, without limitation, all unencumbered amounts on deposit in the Series 2020 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Pledged Revenues may not be used by the Issuer (whether to pay Costs of the Series 2020 Project or otherwise) without the consent of the Majority Owners of the Series 2020 Bonds and (iii) the Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2020 Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture or as otherwise provided in the Master Indenture.

SECTION 5.06 Enforcement of Completion Agreement and True-Up Agreement. The District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the Completion Agreement and the True-Up Agreement, and, upon the occurrence and continuance of a default under such Agreement, the Issuer covenants and agrees that the Trustee, at the written direction of the Majority Owners of the Series 2020 Bonds shall act on behalf of, and in the District's stead, to enforce the provisions of such Agreement and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the Issuer to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreement and the True-Up Agreement upon demand of the Majority Owners of the Series 2020 Bonds, or the Trustee at the written direction of the Majority Owners

SECTION 6.07 Tax Reporting Obligations. If the Bonds are ever held in other than book entry form of registration, upon the Trustee's written request, the Issuer and each Bond Owner shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation the cost basis reporting obligations under Section 6045 of the Internal Revenue Code of 1986 and the applicable regulations thereunder, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

[Remainder of page intentionally left blank]

of the Series 2020 Bonds, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

SECTION 5.07 Assignment of District's Rights Under Collateral Assignment. The Issuer hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of Bonds Outstanding under the Indenture. The Trustee shall not be deemed to have accepted any obligation under the Collateral Assignment by virtue of such assignment; provided, however, the Trustee shall act in accordance with the written directions of the Majority Owners of the Series 2020 Bonds. Notwithstanding anything to the contrary herein, prior to taking any action under this Article V, the Trustee shall have first been indemnified to its satisfaction.

**ARTICLE VI
MISCELLANEOUS PROVISIONS**

SECTION 6.01 Interpretation of Supplemental Indenture. This Second Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2020 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this Second Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and the Supplemental Indenture shall be read and construed as one document.

SECTION 6.02 Amendments. Any amendments to this Second Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 6.03 Counterparts. This Second Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 6.04 Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this Second Supplemental Indenture are hereby incorporated herein and made a part of this Second Supplemental Indenture for all purposes.

SECTION 6.05 Payment Dates. In any case in which an Interest Payment Date, principal payment date or the maturity date of the Series 2020 Bonds or the date fixed for the redemption of any Series 2020 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 6.06 No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2020 Bonds.

IN WITNESS WHEREOF, Cypress Bluff Community Development District has caused this Second Supplemental Trust Indenture to be executed by the Chair of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by an Assistant Secretary of its Board of Supervisors and The Bank of New York Mellon Trust Company, N.A. has caused this Second Supplemental Trust Indenture to be executed by a Vice President, all as of the day and year first above written.

SEAL

**CYPRESS BLUFF COMMUNITY
DEVELOPMENT DISTRICT**

Attest:

By: _____
Chairman, Board of Supervisors

Assistant Secretary, Board of Supervisors

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,**
as Trustee

By: _____
Vice President

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

On the date of issuance of the Series 2020 Bonds in definitive form, Bryant Miller Olive P.A., Bond Counsel, proposes to render its approving opinion in substantially the following form:

April 15, 2020

Cypress Bluff Community Development District
Jacksonville, Florida

The Bank of New York Mellon Trust Company, N.A.
Jacksonville, Florida

\$7,705,000
Cypress Bluff Community Development District
(City of Jacksonville, Florida)
Special Assessment Bonds, Series 2020

Ladies and Gentlemen:

We have acted as Bond Counsel to the Cypress Bluff Community Development District (the "Issuer") in connection with the issuance by the Issuer of its \$7,705,000 Special Assessment Bonds, Series 2020 (the "Series 2020 Bonds") pursuant to and under the authority of the Constitution and the laws of the State of Florida, particularly the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, and other applicable provisions of law (collectively, the "Act"), Ordinance No. 2018-335-E enacted by the City Council of the City of Jacksonville, Florida (the "City") on June 26, 2018 and effective on June 29, 2018, as amended by Ordinance 2019-599E enacted by the City on October 22, 2019, effective October 28, 2019, and Resolution No. 2018-27 duly adopted by the Board of Supervisors of the Issuer (the "Board") on August 1, 2018, as supplemented by Resolution No. 2020-06 duly adopted by the Board on February 25, 2020 (collectively, the "Resolution"). The Series 2020 Bonds are being further issued under and are secured by a Master Trust Indenture dated as of February 1, 2019 (the "Master Indenture"), as supplemented by a Second Supplemental Trust Indenture dated as of April 1, 2020 (the "Second Supplement") and, together with the Master Indenture, the "Indenture"), each by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee. In our capacity as Bond Counsel, we have examined such law and certified proceedings, certifications and other documents as we

have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meanings set forth in the Indenture.

