

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Series 2019 Bonds is (a) excludable from gross income of the owners thereof for federal income tax purposes, except as otherwise described herein under the caption "TAX MATTERS" and (b) not an item of tax preference for purposes of the federal alternative minimum tax. Such interest also may be subject to other federal income tax consequences referred to herein under "TAX MATTERS." See "TAX MATTERS" herein for a general discussion of Bond Counsel's opinion and other tax considerations.

**TALAVERA COMMUNITY DEVELOPMENT DISTRICT
(PASCO COUNTY, FLORIDA)
\$4,705,000
CAPITAL IMPROVEMENT REVENUE BONDS,
SERIES 2019**

Dated: Date of Original Issuance

Due: As set forth herein.

Talavera Community Development District (the "District") is issuing its Capital Improvement Revenue Bonds, Series 2019 (the "Series 2019 Bonds"). The Series 2019 Bonds are being issued only in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof; provided, however that the Series 2019 Bonds shall be delivered to the initial purchasers thereof only in minimum amounts of \$100,000 or integral multiples of \$5,000 in excess thereof.

The Series 2019 Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year comprised of twelve thirty-day months, payable semi-annually on each May 1 and November 1, commencing November 1, 2019. The Series 2019 Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC") of New York, New York. Purchases of beneficial interests in the Series 2019 Bonds will be made only in book-entry form. Accordingly, principal of and interest on Series 2019 Bonds will be paid from sources provided below by U.S. Bank National Association, as trustee (the "Trustee") directly to DTC as the registered owner thereof. Disbursements of such payments to the DTC Participants (as hereinafter defined) 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 hereinafter defined), as more fully described herein. Any purchaser of a beneficial interest in a Series 2019 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 2019 Bond. See "DESCRIPTION OF THE SERIES 2019 BONDS - Book-Entry System" herein.

The District is a local unit of special purpose government of the State of Florida, created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") and Ordinance number 06-33 enacted by the Board of Commissioners of Pasco County (the "County") on October 24, 2006. The Series 2019 Bonds are being issued by the District pursuant to the Act, Resolution No. 2007-18 and Resolution No. 2019-08 adopted by the Board of Supervisors of the District (the "Board") on November 13, 2006 and June 19, 2019, respectively (collectively, the "Resolution"), and a Master Trust Indenture, dated as of December 1, 2016 (the "Master Indenture"), as supplemented by a Third Supplemental Trust Indenture dated as of July 1, 2019 with respect to the Series 2019 Bonds (the "Third Supplemental Indenture" and collectively with the Master Indenture, the "Indenture"), each by and between the District and the Trustee. Capitalized terms not defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Series 2019 Bonds will be applied to (i) finance a portion of the Cost of acquiring assessable improvements (as more particularly described herein and in the Indenture, the "Series 2019 Project"); (ii) pay certain costs associated with the issuance of the Series 2019 Bonds; (iii) make a deposit into the Series 2019 Reserve Account for the benefit of all of the Series 2019 Bonds; and (iv) pay a portion of the interest first coming due on the Series 2019 Bonds.

The Series 2019 Bonds will be equally and ratably secured under the Third Supplemental Indenture by the Series 2019 Trust Estate. The "Series 2019 Trust Estate" shall mean revenues derived by the District from the Series 2019 Assessments (the "Series 2019 Pledged Revenues") and the Funds and Accounts (except for the Series 2019 Rebate Account) established under the Third Supplemental Indenture (the "Series 2019 Pledged Funds"). The Series 2019 Assessments will be levied on the land in phases 1C, 1D, 2A and 2B of the Development (as defined herein) which are planned for 284 single-family units.

The Series 2019 Bonds are subject to optional, mandatory sinking fund 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 2019 BONDS - Redemption Provisions" herein.

NEITHER THE SERIES 2019 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THE SERIES 2019 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2019 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2019 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2019 PLEDGED REVENUES AND SERIES 2019 PLEDGED FUNDS PLEDGED TO THE SERIES 2019 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

The Series 2019 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 this offering to "accredited investors" within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to accredited investors does not denote restrictions on transfer in any secondary market for the Series 2019 Bonds. The Series 2019 Bonds are not credit enhanced or rated and no application has been made for any credit enhancement or a rating with respect to the Series 2019 Bonds.

This cover page contains information for quick reference only. It is not a summary of the Series 2019 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

\$ 365,000 - 3.500% Series 2019 Term Bond due May 1, 2025, Yield 3.500%, Price 100.000 CUSIP # 87410P AE5*
\$ 540,000 - 3.850% Series 2019 Term Bond due May 1, 2030, Yield 3.850%, Price 100.000 CUSIP # 87410P AF2*
\$1,485,000 - 4.350% Series 2019 Term Bond due May 1, 2040, Yield 4.350%, Price 100.000 CUSIP # 87410P AG0*
\$2,315,000 - 4.500% Series 2019 Term Bond due May 1, 2050, Yield 4.500%, Price 100.000 CUSIP # 87410P AH8*

The initial sale of the Series 2019 Bonds is subject to certain conditions precedent, including, without limitation, receipt of the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, as to the validity of the Series 2019 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, Burr & Forman LLP, Tampa, Florida, for the Developer (as hereinafter defined) by its counsel, Shutts & Bowen LLP, Tampa, Florida, and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida. It is expected that the Series 2019 Bonds will be delivered in book-entry form through the facilities of DTC on or about July 29, 2019.

MBS Capital Markets, LLC

Dated: July 18, 2019

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

TALavera COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS

Betty Valenti,* Chairperson
David Griffin,* Vice-Chairperson
Brady Lefere,* Assistant Secretary
Brian Soldano,* Assistant Secretary
Lee Thompson,* Assistant Secretary

* Affiliated with the Developer or one of its affiliates

DISTRICT MANAGER/METHODOLOGY CONSULTANT

Rizzetta & Company, Incorporated
Tampa, Florida

DISTRICT COUNSEL

Burr & Forman LLP
Tampa, Florida

BOND COUNSEL

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

DISTRICT ENGINEER

Stantec Consulting Services, Inc.
Tampa, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT 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 THE DISTRICT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SERIES 2019 BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF THE SERIES 2019 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 DEVELOPER (AS HEREINAFTER DEFINED), THE DISTRICT, PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, WHICH SOURCES ARE BELIEVED TO BE RELIABLE BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE UNDERWRITER NAMED ON THE COVER PAGE OF THIS LIMITED OFFERING MEMORANDUM. 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. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED 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 IN THE AFFAIRS OF THE DISTRICT OR THE DEVELOPER OR IN THE STATUS OF THE DEVELOPMENT, THE SERIES 2019 ASSESSMENT AREA OR THE CIP (AS SUCH TERMS ARE HEREINAFTER DEFINED) SINCE THE DATE HEREOF.

THE SERIES 2019 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 2019 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 COUNTY, THE STATE OF FLORIDA, NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2019 BONDS, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

"FORWARD-LOOKING STATEMENTS" ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS "MAY," "WILL," "SHOULD,"

"INTENDS," "EXPECTS," "BELIEVES," "ANTICIPATES," "ESTIMATES," OR OTHERS. THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS AND REAL ESTATE MARKET, THE DISTRICT'S COLLECTION OF ASSESSMENTS, AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S AND THE DEVELOPER'S CONTROL. BECAUSE THE DISTRICT AND THE DEVELOPER CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

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 AND THE DEVELOPER DO 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.

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 IF IT IS PRINTED IN ITS ENTIRETY DIRECTLY FROM EITHER OF SUCH WEBSITES.

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LIMITED OFFERING MEMORANDUM

TALAVERA COMMUNITY DEVELOPMENT DISTRICT (PASCO COUNTY, FLORIDA)

\$4,705,000 CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2019

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices attached hereto, is to set forth certain information in connection with the offering for sale by the Talavera Community Development District (the "District") of its \$4,705,000 Capital Improvement Revenue Bonds, Series 2019 (the "Series 2019 Bonds").

THE SERIES 2019 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. PURSUANT TO APPLICABLE STATE LAW, THE UNDERWRITER IS LIMITING THIS INITIAL OFFERING OF THE SERIES 2019 BONDS TO ONLY ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. THE LIMITATION OF THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2019 BONDS. POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2019 BONDS. SEE "BONDOWNERS' RISKS" AND "SUITABILITY FOR INVESTMENT" HEREIN.

The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") for the purpose of among other things, financing and managing the acquisition, construction, installation, maintenance, and operation of the major infrastructure within and without the boundaries of the District.

The boundaries of the District include approximately 547.4 acres of land (the "District Lands") located within an area of unincorporated Pasco County, Florida (the "County") which are being developed in multiple phases into 800 single-family units. The District previously issued its Series 2016A Bonds (as hereinafter defined) to provide funds for certain master improvements and improvements associated with the initial phases of development in the District. M/I Homes of Tampa, LLC, a Florida limited liability company (the "Developer"), owns all of the District Lands in the Series 2019 Assessment Area (as hereinafter defined) which are the lands that will be subject to the Series 2019 Assessments. See "THE DEVELOPMENT" and "THE DEVELOPER" herein for more information.

The Series 2019 Bonds are being issued by the District pursuant to the Act, Resolution No. 2007-18 and Resolution No. 2019-08 adopted by the Board of Supervisors of the District (the "Board") on November 13, 2006 and June 19, 2019, respectively (collectively, the "Resolution"), and a Master Trust Indenture, dated as of December 1, 2016 (the "Master Indenture"), as supplemented by a Third Supplemental Trust Indenture dated as of July 1, 2019

with respect to the Series 2019 Bonds (the "Third Supplemental Indenture" and collectively with the Master Indenture, the "Indenture"), each by and between the District and U.S. Bank National Association, as trustee (the "Trustee"). Capitalized terms not defined herein shall have the meanings assigned to them in the Indenture. See "APPENDIX A: COPY OF MASTER INDENTURE AND PROPOSED FORM OF THIRD SUPPLEMENTAL INDENTURE."

Proceeds of the Series 2019 Bonds will be applied to (i) finance a portion of the Cost of acquiring assessable improvements (as more particularly described herein and in the Indenture, the "Series 2019 Project"); (ii) pay certain costs associated with the issuance of the Series 2019 Bonds; (iii) make a deposit into the Series 2019 Reserve Account for the benefit of all of the Series 2019 Bonds; and (iv) pay a portion of the interest first coming due on the Series 2019 Bonds.

The Series 2019 Bonds will be equally and ratably secured under the Third Supplemental Indenture by the Series 2019 Trust Estate. The "Series 2019 Trust Estate" shall mean revenues derived by the District from the Series 2019 Assessments (the "Series 2019 Pledged Revenues") and the Funds and Accounts (except for the Series 2019 Rebate Account) established under the Third Supplemental Indenture (the "Series 2019 Pledged Funds").

There follows in this Limited Offering Memorandum a brief description of the District, the Developer, the Development, the Series 2019 Assessment Area, the Capital Improvement Program (the "CIP"), the Series 2019 Project and summaries of the terms of the Series 2019 Bonds, the Indenture and certain provisions of the Act. All references herein to the Series 2019 Bonds, the Indenture and the Act are qualified in their entirety by reference to such documents and statute, and all references to the Series 2019 Bonds are qualified by reference to the definitive form thereof and the information with respect thereto contained in the Indenture. A copy of the Master Trust Indenture and the proposed form of the Third Supplemental Indenture appear in APPENDIX A attached hereto.

This Limited Offering Memorandum speaks only as of its date and the information contained herein is subject to change.

DESCRIPTION OF THE SERIES 2019 BONDS

General Description

The Series 2019 Bonds are issuable only as registered bonds, without coupons, in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"); provided, however, that the Series 2019 Bonds shall be delivered to the initial purchasers thereof only in minimum amounts of \$100,000 or integral multiples of Authorized Denominations in excess thereof. The Series 2019 Bonds will mature, subject to the redemption provisions set forth below, on the dates and in the amounts set forth on the cover page hereof. The Series 2019 Bonds will be dated the date of their original issuance, and will bear interest at the fixed rates per annum set forth on the cover page hereof from the most recent Interest Payment Date to which interest has been paid next preceding the date of authentication, unless the date of authentication: (i) is an Interest Payment Date to which interest on such Series 2019 Bond has been paid, in which event such Series 2019 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2019 Bonds, in

which event, such Series 2019 Bond shall bear interest from its date. Interest on the Series 2019 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2019, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Upon initial issuance, the ownership of the Series 2019 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), and purchases of beneficial interests in the Series 2019 Bonds will be made in book-entry only form. The Underwriter is limiting this offering to "accredited investors" within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to accredited investors does not denote restrictions on transfer in any secondary market for the Series 2019 Bonds. See "DESCRIPTION OF THE SERIES 2019 BONDS - Book-Entry System" and "SUITABILITY FOR INVESTMENT" below.

U.S. Bank National Association is initially serving as the Trustee, Registrar and Paying Agent for the Series 2019 Bonds.

Redemption Provisions

Optional Redemption

The Series 2019 Bonds are subject to redemption prior to maturity at the option of the District in whole, on any date, or in part, on any Redemption Date, on or after May 1, 2029 at the Redemption Price of the principal amount of the Series 2019 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption

The Series 2019 Bonds maturing May 1, 2025, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2019 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment
2022	\$85,000
2023	90,000
2024	95,000
2025*	95,000

* Maturity

The Series 2019 Bonds maturing May 1, 2030, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2019 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without

premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment
2026	\$100,000
2027	105,000
2028	110,000
2029	110,000
2030*	115,000

* Maturity

The Series 2019 Bonds maturing May 1, 2040, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2019 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
2031	\$120,000	2036	\$150,000
2032	125,000	2037	160,000
2033	130,000	2038	165,000
2034	140,000	2039	170,000
2035	145,000	2040*	180,000

* Maturity

The Series 2019 Bonds maturing May 1, 2050, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2019 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
2041	\$190,000	2046	\$235,000
2042	195,000	2047	245,000
2043	205,000	2048	255,000
2044	215,000	2049	270,000
2045	225,000	2050*	280,000

* Maturity

As more particularly set forth in the Indenture, any Series 2019 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization

Installment of Series 2019 Bonds. Amortization Installments are also subject to recalculation, as provided in the Third Supplemental Indenture, as the result of the redemption of Series 2019 Bonds so as to reamortize the remaining Outstanding principal balance of the Series 2019 Bonds as set forth in the Third Supplemental Indenture.

Extraordinary Mandatory Redemption

The Series 2019 Bonds are subject to Extraordinary Mandatory Redemption prior to maturity, in whole on any date or in part on any Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Series 2019 Project, by application of moneys transferred from the Series 2019 Acquisition and Construction Account to the Series 2019 Prepayment Subaccount of the Series 2019 Redemption Account in accordance with the terms of the Indenture; or

(b) from amounts, including Series 2019 Prepayment Principal, required by the Indenture to be deposited into the Series 2019 Prepayment Subaccount of the Series 2019 Redemption Account; or

(c) from amounts transferred from the Series 2019 Reserve Account to the Series 2019 Prepayment Subaccount of the Series 2019 Redemption Account resulting from a reduction in the Series 2019 Reserve Account Requirement as provided for in the Indenture; or

(d) on the date on which the amount on deposit in the Series 2019 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2019 Bonds then Outstanding, including accrued interest thereon.

Notice of Redemption

Notice of each redemption of Series 2019 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the date of redemption to each registered Owner of Series 2019 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2019 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2019 Bonds or such portions thereof on such date, interest on such Series 2019 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2019 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2019 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice

shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Pursuant to the Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events or upon the later deposit of moneys therefor as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

Book-Entry System

The information in this section concerning DTC and DTC's book-entry system information has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriter take any responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019 Bond certificate will be issued for each maturity of the Series 2019 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("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 ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019 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 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 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 the Series 2019 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 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping 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 among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2019 Bond documents. For example, Beneficial Owners of Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2019 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019 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 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Series 2019 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 Paying Agent on 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 nor its nominee, the Trustee, 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 interest 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, 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 Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2019 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2019 Bond certificates will be printed and delivered to DTC.

SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS

General

NEITHER THE SERIES 2019 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THE SERIES 2019 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2019 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2019 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2019 PLEDGED REVENUES AND SERIES 2019 PLEDGED FUNDS PLEDGED TO THE SERIES 2019 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

The Series 2019 Bonds will be equally and ratably secured under the Third Supplemental Indenture by the Series 2019 Trust Estate. The "Series 2019 Trust Estate" shall mean revenues derived by the District from the Series 2019 Assessments (the "Series 2019 Pledged Revenues") and the Funds and Accounts (except for the Series 2019 Rebate Account) established under the Third Supplemental Indenture (the "Series 2019 Pledged Funds").