The Series 2020 Bonds are being issued to (i) finance the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2020 Project; (ii) pay certain costs associated with the issuance of the Series 2020 Bonds; and (iii) make a deposit into the Series 2020 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2020 Bonds, without privilege or priority of one Series 2020 Bond over another. The Series 2020 Bonds are a portion of the bonds validated by a final judgment rendered by the Circuit Court in and for Duval County, Florida on October 31, 2018, the appeal period for which has expired with no appeal having been taken (the "Final Judgment").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution and the Indenture and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have also relied upon all findings in the Final Judgment. 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.

The Series 2020 Bonds are payable from the Pledged Revenues, which consists of (a) all revenues received by the Issuer from the Series 2020 Special Assessments levied and collected on that portion of the District Lands benefited by the Series 2020 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2020 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2020 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture (except for the Rebate Fund), in the manner and to the extent provided in the Indenture.

The Series 2020 Bonds do not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form on any real or personal property for the payment of the principal of or interest on the Series 2020 Bonds.

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 Indenture constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.
2. The Series 2020 Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their terms, payable solely from the Pledged Revenues in the manner and to the extent provided in the Indenture.
3. The Indenture creates a valid lien upon the Pledged Revenues for the security of the Series 2020 Bonds.
4. Interest on the Series 2020 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer 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 2020 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Indenture to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2020 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2020 Bonds.

It is to be understood that the rights of the owners of the Series 2020 Bonds 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 Limited Offering Memorandum or any other offering material relating to the Series 2020 Bonds. 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 2020 Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Series 2020 Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2020 Bonds or regarding the

Cypress Bluff Community Development District
The Bank of New York Mellon Trust Company, N.A.
April 15, 2020
Page 4

perfection or priority of the lien on the Pledged Revenues created by the Indenture. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Series 2020 Bonds 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. Delivery of this opinion to parties other than the Issuer does not create an attorney-client relationship with such parties.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "**Disclosure Agreement**") dated April 15, 2020, is executed and delivered by **CYPRESS BLUFF COMMUNITY DEVELOPMENT DISTRICT** (the "**District**"), **EASTLAND TIMBER, LLC**, a Florida limited liability company, its successors and assigns (the "**Landowner**"), and **GOVERNMENTAL MANAGEMENT SERVICES, LLC**, as initial dissemination agent (the "**Dissemination Agent**") in connection with the issuance by the District of its \$7,705,000 Cypress Bluff Community Development District Special Assessment Bonds, Series 2020 (the "**Bonds**"). The Bonds are being issued pursuant to a Master Trust Indenture, dated as of February 1, 2019 (the "**Master Indenture**"), from the District to The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**"), as supplemented by a Second Supplemental Trust Indenture, dated as of April 1, 2020 (the "**Supplemental Indenture**" and collectively with the Master Indenture, the "**Indenture**"), from the District to the Trustee. The District, the Landowner and the Dissemination Agent covenant and agree as follows:

1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District, the Landowner, and the Dissemination Agent for the benefit of the Beneficial Owners of the Bonds, from time to time, and to assist the Participating Underwriter (hereinafter defined) in complying with the applicable provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "**SEC**") pursuant to the Securities Exchange Act of 1934, as amended from time to time (the "**Rule**").

The District, the Landowner and the Dissemination Agent have no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule and the execution and delivery of this Disclosure Agreement is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction or a governmental regulatory agency that the Rule requires the District, the Landowner or the Dissemination Agent (as the case may be) to provide additional information, the District, the Landowner and the Dissemination Agent, as applicable, agree to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the District, the Trustee or any other person of any covenant, agreement or obligation under the Indenture (or remove any of the benefits thereof) nor shall anything herein prohibit the District, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

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

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

"Annual Filing Date" shall mean the date set forth in Section 3(a) hereof by which the Annual Report is to be filed with the Repository.

"Annual Financial Information" shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Assessments" shall mean the non-ad valorem special assessments pledged to the payment of the Bonds pursuant to the Indenture.