"Assessments" shall mean all assessments levied and collected by or on behalf of the District pursuant to Section 190.022 of the Act as amended from time to time, together with the interest specified by the resolution adopted by the Board, the interest specified in Chapter 170 Florida Statutes, as amended, if any such interest is collected by or on behalf of the District, and any applicable penalties collected by or on behalf of the District, together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Delinquent Assessments (as defined in the Indenture) and which are referred to as such and pledged the Series 2019 Bonds pursuant to the Third Supplemental Indenture authorizing the issuance of the Series 2019 Bonds. Assessments are not based on millage and are not taxes, but can become a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. The Series 2019 Assessments will constitute a lien against the lands as to which the Series 2019 Assessments are imposed. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

The Series 2019 Assessments are levied on certain lands within the District in amounts corresponding to the debt service on the Series 2019 Bonds pursuant to the Assessment Methodology (as hereinafter defined). See "APPENDIX D: ASSESSMENT METHODOLOGY" attached hereto for additional information.

Additional Bonds

Under the Third Supplemental Indenture, the District covenants and agrees that, so long as there are any Series 2019 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2019 Trust Estate. The District further covenants and agrees that so long as the Series 2019 Assessments have not been Substantially Absorbed, it shall not issue Bonds secured by Assessments for capital projects on lands subject to the Series 2019 Assessments. Notwithstanding the foregoing, the District covenants and agrees that it shall not issue any Bonds secured by Assessments for capital projects if there shall have occurred and be continuing any Event of Default with respect to any Series of Bonds issued under the Master Indenture. "Substantially Absorbed" is defined in the Third Supplemental Indenture as the date on which the principal amount of the Series 2019 Assessments equaling at least ninety percent (90%) of the then-Outstanding principal amount of the Series 2019 Bonds is levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon and are owned by end users as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

The District and/or other public entities may impose taxes or other special assessments on the same properties encumbered by the Series 2019 Assessments without the consent of the Owners of the Series 2019 Bonds. Additionally, the District expects to impose certain non-ad valorem special assessments called maintenance assessments, which are of equal dignity with the Series 2019 Assessments, on the same lands upon which the Series 2019 Assessments are imposed, to fund the maintenance and operation of the District. See "BONDOWNERS' RISKS" herein.

Covenant Against Sale or Encumbrance

In the Indenture, the District covenants that, until such time as there are no Series 2019 Bonds Outstanding, it will not sell, lease or otherwise dispose of or encumber the Series 2019

Project or any part thereof other than as provided in the Indenture. Pursuant to the Indenture, the District may (i) dispose of all or any part of the Series 2019 Project by gift or dedication thereof to the County or to the State of Florida (the "State") or any agency or instrumentality of either of the foregoing or the United States government; and/or (ii) impose, declare or grant title to or interests in the Series 2019 Project or a portion thereof in order to create ingress and egress rights and public and private utility easements as the District may deem necessary or desirable for the development, use and occupancy of the property within the District; and/or (iii) impose or declare covenants, conditions and restrictions pertaining to the use, occupancy and operation of the Series 2019 Project. See "APPENDIX A: COPY OF MASTER INDENTURE AND PROPOSED FORM OF THIRD SUPPLEMENTAL INDENTURE" attached hereto.

Series 2019 Reserve Account

The Master Indenture establishes a Reserve Fund, and within such Fund there is established by the Third Supplemental Indenture authorizing the Series 2019 Bonds a Series 2019 Reserve Account. The Series 2019 Reserve Account will, at the time of delivery of the Series 2019 Bonds, be funded from a portion of the proceeds of the Series 2019 Bonds in the amount of the Series 2019 Reserve Account Requirement. The "Series 2019 Reserve Account Requirement," as defined in the Third Supplemental Indenture, shall mean an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2019 Bonds as of the time of any such calculation. The Series 2019 Reserve Account Requirement on the date of issuance shall be \$145,028.75.

The Series 2019 Reserve Account will be funded and maintained at all times in an amount equal to the Series 2019 Reserve Account Requirement. Further, amounts on deposit in the Series 2019 Reserve Account shall be used only for the purpose of making payments into the Series 2019 Interest Account, and the Series 2019 Sinking Fund Account to pay Debt Service on the Series 2019 Bonds, when due, without distinction as to Series 2019 Bonds and without privilege or priority of one Series 2019 Bond over another, to the extent the moneys on deposit in such Accounts available therefor are insufficient and for no other purpose. Such Series 2019 Reserve Account shall consist only of cash and Series 2019 Investment Obligations.

Anything in the Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business Day preceding such forty-fifth (45th) day), the Trustee is authorized and directed to recalculate the Series 2019 Reserve Account Requirement and to transfer any excess on deposit in the Series 2019 Reserve Account (resulting from the redemption of Series 2019 Bonds from moneys on deposit in the Series 2019 Prepayment Subaccount) into the Series 2019 Prepayment Subaccount of the Series 2019 Redemption Account and applied to the extraordinary mandatory redemption of the Series 2019 Bonds.

On the earliest date on which there is on deposit in the Series 2019 Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2019 Bonds, together with accrued interest on such Series 2019 Bonds to the earliest date of redemption permitted therein and in the Third Supplemental Indenture, then the Trustee shall transfer the amount on deposit in the Series 2019 Reserve Account into the Series 2019 Prepayment Subaccount in the Series 2019 Redemption Account to pay and redeem

all of the Outstanding Series 2019 Bonds on the earliest date permitted for redemption therein and in the Third Supplemental Indenture.

Anything in the Indenture to the contrary notwithstanding, amounts on deposit in the Series 2019 Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

Series 2019 Revenue Account; Application of Revenues and Investment Earnings

(a) The Third Supplemental Indenture authorizes the Trustee to establish within the Revenue Fund a Series 2019 Revenue Account into which the Trustee shall deposit any and all amounts required to be deposited in the Series 2019 Revenue Account pursuant to the Third Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2019 Revenue Account 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.

(b) The Trustee shall deposit into the Series 2019 Revenue Account the Series 2019 Assessment Revenues other than Series 2019 Prepayment Principal, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2019 Prepayment Subaccount in the Series 2019 Redemption Account, and any other revenues required by other provisions of the Third Supplemental Indenture to be deposited therein.

(c) On the forty-fifth (45th) day preceding each Redemption Date with respect to the Series 2019 Bonds (or if such forty-fifth (45th) day is not a Business Day, on the Business Day next preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the Series 2019 Prepayment Subaccount of the Series 2019 Redemption Account, and, if the balance therein is greater than zero, shall transfer from the Series 2019 Revenue Account for deposit into the Series 2019 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000 (provided that there are sufficient funds remaining in the Series 2019 Revenue Account to pay Debt Service coming due on the Series 2019 Bonds on the next succeeding Interest Payment Date), and, shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2019 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2019 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Series 2019 Bonds set forth in the Third Supplemental Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall first transfer from the Series 2019 Capitalized Interest Account to the Series 2019 Interest Account the lesser of (x) the amount of interest coming due on the Series 2019 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (y) the amount remaining in the Series 2019 Capitalized Interest Account. Following the foregoing transfer, on such May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall then transfer amounts on deposit in the Series 2019

Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, to the Series 2019 Interest Account, an amount equal to the amount of interest payable on all Series 2019 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2019 Capitalized Interest Account in accordance with the Third Supplemental Indenture and less any other amount already on deposit in the Series 2019 Interest Account not previously credited;

SECOND, on May 1, 2022 and each May 1 thereafter, to the Series 2019 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2019 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2019 Sinking Fund Account not previously credited;

THIRD, to the Series 2019 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2019 Reserve Account Requirement with respect to the Series 2019 Bonds; and

FOURTH, the balance shall be retained in the Series 2019 Revenue Account.

On or after each November 2, the balance on deposit in the Series 2019 Revenue Account on such November 2 shall be paid over to the District at the written direction of an Authorized Officer of the District and 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 2019 Reserve Account in the Reserve Fund shall be equal to the Series 2019 Reserve Account Requirement, and, provided further, that the Trustee shall not have actual knowledge (as described in Section 606 of the Master Indenture) of an Event of Default under the Master Indenture or hereunder relating to any of the Series 2019 Bonds, including the payment of Trustee's fees and expenses then due.

(e) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2019 Revenue Account to the Series 2019 Rebate Account established for the Series 2019 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

(f) Anything in the Third Supplemental Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2019 Bonds shall be invested only in Series 2019 Investment Obligations, and further, earnings on the Series 2019 Acquisition and Construction Account, the Series 2019 Interest Account and the Series 2019 Capitalized Interest Account shall be retained, as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the Funds and Accounts other than the Series 2019 Reserve Account and other than as set forth above shall be deposited, as realized, to the credit of the Series 2019 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2019 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in the Master Indenture) in the Series 2019 Reserve Account as of the most recent date on which amounts on deposit in the Series 2019 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2019 Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2019 Reserve Account shall be deposited into the Series 2019 Capitalized Interest Account through May 1, 2021, and thereafter shall be deposited into the Series 2019 Revenue Account and used for the purpose of such Account; and

(ii) if there was a deficiency (as defined in the Master Indenture) in the Series 2019 Reserve Account as of the most recent date on which amounts on deposit in the Series 2019 Reserve Account were valued by the Trustee, or if after such date withdrawals have been made from the Series 2019 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2019 Reserve Account shall be deposited into the Series 2019 Reserve Account until the amount on deposit therein is equal to the Series 2019 Reserve Account Requirement, and then earnings on investments in the Series 2019 Reserve Account shall be deposited into the Series 2019 Capitalized Interest Account through May 1, 2021, and, thereafter shall be deposited into the Series 2019 Revenue Account and used for the purpose of such Account.

Acquisition and Construction Account

The Third Supplemental Indenture creates a Series 2019 Acquisition and Construction Account, which will be held for the benefit of the Series 2019 Bonds. Amounts on deposit in the Series 2019 Acquisition and Construction Account shall be applied to pay a portion of the Costs of the Series 2019 Project, upon compliance with the requisition provisions set forth in the Indenture; provided, however, that the form of requisition shall be the form set forth in the Third Supplemental Indenture and shall contain the certifications, if applicable, of the Consulting Engineer provided for therein, and the Trustee shall be entitled to conclusively rely on such certification to pay such requisition.

Upon the Date of Completion of the Series 2019 Project, the balance then on deposit in the Series 2019 Acquisition and Construction Account after such Date of Completion (taking into account the moneys currently on deposit therein to pay any accrued but unpaid Costs of the Series 2019 Project which are required to be reserved in the Series 2019 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineer delivered to the District and the Trustee establishing such Date of Completion), shall be deposited to the Series 2019 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2019 Bonds in accordance with the Third Supplemental Indenture and in the manner prescribed in the form of Series 2019 Bond set forth in the Indenture, whereupon the Series 2019 Acquisition and Construction Account shall be closed.

The Third Supplemental Indenture provides that the Series 2019 Bonds are payable solely from the Series 2019 Pledged Revenues and any other moneys held by the Trustee under the Third Supplemental Indenture for such purpose.

Further, anything in the Indenture to the contrary notwithstanding, the District acknowledges in the Indenture that: (i) the Series 2019 Pledged Funds include, without

limitation, all amounts on deposit in the Series 2019 Acquisition and Construction Account, then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2019 Bonds, the Series 2019 Pledged Funds may not be used by the District (whether to pay Costs of the Series 2019 Project or otherwise) without the consent of the Majority Owners of the Series 2019 Bonds, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Series 2019 Project, and payment is for such work and (iii) upon the occurrence of an Event of Default with respect to the Series 2019 Bonds, the Series 2019 Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners of the Series 2019 Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Series 2019 Project after the occurrence and during the continuance of an Event of Default unless authorized in writing by the Majority Owners of the Series 2019 Bonds.

Investments

Moneys held for the credit of the Funds and Accounts established by the Indenture and held as security for the Series 2019 Bonds must, as nearly as practicable, be continuously invested and reinvested in Series 2019 Investment Obligations (as such term is defined in the Third Supplemental Indenture and referred to herein as the "Series 2019 Investment Obligations") by the Trustee as directed by an Authorized Officer of the District. The Series 2019 Investment Obligations in which such moneys are invested must mature, or be subject to redemption by the Trustee at the option of the Trustee, not later than the dates on which such moneys will be needed. See "APPENDIX A: COPY OF MASTER INDENTURE AND PROPOSED FORM OF THIRD SUPPLEMENTAL INDENTURE" attached hereto.

Covenant to Levy the Series 2019 Assessments

The District has covenanted to levy Series 2019 Assessments on the lands within the District to the extent and in an amount sufficient to pay the principal and interest on all outstanding Series 2019 Bonds when due. If any Series 2019 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 Series 2019 Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Series 2019 Assessment when it might have done so, the District has additionally covenanted to either (i) take all necessary steps to cause a new Series 2019 Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement, or (ii) in its sole discretion, make up the amount of such Series 2019 Assessment from legally available moneys, which moneys shall be deposited into the Series 2019 Revenue Account. In case any such second assessment shall be annulled, the District shall obtain and make other Series 2019 Assessments until a valid Series 2019 Assessment shall be made.

Prepayment of Series 2019 Assessments

Pursuant to the Series 2019 Assessment Proceedings, an owner of property subject to the Series 2019 Assessments may pay the principal balance of such Series 2019 Assessments remaining due in whole at any time or in part one time if there is also paid an amount equal to

the interest that would otherwise be due on such balance to the earlier of the next succeeding November 1 or May 1, which is at least forty-five (45) days after the date of payment.

Pursuant to the Act, an owner of property subject to the levy of Series 2019 Assessments may pay the entire balance of the Series 2019 Assessments remaining due, without interest, within thirty (30) days after the Series 2019 Project has been completed or acquired by the District, and the Board has adopted a resolution accepting the Series 2019 Project pursuant to Chapter 170.09, Florida Statutes. The Developer, as the sole owner of the property within the District subject to the Series 2019 Assessments, will covenant to waive this right in connection with the issuance of the Series 2019 Bonds pursuant to a "Declaration of Consent to Jurisdiction of Talavera Community Development District and to Imposition of Special Assessments." Such declaration will be recorded in the public records of the County, and the covenants contained therein will be binding on future landowners of the District.

The Series 2019 Bonds are subject to extraordinary mandatory redemption as indicated under "DESCRIPTION OF THE SERIES 2019 BONDS - Redemption Provisions - *Extraordinary Mandatory Redemption*" from optional prepayments of Series 2019 Assessments by property owners. See "APPENDIX D: ASSESSMENT METHODOLOGY" attached hereto.

Indenture Provisions Relating to Bankruptcy or Insolvency of Developer

The Master Indenture contains the following provisions which, pursuant to the Indenture, shall be applicable 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 parcels subject to at least five percent (5%) of the Assessments pledged to the Bonds of a Series Outstanding (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"). The District will acknowledge and agree in the Master Indenture that, although the Series 2019 Bonds were issued by the District, the Owners of the Series 2019 Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer: (a) the District agrees that it shall seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2019 Bonds Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2019 Assessments relating to the Series 2019 Bonds Outstanding, the Outstanding Series 2019 Bonds or any rights of the Trustee under the Indenture (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2019 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following request for consent); (b) 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 2019 Assessments, the Series 2019 Bonds or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee; (c) the District agrees that it shall seek the written consent of the Trustee prior to filing and voting in

any such Proceeding (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2019 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following request for consent); (d) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Series 2019 Assessments relating to the Series 2019 Bonds Outstanding would have the right to pursue, and, if the Trustee chooses to exercise any such rights, the District shall not oppose the Trustee in seeking to exercise 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 and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Series 2019 Assessments relating to the Series 2019 Bonds Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and (e) 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 in good faith by the Trustee in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the District claim and rights with respect to the Series 2019 Assessments or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District will agree that the Trustee shall have the right (i) to file a proof of claim with respect to the Series 2019 Assessments pledged to the Series 2019 Bonds, (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.

Notwithstanding the provisions of the immediately preceding paragraphs, nothing in this section shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for Operation and Maintenance Assessments, and the District 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 District 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 consents with respect to the Series 2019 Assessments relating to the Series 2019 Bonds Outstanding whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (d) above. See "BONDOWNERS' RISKS – Bankruptcy and Related Risks" herein.