"Audited Financial Statements" shall mean the financial statements (if any) of the District for the prior Fiscal Year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Audited Financial Statements Filing Date" shall mean the date under State law by which a unit of local government must produce its Audited Financial Statements, which as of the date hereof is nine (9) months after the end of the Fiscal Year of such unit of local government, including the District.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

"Business Day" shall mean (a) any day other than a Saturday, Sunday or a day on which the Trustee is required, authorized or not prohibited by law (including executive orders), to close and is closed, or (b) a day on which the New York Stock Exchange is closed.

"Developer" shall mean E-Town Development, Inc., a Florida corporation.

"Development" shall have the meaning ascribed thereto in the Limited Offering Memorandum.

"Disclosure Representative" shall mean (a) as to the District, the District Manager or its designee, or such other person as the District shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent and (b) as to the Landowner, the individual(s) executing this Disclosure Agreement on behalf of the Landowner or such person(s) as the Landowner shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

"District Lands" shall have the meaning ascribed thereto in the Limited Offering Memorandum.

"Dissemination Agent" shall mean, initially, Governmental Management Services, LLC, acting in its capacity as Dissemination Agent hereunder, or any successor

Dissemination Agent designated in writing by the District which has filed with the District and Trustee a written acceptance of such designation.

"District Manager" shall mean Governmental Management Services, LLC, or a successor District Manager.

"EMMA" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

"Event of Bankruptcy" shall be considered to have occurred 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 governmental 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.

"Financial Obligation" shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either (a) or (b). The term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the fiscal year of the District, which is the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

"Landowner" shall mean Eastland Timber, LLC, a Florida limited liability company.

"Landowner Report" shall mean any Landowner Report provided by the Landowner, its successors or assigns, pursuant to, and as described in, Sections 5 and 6 of this Disclosure Agreement.

"Limited Offering Memorandum" shall mean the Limited Offering Memorandum dated April 3, 2020, prepared in connection with the issuance of the Bonds.

"Listed Event" shall mean any of the events listed in Section 7(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"MSRB Website" shall mean www.emma.msrb.org.

"Obligated Person" shall mean, with respect to the Bonds, any person, including the District and the Landowner, 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 (20% or more) of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities); provided, however, that the Landowner shall remain an Obligated Person hereunder until such time as 80% of homes within the District Lands have received a certificate of occupancy.

"Participating Underwriter" shall mean MBS Capital Markets, LLC, in its capacity as the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Quarterly Filing Date" shall mean the dates set forth in Section 5(a) hereof by which Landowner Reports are required to be filed with the Repository.

"Quarterly Receipt Date" shall mean the dates set forth in Section 5(a) hereof by which Landowner Reports are required to be provided to the Dissemination Agent.

"Repository" shall mean each entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule. The Repositories currently approved by the SEC may be found by visiting the SEC's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure submissions through the MSRB Website.

"State" shall mean the State of Florida.

3. Provision of Annual Reports.

(a) Subject to the following sentence, the District shall provide the Annual Report to the Dissemination Agent no later than March 30th after the close of the Fiscal Year, commencing with the Fiscal Year ended September 30, 2020 (the "**Annual Filing Date**") in an electronic format as prescribed by the Repository. 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 4(a) of this Disclosure Agreement; provided that the Audited Financial Statements may be submitted separately from the balance of the Annual Report and later than the date required above, but in no event later than the Audited Financial Statements Filing Date, if they are not available by the Annual Filing Date. If the Audited Financial Statements are not available at the time of the filing of the Annual Report, unaudited financial statements are required to be delivered as part of the Annual Report in a format similar to the Audited Financial Statements. If the District's Fiscal Year changes, the District shall give notice of such change in the same manner as for a Listed Event under Section 7(a).

(b) If on the 15th day prior to each Annual Filing Date and/or Audited Financial Statements Filing Date, the Dissemination Agent has not received a copy of the Annual Report or Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative of the District by telephone and in writing (which may be by e-mail) to remind the District of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 3(a) above. Upon such reminder, the Disclosure Representative of the District shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or Audited Financial

Statements, as applicable, in accordance with Section 3(a) above, or (ii) instruct the Dissemination Agent in writing that the District will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the time required under this Disclosure Agreement, state the date by which the Annual Report or Audited Financial Statements, as applicable, for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 7(a)(15) has occurred and to immediately send a notice to any Repository in electronic format as required by such Repository in substantially the form attached as Exhibit A hereto.