Events of Default and Remedies

The Indenture provides that each of the following events is an Event of Default by the District with respect to the Series 2019 Bonds, but no other Series of Bonds unless otherwise provided in the Supplemental Indenture relating to such Series:

- (a) Any payment of Debt Service on the Series 2019 Bonds is not made when due;

(b) The District shall for any reason be rendered incapable of fulfilling its obligations under the Indenture;

(c) The District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of the Series 2019 Project;

(d) The District is adjudged insolvent by a court of competent jurisdiction, or is adjudged a bankrupt on a petition in bankruptcy filed against the District, or an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the District, a receiver or trustee of the District or of the whole or any part of its property and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof;

(e) The District shall file a petition or answer seeking reorganization or any arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;

(f) Under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District's assets or any part thereof, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control;

(g) Any portion of the Series 2019 Assessments pledged to the Series 2019 Bonds shall have become Delinquent Assessments and, as the result thereof, the Indenture provides for the Trustee to withdraw funds in an amount greater than twenty-five percent (25%) of the amount on deposit in the Series 2019 Reserve Account to pay Debt Service on the Series 2019 Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners, actually withdraw such funds from the Series 2019 Reserve Account to pay Debt Service on the Series 2019 Bonds);

(h) The District shall default in the due and punctual performance of any of the material covenants, conditions, agreements and provisions contained in the Series 2019 Bonds or Indenture on the part of the District to be performed (other than a default in the payment of Debt Service on the Series 2019 Bonds when due, which is an Event of Default under subsection (a) above) and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the District by the Trustee or, if the Trustee is unwilling or unable to act, by Owners of not less than ten percent (10%) in aggregate principal amount of the Series 2019 Bonds then Outstanding and affected by such default; and

(i) More than twenty percent (20%) of the Operation and Maintenance Assessments levied by the District on tax parcels subject to Assessments pledged to the Series 2019 Bonds are not paid by the date such are due and payable.

Upon an Event of Default set forth in (a) through (i) above with respect to the Series 2019 Bonds, the Trustee shall, upon written direction of the Majority Owners of the Series 2019 Bonds then Outstanding which is subject to such default, by a notice in writing to the District,

declare the aggregate principal amount of all of the Series 2019 Bonds then Outstanding (if not then due and payable) to be due and payable immediately and, upon such declaration, the same shall become and be immediately due and payable, anything contained in the Series 2019 Bonds or Indenture to the contrary notwithstanding; provided, however, that no such declaration of acceleration shall occur as the result of an Event of Default specified in clause (a) above in the case of the Series 2019 Bonds secured by the Series 2019 Assessments, except to the extent that the Series 2019 Assessments have been accelerated and are currently due and payable in accordance with applicable law; and provided further, however, that if at any time after the aggregate principal amount of the Series 2019 Bonds then Outstanding shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, moneys shall have accumulated in the Series 2019 Revenue Account sufficient to pay the principal of all matured Series 2019 Bonds and all arrears of interest, if any, upon all Series 2019 Bonds then Outstanding (except the aggregate principal amount of any Series 2019 Bonds then Outstanding that is only due because of a declaration under the Indenture, and except for the interest accrued on the Series 2019 Bonds since the last Interest Payment Date), and all amounts then payable by the District under the Indenture shall have been paid or a sum sufficient to pay the same shall have been deposited with the Paying Agent, and every other default (other than a default in the payment of the aggregate principal amount of the Series 2019 Bonds then Outstanding that is due only because of a declaration under the Indenture) shall have been remedied, then the Trustee or, if the Trustee is unable or unwilling to act, the Majority Owners of the Outstanding Series 2019 Bonds not then due except by virtue of a declaration under the Master Indenture, may, by written notice to the District, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Upon the happening and continuance of any Event of Default, the Trustee or, if the Trustee is unwilling or unable to act, the Majority Owners of the Outstanding Series 2019 Bonds shall, subject to the requirements of the Master Indenture, have the right, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such directions shall not be in conflict with any rule of law or the Master Indenture and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unduly prejudicial to the rights of the Owners of the Series 2019 Bonds not parties to such direction or would subject the Trustee to personal liability or expense. Notwithstanding the foregoing, the Trustee shall have the right to select and retain legal counsel of its choosing to represent it in any such proceedings. See "APPENDIX A: COPY OF MASTER INDENTURE AND PROPOSED FORM OF THIRD SUPPLEMENTAL INDENTURE" attached hereto for more information regarding remedies upon an Event of Default.

ENFORCEMENT OF ASSESSMENT COLLECTIONS

General

The primary source of payment for the Series 2019 Bonds are the Series 2019 Assessments pursuant to the Assessment Methodology. See "ASSESSMENT METHODOLOGY

AND THE ALLOCATION OF ASSESSMENTS" herein and "APPENDIX D: ASSESSMENT METHODOLOGY" attached hereto.

The determination, order, levy, and collection of Series 2019 Assessments must be done in compliance with procedural requirements and guidelines provided by State law. Failure by the District, the Pasco County Tax Collector (the "Tax Collector") or the Pasco 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 2019 Assessments during any year. Such delays in the collection of Series 2019 Assessments, or complete inability to collect the Series 2019 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 2019 Bonds. See "BONDOWNERS' RISKS" herein. To the extent that landowners fail to pay the Series 2019 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 2019 Bonds. The Act provides for various methods of collection of delinquent Series 2019 Assessments by reference to other provisions of the Florida Statutes. The following is a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes but is qualified in its entirety by reference to such statutes.

Alternative Uniform Tax Collection Procedure for Series 2019 Assessments

Anything in the Indenture to the contrary notwithstanding, Series 2019 Assessments levied on platted lots and pledged under the Indenture to secure the Series 2019 Bonds shall be collected pursuant to the Uniform Method (as defined below) and Series 2019 Assessments levied on unplatted lots and pledged under the Indenture to secure the Series 2019 Bonds shall be collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, in each case unless otherwise directed by the Trustee acting at the direction of the Majority Owners. All Series 2019 Assessments that are collected directly by the District and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date.

The Florida Statutes provide that, subject to certain conditions, non-ad valorem special assessments may be collected by using the uniform method (the "Uniform Method") of collection. The Uniform Method of collection 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 2019 Assessments to be levied and then collected in this manner. The District's election to use a certain collection method with respect to the Series 2019 Assessments does not preclude it from electing to use another collection method in the future. See "Foreclosure" below with respect to collection of delinquent assessments not collected pursuant to the Uniform Method.

If the Uniform Method of collection is utilized, the Series 2019 Assessments will be collected together with County, special district, and other ad valorem taxes and non ad valorem 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 ad valorem taxes and non ad valorem 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 2019 Assessments, if any, being collected by the Uniform Method) are to be billed, and landowners in the District, subject to the next succeeding sentence, are required to pay all such taxes and assessments, without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2019 Assessments. Upon any receipt of moneys by the Tax Collector from any Series 2019 Assessments being collected using the Uniform Method, such moneys will be delivered to the District, which will remit such Series 2019 Assessments to the Trustee for deposit to the Series 2019 Revenue Account within the Revenue Fund, except that any Prepayments of Series 2019 Assessments shall be deposited to the Series 2019 Prepayment Subaccount within the Series 2019 Redemption Account of the Debt Service Fund created under the Third Supplemental Indenture and applied in accordance therewith.

All County, school and special district, including the District, ad valorem taxes, non-ad valorem special assessments, including any Series 2019 Assessments that are being collected using the Uniform Method, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, are payable at one time, except for partial payment schedules as may be provided by 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. In such cases, the Tax Collector does not accept such partial payment and the partial payment is returned to the taxpayer. Therefore, in the event the Series 2019 Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, whether it be the Series 2019 Assessments or not, would cause the applicable Series 2019 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 2019 Bonds.

Under the Uniform Method, if the Series 2019 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 ad valorem taxes and non-ad valorem special 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 2019 Bonds (1) that landowners and taxpayers in the District will pay such Series 2019 Assessments, (2) 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 (3) 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 Series 2019 Assessment Proceedings to discharge the lien of the Series 2019 Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2019 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 2019 Assessments due. In the event of a delinquency in the payment of taxes and assessments on real property, the landowner may, prior to the sale of tax certificates, pay the total amount of delinquent ad valorem taxes and non-ad valorem assessments plus the cost of advertising and the applicable interest charge on the amount of such delinquent taxes and assessments. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates on such property to the person who pays the delinquent taxes and assessments owing, penalties and interest thereon and certain costs, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%). Tax certificates are sold by public bid. 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 (currently 18%). The Tax Collector does not collect any money if tax certificates are "struck off" (issued) to the County. The County may sell such certificates to the public at any time at the principal amount thereof plus interest at the rate of not more than 18% per annum and a fee. Proceeds from the sale of tax certificates are required to be used to pay taxes and assessments (including the Series 2019 Assessments), interest, costs and charges on the real property described in the certificate. The demand for such 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 2019 Assessments, which are the primary source of payment of the Series 2019 Bonds. 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.

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 or the property is placed on the list of lands available for sale, at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, charges and omitted taxes due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 5%, 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 in the preceding paragraph.

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 outstanding tax certificates covering the land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due. 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. 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 the amount paid by such holder in applying 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. 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, and all other amounts paid by such person in applying for a tax deed, 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.

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 County may, at any time within ninety (90) days from the date of offering for public sale, purchase the land without further notice or advertising for a statutorily prescribed opening bid. After ninety (90) days have passed, any person or 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 of delinquency, unsold lands escheat to the County in which they are located 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.

Foreclosure

The following discussion regarding foreclosure is not applicable if the Series 2019 Assessments are being collected pursuant to the Uniform Method. In the event that the District, itself, directly levies and enforces, pursuant to Chapters 170 and 190, Florida Statutes, the collection of the Series 2019 Assessments levied on the land within the District, Chapter 170.10, Florida Statutes, provides that upon the failure of any property owner to pay all or any part of the principal of a special assessment, including a Series 2019 Assessment, or the interest thereon, when due, the governing body of the entity levying the assessment is authorized to commence legal proceedings for the enforcement of the payment thereof, including commencement of an

action in chancery, commencement of a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or commencement of an action under Chapter 173, Florida Statutes, relating to foreclosure of municipal tax and special assessment liens. Such a proceeding is in rem, meaning that it is brought against the land not against the owner. 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 a proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay any Series 2019 Assessments and the ability to foreclose the lien of such Series 2019 Assessments upon the failure to pay such Series 2019 Assessments may not be readily available or may be limited as such enforcement is dependent upon judicial action which is often subject to discretion and delay.

BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other sections of this Limited Offering Memorandum. Certain additional risks are associated with the Series 2019 Bonds offered hereby and are set forth below. Prospective investors in the Series 2019 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 2019 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2019 Bonds, and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the Series 2019 Bonds.

Concentration of Land Ownership

As of the date of delivery of the Series 2019 Bonds, the Developer owns all of the assessable lands within the Series 2019 Assessment Area, which are the lands that will be subject to the Series 2019 Assessments securing the Series 2019 Bonds. Payment of the Series 2019 Assessments is primarily dependent upon their timely payment by the Developer and the other future landowners in the Series 2019 Assessment Area. Non-payment of the Series 2019 Assessments by any of the landowners would have a substantial adverse impact upon the District's ability to pay Debt Service on the Series 2019 Bonds. See "THE DEVELOPER" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS" herein.

Bankruptcy and Related Risks

In the event of the institution of bankruptcy or similar proceedings with respect to the Developer or any other owner of benefited property, delays could occur in the payment of Debt Service on the Series 2019 Bonds, as such bankruptcy could negatively impact the ability of: (i) the Developer and any other landowner to pay the Series 2019 Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2019 Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Series 2019 Assessments not being collected pursuant to the Uniform Method. In

addition, the remedies available to the Owners of the Series 2019 Bonds 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, the remedies specified by federal, state and local law and in the Indenture and the Series 2019 Bonds, including, without limitation, enforcement of the obligation to pay Series 2019 Assessments and the ability of the District to foreclose the lien of the Series 2019 Assessments if not being collected pursuant to the Uniform Method, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2019 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 with respect to the Series 2019 Bonds could have a material adverse impact on the interest of the Owners thereof.

A 2011 bankruptcy court decision in Florida held that the governing body of a community development district, and not the bondholders or indenture trustee, was the creditor of the landowners/debtors in bankruptcy with respect to claims for special assessments, and thus only the district could vote to approve or disapprove a reorganization plan submitted by the debtors in the case. The district voted in favor of the plan. The governing body of the district was at that time elected by the landowners rather than qualified electors. Under the reorganization plan that was approved, a two-year moratorium was placed on the debtor landowners' payment of special assessments. As a result of this non-payment of assessments, debt service payments on the district's bonds were delayed for two years or longer. The Master Indenture provides for the delegation of certain rights from the District to the Trustee in the event of a bankruptcy or similar proceeding with respect to an Insolvent Taxpayer (as previously defined). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS – Indenture Provisions Relating to Bankruptcy or Insolvency of a Developer." The District cannot express any view whether such delegation would be enforceable.

Series 2019 Assessments Are Non-Recourse

The principal security for the payment of the principal and interest on the Series 2019 Bonds is the timely collection of the Series 2019 Assessments. The Series 2019 Assessments do not constitute a personal indebtedness of the landowners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the Developer or subsequent landowners will be able to pay the Series 2019 Assessments or that they will pay such Series 2019 Assessments even though financially able to do so. Neither the Developer nor any other subsequent landowners have any personal obligation to pay the Series 2019 Assessments. Neither the Developer nor any subsequent landowners are guarantors of payment of any Series 2019 Assessments, and the recourse for the failure of the Developer or any subsequent landowner to pay the Series 2019 Assessments, or to comply with any of the Developer's obligations to the District, is limited to the collection proceedings against the land subject to such unpaid Series 2019 Assessments, as described herein. Therefore the likelihood of collection of the Series 2019 Assessments may ultimately depend on the market value of the land subject to the Series 2019 Assessments. While the ability of the Developer or subsequent landowners to pay the Series 2019 Assessments is a relevant factor, the willingness of the Developer or subsequent landowners to pay the Series 2019 Assessments, which may also be affected by the value of the land subject to the Series 2019 Assessments, is also an important factor in the

collection of Series 2019 Assessments. The failure of the Developer or subsequent landowners to pay the Series 2019 Assessments could render the District unable to collect delinquent Series 2019 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 Debt Service on the Series 2019 Bonds.

Regulatory and Environmental Risks

The development of the District Lands 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 of the District Lands. See "THE DEVELOPMENT – Development Approvals," herein for more information.

The value of the land within the District, the success of the Development, the development of the District and the likelihood of timely payment of principal and interest on the Series 2019 Bonds could be affected by environmental factors with respect to the land in the District. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the District, which could materially and adversely affect the success of the development of the lands within the District and the likelihood of the timely payment of the Series 2019 Bonds. 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. See "THE DEVELOPMENT – Environmental" for information on environmental site assessments obtained or received and certain remedial work the Developer anticipates being performed. Nevertheless, it is possible that hazardous environmental conditions could exist within the District or in the vicinity of the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District. 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 or sale of the lands in the District.

The value of the lands subject to the Series 2019 Assessments could also be adversely impacted 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 District Lands unable to support future development. The occurrence of any such events could materially adversely impact the District's ability to pay principal and interest on the Series 2019 Bonds. The Series 2019 Bonds are not insured, and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

Economic Conditions and Changes in Development Plans

The successful development of the Series 2019 Assessment Area and the sale of residential units therein, once such homes are built, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer. Moreover, the Developer has the right to modify or change plans for development of the Development, including without limitation the Series 2019 Assessment Area, from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed, and may seek in the future, in accordance with and subject to the provisions of the Act, to contract or expand the boundaries of the District.

Other Taxes and Assessments

The willingness and/or ability of an owner of benefited land to pay the Series 2019 Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the County or any other local special purpose or general purpose governmental entities. County, school, special district taxes and special assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, including the Series 2019 Assessments, collected pursuant to the Uniform Method are payable at one time. Public entities whose boundaries overlap those of the District could, without the consent of the owners of the land within the District, impose additional taxes on the property within the District. The District anticipates continuing to impose operation and maintenance assessments encumbering the same property encumbered by the Series 2019 Assessments. In addition, lands within the District may also be subject to assessments by property owners' and homeowners' associations. See "THE DEVELOPMENT – Taxes, Fees and Assessments" for additional information.