- (c) The Dissemination Agent shall:
 - (i) determine each year prior to the date for providing the Annual Report the name, address and filing requirements of any Repository; and
 - (ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the District certifying that the Annual Report or Audited Financial Statements, as applicable, has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing any Repository to which it was provided.

4. Content of Annual Reports.

(a) The Annual Report shall contain or incorporate by reference Annual Financial Information with respect to the District, which includes an update of the financial and operating data of the District to the extent presented in the Limited Offering Memorandum. All information in the Annual Report shall be presented for the immediately preceding Fiscal Year and, to the extent available, the current Fiscal Year:

- (i) The amount of Assessments levied;
- (ii) The amount of Assessments collected from property owners;
- (iii) If available, the amount of delinquencies greater than 150 days, and, in the event that delinquencies amount to more than 10% of the amount of Assessments due in any year, a list of delinquent property owners;
- (iv) The amount of tax certificates sold, if any, and the balance, if any, remaining for sale;
- (v) All fund balances in all Funds and Accounts for the Bonds. Upon request, the District shall provide any Beneficial Owners and the Dissemination Agent with this information more frequently than annually and, in such case, shall provide such information within 30 days of the written request of the Beneficial Owners;
- (vi) The total amount of Bonds Outstanding;
- (vii) The amount of principal and interest due on the Bonds;

(viii) The most recent Audited Financial Statements of the District, unless such Audited Financial Statements have not yet been prepared; and

(ix) Any amendment or waiver of the provisions hereof as described in Section 11 hereof.

(b) To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth. Any or all of the items listed above may be incorporated by specific reference to documents available to the public on the MSRB Website or filed with the SEC, including offering documents of debt issues of the District or related public entities, which have been submitted to the Repository. The District shall clearly identify any document incorporated by reference.

(c) The District and the Disclosure Representative of the District represent and warrant that they will supply, in a timely fashion, any information available to the District or the Disclosure Representative of the District and reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, the Disclosure Representative of the District and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, the Disclosure Representative of the District or others as thereafter disseminated by the Dissemination Agent.

(d) The District reserves the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District; provided that the District agrees that any such modification will be done in a manner consistent with the Rule.

5. Provision of Landowner Reports.

(a) The Landowner, so long as it is an Obligated Person for purposes of this Disclosure Agreement, shall provide a Landowner Report, which contains the information in Section 6(a) of this Disclosure Agreement, to the Dissemination Agent no later than 30 days after the end of each calendar quarter commencing with the calendar quarter ending September 30, 2020 (each, a "**Quarterly Receipt Date**"). Within 30 days following the Quarterly Receipt Date (the "**Quarterly Filing Date**"), the Dissemination Agent shall file the Landowner Report provided to it by the Landowner with each Repository. At such time as the Landowner is no longer an Obligated Person, the Landowner will no longer be obligated to prepare any Landowner Report pursuant to this Disclosure Agreement.

(b) If on the 7th day prior to each Quarterly Receipt Date the Dissemination Agent has not received a copy of the Landowner Report due on such Quarterly Receipt Date, the Dissemination Agent shall contact the Landowner or the Disclosure Representative of the Landowner by telephone and in writing (which may be by e-

mail) to remind the Landowner of its undertaking to provide the Landowner Report pursuant to Section 5(a) above. Upon such reminder, the Landowner or the Disclosure Representative of the Landowner shall either (i) provide the Dissemination Agent with an electronic copy of the Landowner Report in accordance with Section 5(a) above, or (ii) instruct the Dissemination Agent in writing that the Landowner will not be able to file the Landowner Report within the time required under this Disclosure Agreement and state the date by which such Landowner Report will be provided.

(c) If the Dissemination Agent has not received a Landowner Report that contains, at a minimum, the information in Section 6(a) of this Disclosure Agreement by 12:00 noon on the first Business Day following each Quarterly Receipt Date, a Listed Event described in Section 7(a)(15) shall have occurred and the District and the Landowner hereby direct the Dissemination Agent to immediately send a notice to each Repository in electronic format as required by such Repository, in substantially the form attached as Exhibit A hereto, with a copy to the District. The Dissemination Agent shall file such notice no later than 30 days following the applicable Quarterly Receipt Date.

(d) The Dissemination Agent shall:

(i) determine prior to each Quarterly Filing Date the name, address and filing requirements of each Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Landowner and the District stating that the Landowner Report has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing any Repository to which it was provided.