Under Florida law, a landowner may contest the assessed valuation determined for its property that forms the basis of ad-valorem taxes such landowner must pay. During this contest period, the sale of a tax certificate under the Uniform Method will be suspended. If the Series 2019 Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to such Series 2019 Assessment, even though the landowner is not contesting the amount of the Series 2019 Assessment. However, Section 194.014, Florida Statutes, requires taxpayers challenging the assessed value of their property to pay all non-ad valorem taxes and at least 75% of their ad valorem taxes before they become delinquent. Likewise, taxpayers who challenge the denial of an exemption or classification or a determination that their improvements were substantially complete must pay all non-ad valorem assessments and the amount of ad valorem taxes that they admit in good faith to be owing. If a taxpayer fails to pay property taxes as set forth above, the Value Adjustment Board considering the taxpayer's challenge is required to deny such petition by written decision by April 20 of such year.

Limited Secondary Market for Series 2019 Bonds

The Series 2019 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2019 Bonds in the event an Owner thereof determines to solicit purchasers for the Series 2019 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2019 Bonds may be sold.

Such price may be lower than that paid by the current Owners of the Series 2019 Bonds, depending on the progress of development of the Development and the lands within the District, as applicable, existing real estate and financial market conditions and other factors.

Inadequacy of Series 2019 Reserve Account

Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Series 2019 Assessments, may not adversely affect the timely payment of Debt Service on the Series 2019 Bonds because of the Series 2019 Reserve Account. The ability of the Series 2019 Reserve Account to fund deficiencies caused by delinquencies in the Series 2019 Assessments is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in the Series 2019 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 in the Series 2019 Reserve Account to make up deficiencies. If the District has difficulty in collecting the Series 2019 Assessments, the Series 2019 Reserve Account would be rapidly depleted and the ability of the District to pay Debt Service on the Series 2019 Bonds could be materially adversely affected. In addition, during an Event of Default under the Indenture, the Trustee may withdraw moneys from the Series 2019 Reserve Account and such other Funds, Accounts and subaccounts created under the Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If in fact the Series 2019 Reserve Account is accessed for any purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2019 Assessments in order to provide for the replenishment of the Series 2019 Reserve Account. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS – Series 2019 Reserve Account" herein for more information about the Series 2019 Reserve Account.

Legal Delays

If the District should commence a foreclosure action against a landowner for nonpayment of Series 2019 Assessments that are not being collected pursuant to the Uniform Method, such landowner and/or its mortgagee(s) may raise affirmative defenses to such foreclosure action. Although the District expects that such affirmative defenses would likely be proven to be without merit, they could result in delays in completing the foreclosure action. In addition, the District is required under the Indenture to fund the costs of such foreclosure. It is possible that the District will not have sufficient funds and will be compelled to request the Holders of the Series 2019 Bonds to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Code, there are limitations on the amounts of proceeds from the Series 2019 Bonds that can be used for such purpose.

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 subsection, the "Audited Bonds") issued by Village Center Community Development District (the "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 government 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 were 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 the 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 the Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that the 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 the 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 the Village Center CDD.

On February 23, 2016, the IRS published proposed regulations designed to provide prospective guidance with respect to potential private business control of issuers by providing a new definition of political subdivision for purposes of determining whether an entity is an appropriate issuer of bonds the interest on which is excluded from gross income for federal tax purposes. The proposed regulations required that a political subdivision (i) have the power to exercise at least one sovereign power, (ii) be formed and operated for a governmental purpose, and (iii) have a governing body controlled by or have significant uses of its funds or assets otherwise controlled by a government unit with all three sovereign powers or by an electorate that is not controlled by an unreasonably small number of unrelated electors. On October 4, 2017, the Treasury Department ("Treasury") announced that it would withdraw the proposed regulations, stating that, "while Treasury and the IRS continue to study the legal issues relating to political subdivisions, Treasury and the IRS currently believe that these proposed regulations should be withdrawn in their entirety, and plan to publish a withdrawal of the proposed regulations shortly in the Federal Register. Treasury and the IRS may propose more targeted guidance in the future after further study of the relevant legal issues." Notice of withdrawal of the proposed regulations was published in the Federal Register on October 20, 2017.

It has been reported that the IRS has closed audits of other community development districts in Florida with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within the timeframe established by the applicable state law or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six years from the

date of establishment of the community development district or the time at which there are at least 250 qualified electors in the district. 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 of the members of the Board of the District were elected by the landowners and none were elected by qualified electors. The Developer will certify as to its expectations as to the timing of the transition of control of the Board of the District to qualified electors pursuant to the Act, and its expectations as to compliance with the Act by any members of the Board that it elects. Such certification by the Developer does not ensure that such certification shall be determinative of, or may influence the outcome of any audit by the IRS, or any appeal from such audit, that may result in an adverse ruling that the District is not a political subdivision for purposes of Section 103(a) of the Code. Further, there can be no assurance that an audit by the IRS of the Series 2019 Bonds will not be commenced. 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 2019 Bonds are advised that, if the IRS does audit the Series 2019 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 2019 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 2019 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 2019 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 2019 Bonds would adversely affect the availability of any secondary market for the Series 2019 Bonds. Should interest on the Series 2019 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2019 Bonds be required to pay income taxes on the interest received on such Series 2019 Bonds and related penalties, but because the interest rate on such Series 2019 Bonds will not be adequate to compensate Owners of the Series 2019 Bonds for the income taxes due on such interest, the value of the Series 2019 Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATES ON THE SERIES 2019 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2019 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2019 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2019 BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2019 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 (AS HEREINAFTER DEFINED).

Loss of Exemption from Securities Registration

Since the Series 2019 Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, because of the exemption for political subdivisions, if the District is ever deemed by the IRS, judicially or

otherwise, not to be a political subdivision for purposes of the Code, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of federal and state securities laws. Accordingly, the District and purchasers of Series 2019 Bonds may not be able to rely on the exemption from registration under the Securities Act relating to securities issued by political subdivisions. In that event, the Owners of the Series 2019 Bonds would need to ensure that subsequent transfers of the Series 2019 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act and applicable state securities laws.

Federal 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 2019 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 2019 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 2019 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2019 Bonds. Prospective purchasers of the Series 2019 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation as well as the impact of federal legislation enacted in December 2017. See also "TAX MATTERS."

State Tax Reform

It is impossible to predict what new proposals may be presented regarding tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. On October 31, 2014, the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for community development district bonds. This report renews requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the "Executive Order") directing the Office of Policy and Budget in the Executive Office of the Governor ("OPB") to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the Series 2019 Bonds. It should be noted that Section 190.16(14) of the Act provides in pertinent part that "The state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the ... assessments... and to fulfill the terms of any agreement made with the holders of such bonds ... and that it will not impair the rights or remedies of such holders."

Insufficient Resources or Other Factors Causing Failure to Complete the Development of the Series 2019 Assessment Area or the Construction of Homes within the Series 2019 Assessment Area

The proceeds of the Series 2019 Bonds will be used entirely to acquire portions of the District-wide system of improvements. The District Engineer has estimated the cost to complete the public infrastructure for the Series 2019 Assessment Area to be approximately \$7,450,000. The District does not have sufficient moneys on hand to complete this infrastructure and, further, pursuant to the Indenture, the District covenants and agrees that the District shall not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands within the District for any capital project until the Series 2019 Assessments are Substantially Absorbed. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS – Additional Bonds" for more information. Although the Developer will agree to fund or cause to be funded the completion of the development of the Series 2019 Assessment Area regardless of the insufficiency of proceeds from the Series 2019 Bonds and will enter into a completion agreement with the District as evidence thereof, there can be no assurance that the Developer will have sufficient resources to do so. Such obligation of the Developer is an unsecured obligation. Further, even if development of the Series 2019 Assessment Area is completed, there are no assurances that homes will be constructed and sold within the Series 2019 Assessment Area. See "THE DEVELOPER" herein for more information.

Payment of Series 2019 Assessments after Bank Foreclosure

In the event a bank forecloses on property because of a default on a mortgage in favor of such bank on any of the assessable lands within the District, 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 2019 Assessments levied on such property. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

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ESTIMATED SOURCES AND USES OF FUNDS

<u>Source of Funds</u>	<u>Series 2019 Bonds</u>
Par Amount of Series 2019 Bonds	\$4,705,000.00
Total Sources	\$4,705,000.00
 <u>Uses of Funds</u>	
Deposit to Series 2019 Acquisition and Construction Account	\$3,929,881.53
Deposit to Series 2019 Reserve Account	145,028.75
Deposit to Series 2019 Capitalized Interest Account ⁽¹⁾	355,214.72
Deposit to Series 2019 Costs of Issuance Account ⁽²⁾	180,775.00
Underwriter's Discount	94,100.00
Total Uses	\$4,705,000.00

⁽¹⁾ Interest capitalized through May 1, 2021.