6. Content of Landowner Reports.

(a) Each Landowner Report shall contain the following information with respect to the lands owned by the Landowner in the Development if such information is not otherwise provided pursuant to subsection (b) of this Section 6:

(i) A status of the infrastructure improvements and recreational amenities financed by the Bonds.

(ii) The percentage of the improvements financed by the Bonds that has been completed.

(iii) The number of assessable residential units planned on property subject to the Special Assessments.

(iv) The number of residential units closed with retail end users.

(v) The number of residential units under contract with retail end users.

(vi) The number of residential units under contract with builders, together with the name of each builder.

(vii) The number of residential units closed with builders, together with the name of each builder.

(viii) The estimated date of complete build-out of residential units.

(ix) Whether the Landowner has made any sale of the land subject to the Assessments other than as contemplated by the Limited Offering Memorandum.

(x) Materially adverse changes or determinations to permits or approvals for the Development which necessitate changes to the land-use or other plans for the Development.

(xi) Updated plan of finance (i.e., status of any credit enhancement, issuance of additional bonds to complete a project, draw on credit line of the Developer, the Landowner or an affiliate, additional mortgage debt, etc.).

(xii) Any event that would have a material adverse impact on the implementation of the Development as described in the Limited Offering Memorandum or on the Developer's ability to undertake the Development as described in the Limited Offering Memorandum.

(xiii) Any amendment or waiver of the provisions hereof as described in Section 11 hereof.

(b) Any of the items listed in subsection (a) above may be incorporated by reference from other documents which are available to the public on the MSRB Website or filed with the SEC. The Landowner shall clearly identify each such other document so incorporated by reference.

(c) The Landowner represents and warrants that it will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The Landowner acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the Landowner, the Disclosure Representative of the Landowner and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the Landowner, the Disclosure Representative of the Landowner or others as thereafter disseminated by the Dissemination Agent.

(d) If the Landowner sells, assigns or otherwise transfers ownership of real property in the Development to a third party, which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "**Transfer**"), the Landowner hereby agrees to require such third party to comply with the disclosure obligations of the Landowner hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Landowner involved in such Transfer shall promptly notify the District and the Dissemination Agent in writing of the Transfer. For purposes of Sections 5, 6 and 7

hereof, the term "Landowner" shall be deemed to include each of the Landowner and any third party that becomes an Obligated Person hereunder as a result of a Transfer. In the event that the Landowner remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Landowner from its obligations hereunder.

7. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 7, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds and the Landowner shall give, or cause to be given, notice of the occurrence of numbers 12, 13, 15, 16, 17 or 18 of the following events, to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of 10 Business Days after the occurrence of the event, with the exception of the event described in number 15 below, which notice shall be given in a timely manner:

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 Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of the holders of the Bonds, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. ratings changes**;

* There is no credit enhancement for the Bonds.

** The Bonds are not rated as of the date hereof.

12. an Event of Bankruptcy or similar event of an 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. notice of any failure on the part of the District to meet the requirements of Sections 3 and 4 hereof or of the Landowner to meet the requirements of Sections 5 and 6 hereof;
16. the termination of the District's or the Landowner's obligations under this Disclosure Agreement prior to the final maturity of the Bonds, pursuant to Section 9 hereof;
17. incurrence of a Financial Obligation of the District or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District or Obligated Person, any of which affect security holders, if material;
18. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the District or Obligated Person, any of which reflect financial difficulties;
19. occurrence of an Event of Default under the Indenture (other than as described in clause (i) above);
20. any amendment to the Indenture or this Disclosure Agreement modifying the rights of the Owners of the Bonds; and
21. any amendment to the accounting principles to be followed by the District in preparing its financial statements, as required by Section 11 hereof.

(b) The notice required to be given in paragraph 7(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

8. Identifying Information. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Agreement to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but shall not be limited to:

- (a) the category of information being provided;

(b) the period covered by any Annual Financial Information, financial statement or other financial information or operating data;

(c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);

(d) the name of any Obligated Person other than the District;

(e) the name and date of the document being submitted; and

(f) contact information for the submitter.

9. Termination of Disclosure Agreement. The District's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the District, or if the Rule is repealed or no longer in effect. The Landowner's obligations under this Disclosure Agreement shall terminate at such time as the Landowner is no longer an Obligated Person. If any such termination occurs prior to the final maturity of the Bonds, the District and/or the Landowner shall give notice of such termination in the same manner as for a Listed Event under Section 7.

10. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the District shall be the Dissemination Agent. The initial Dissemination Agent shall be Governmental Management Services, LLC. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Agreement.

11. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District, the Landowner and the Dissemination Agent (if the Dissemination Agent is not the District) may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3, 4(a), 5, 6 or 7(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District and/or the Landowner, or the type of business conducted;

(b) The Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of counsel expert in federal securities laws, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of holders or Beneficial Owners, or (ii) does

not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the District, the Landowner and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District and the Landowner shall describe such amendment in its next Annual Report or Landowner Report, as applicable, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District or the Landowner, as applicable. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements of the District, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 7(a), and (ii) the Annual Report or Audited Financial Statements, as applicable, for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

12. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District or the Landowner from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District or the Landowner chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District or the Landowner shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

13. Default. In the event of a failure of the District, the Disclosure Representative of the District, the Landowner, the Disclosure Representative of the Landowner or a Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Beneficial Owners of more than 50% aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any Beneficial Owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District, the Disclosure Representative of the District, the Landowner, the Disclosure Representative or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. No default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the District, the Landowner, the Disclosure Representative of the Landowner or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

14. **Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA compliant format. Anything herein to the contrary notwithstanding, in the event that the applicable Disclosure Representative and the Dissemination Agent are the same party, such party's limited duties in their capacity as Dissemination Agent, as described hereinabove, shall not in any way relieve or limit such party's duties in their capacity as the applicable Disclosure Representative under this Disclosure Agreement.

15. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the District, the Landowner, the Dissemination Agent, the Participating Underwriter, the Trustee and Beneficial Owners of the Bonds (the Participating Underwriter and Beneficial Owners of the Bonds being hereby deemed express third party beneficiaries of this Disclosure Agreement), and shall create no rights in any other person or entity.

16. **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.

17. **Governing Law.** This Disclosure Agreement shall be governed by the laws of the State of Florida and federal law.

18. **Trustee Cooperation.** The District represents that the Dissemination Agent is a bona fide agent of the District and directs the Trustee to deliver to the Dissemination Agent at the expense of the District any information or reports it requests that the District has a right to request from the Trustee (inclusive of balances, payments, etc.) that are in the possession of and readily available to the Trustee,

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**SIGNATURE PAGE TO
CONTINUING DISCLOSURE AGREEMENT
(Cypress Bluff Community Development District)**

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

[SEAL]

**CYPRESS BLUFF COMMUNITY
DEVELOPMENT DISTRICT**, as District

ATTEST:

By: _____
Secretary/Assistant Secretary

By: _____
Chairman, Board of Supervisors

CONSENTED TO AND AGREED TO BY:
**GOVERNMENTAL MANAGEMENT
SERVICES, LLC**, and its successors and
assigns, as Disclosure Representative of the
District

JOINED BY:
**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A. AS TRUSTEE,
FOR PURPOSES OF SECTIONS 13, 15 AND
18 ONLY**

By: _____
James A. Perry, Managing Director

By: _____
Name: _____
Title: _____

**GOVERNMENTAL MANAGEMENT
SERVICES, LLC**,
as Dissemination Agent

EASTLAND TIMBER, LLC,
a Florida limited liability company,
as Landowner

By: _____
James A. Perry, Managing Director

By: _____
Name: _____
Title: _____

**EXHIBIT A TO
CONTINUING DISCLOSURE AGREEMENT
(Cypress Bluff Community Development District)**

**NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT/AUDITED FINANCIAL
STATEMENTS/LANDWONER REPORT**

Name of District: Cypress Bluff Community Development District

Obligated Persons: Cypress Bluff Community Development District
Eastland Timber, LLC

Name of Bond Issue: \$7,705,000 Cypress Bluff Community Development District
Special Assessment Bonds, Series 2020

Date of Issuance: April 15, 2020

CUSIPS: 232677AE4; 232677AF1; 232677AG9; 232677AH7

NOTICE IS HEREBY GIVEN that the [District] [Landowner] has not provided an [Annual Report] [Landowner Report] [Audited Financial Statements] with respect to the above-named Bonds as required by [Section 3] [Section 5] of the Continuing Disclosure Agreement dated April 15, 2020, among the District, the Landowner and the Dissemination Agent named therein. The [District] [Landowner] has advised the undersigned that it anticipates that the [Annual Report] [Landowner Report] [Audited Financial Statements] will be filed by _____, 20____.

Dated: _____, _____, Dissemination Agent

cc: [District] [Landowner]

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