⁽²⁾ Costs of issuance includes, without limitation, legal fees and other costs associated with the issuance of the Series 2019 Bonds.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the Series 2019 Bonds:

Year Ended May 1	Series 2019 Bonds		
	Principal	Interest	Total
2019		\$ 51,708.47	\$ 51,708.47
2020		202,337.50	202,337.50
2021		202,337.50	202,337.50
2022	\$85,000.00	200,850.00	285,850.00
2023	90,000.00	197,787.50	287,787.50
2024	95,000.00	194,550.00	289,550.00
2025	95,000.00	191,225.00	286,225.00
2026	100,000.00	187,637.50	287,637.50
2027	105,000.00	183,691.25	288,691.25
2028	110,000.00	179,552.50	289,552.50
2029	110,000.00	175,317.50	285,317.50
2030	115,000.00	170,986.25	285,986.25
2031	120,000.00	166,162.50	286,162.50
2032	125,000.00	160,833.75	285,833.75
2033	130,000.00	155,287.50	285,287.50
2034	140,000.00	149,415.00	289,415.00
2035	145,000.00	143,216.25	288,216.25
2036	150,000.00	136,800.00	286,800.00
2037	160,000.00	130,057.50	290,057.50
2038	165,000.00	122,988.75	287,988.75
2039	170,000.00	115,702.50	285,702.50
2040	180,000.00	108,090.00	288,090.00
2041	190,000.00	99,900.00	289,900.00
2042	195,000.00	91,237.50	286,237.50
2043	205,000.00	82,237.50	287,237.50
2044	215,000.00	72,787.50	287,787.50
2045	225,000.00	62,887.50	287,887.50
2046	235,000.00	52,537.50	287,537.50
2047	245,000.00	41,737.50	286,737.50
2048	255,000.00	30,487.50	285,487.50
2049	270,000.00	18,675.00	288,675.00
2050	280,000.00	6,300.00	286,300.00
Total	\$4,705,000.00	\$4,085,322.22	\$8,790,322.22

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THE DISTRICT

General Information

The District is a local unit of special purpose government of the State of Florida, created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") and Ordinance number 06-33 enacted by the Board of County Commissioners of the County on October 24, 2006. The boundaries of the District include approximately 547.3 acres of land (the "District Lands") located within an unincorporated area of the southeastern portion of the County. See "THE DEVELOPMENT" herein for more information.

Legal Powers and Authority

The District is an independent special-purpose unit of local government created pursuant to, and established in accordance with, the Act. 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 pursuant to its general law charter. The District is classified as an independent district under Chapter 189, Florida Statutes.

Among other provisions, the Act gives the District's Board of Supervisors the authority to, among other things, (a) plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for, among other things: (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 waste-water management, reclamation and reuse systems or any combination thereof and to construct and operate connecting intercept 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 specifications of the county in which such District roads are located and street lights, landscaping, hardscaping and undergrounding of electric utility lines; and (iv) 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; (b) borrow money and issue bonds of the District; (c) impose and foreclose special assessment liens as provided in the Act; and (d) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District stated in the Act.

The Act does not empower the District to adopt and enforce any land use plans or zoning ordinances, and the Act does not empower the District to grant building permits; these functions are to be performed by general purpose local governments having jurisdiction over the lands within the District.

The Act exempts all property owned by the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of the District to pursue any

remedy for enforcement of any lien or pledge of the Series 2019 Pledged Revenues in connection with its bonds, including the Series 2019 Bonds.

Board of Supervisors

The governing body of the District is its Board of Supervisors (the "Board"), which is composed of five Supervisors (the "Supervisors"). The Act provides that, at the initial meeting of the landowners, Supervisors must be elected by the landowners with the two Supervisors receiving the highest number of votes to serve for four years and the remaining Supervisors to serve for a two-year term. Three of the five Supervisors are elected to the Board every two years in November. At such election the two Supervisors receiving the highest number of votes are elected to four-year terms and the remaining Supervisor is elected to a two-year term. Until the later of six (6) years after the initial appointment of Supervisors or the year in which there are at least 250 qualified electors in the District, or such earlier time as the Board may decide to exercise its ad valorem taxing power, the Supervisors are elected by vote of the landowners of the District. Ownership of the land within the District entitles the owner to one vote per acre (with fractions thereof rounded upward to the nearest whole number and, for purposes of determining voting interests, platted lots shall be counted individually and rounded up to the nearest whole acre and shall not be aggregated for determining the number of voting units held). Upon the later of six (6) years after the initial appointment of Supervisors or the year in which there are at least 250 qualified electors in the District, the Supervisors whose terms are expiring will be elected (as their terms expire) by qualified electors of the District, except as described below. A qualified elector is a registered voter who is at least eighteen years of age, a resident of the District and the State of Florida and a citizen of the United States. At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors, both to four-year terms. Thereafter, as terms expire, all Supervisors must be qualified electors and are elected to serve four-year terms. If there is a vacancy on the Board, whether as a result of the resignation or removal of a Supervisor or because no elector qualifies for a seat to be filled in an election, the remaining Board members are to fill such vacancy for the unexpired term.

Notwithstanding the foregoing, if at any time the Board proposes to exercise its ad valorem taxing power, prior to the exercise of such power, it shall call an election at which all Supervisors shall be qualified electors and shall be elected by qualified electors in the District. Elections subsequent to such decision shall be held in a manner such that the Supervisors will serve four-year terms with staggered expiration dates in the manner set forth in the Act. At the time of the sale of the Series 2019 Bonds, all of the current members of the Board are employees of, or otherwise affiliated with, the Developer.

The Act provides that it shall not be an impermissible conflict of interest under Florida law governing public officials for a Supervisor to be a stockholder, officer or employee of a landowner or of any entity affiliated with a landowner.

The current members of the Board and the expiration of the term of each member are set forth below:

Name	Title	Term Expires
Betty Valenti*	Chairperson	November 2022
David Griffin*	Vice-Chairperson	November 2022
Brady Lefere*	Assistant Secretary	November 2020
Brian Soldano*	Assistant Secretary	November 2020
Lee Thompson*	Assistant Secretary	November 2020

* Affiliated with the Developer or one of its affiliates

A majority of the members of the Board constitutes a quorum for the purposes of conducting its business and exercising its powers and for all other purposes. Action taken by the District shall be upon a vote of a majority of the members present unless general law or a rule of the District requires a greater number. All meetings of the Board are open to the public under Florida's open meeting or "Sunshine" law.

The District Manager and Other Consultants

The chief administrative official of the District is the District Manager (as hereinafter defined). The Act provides that a district manager has charge and supervision of the works of the District and is responsible for preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, for maintaining and operating the equipment owned by the District, and for performing such other duties as may be prescribed by the Board.

The District has retained Rizzetta & Company, Incorporated, Tampa, Florida, to serve as its district manager ("District Manager"). The District Manager's office is located at 12750 Citrus Park Lane, Suite 115, Tampa, Florida 33625, telephone number (813) 933-5571.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Bond Counsel; Stantec, Tampa, Florida, as Consulting Engineer (the "Consulting Engineer"); and Burr & Forman LLP, Tampa, Florida, as District Counsel. The Board has also retained Rizzetta & Company, Incorporated, Tampa, Florida, to serve as Methodology Consultant and the Dissemination Agent for the Series 2019 Bonds.

Outstanding Indebtedness

The District has previously issued \$3,405,000 Capital Improvement Revenue Bonds, Series 2016A-1 and its \$3,330,000 Capital Improvement Revenue Bonds, Series 2016A-3 (collectively, the "Series 2016A Bonds" or "Outstanding Bonds"). The proceeds of the Series 2016A Bonds were used to provide funds for master improvements, construction and/or acquisition of infrastructure in Phases 1A-1, 1A-2, 1A-3, 1B and 1-E (the "Series 2016A Assessment Areas"). As of June 1, 2019, all the 516 lots are platted and there are over 338 home sales in the Series 2016A Assessment Areas as further described herein. The summary of the Series 2016A Bonds and the current outstanding balances are as follows:

Outstanding Bonds	Lien	Initial Par Amount	Current Principal Outstanding
2016A-1 Bonds	Phases 1A-1 & 1A-2 (248 lots)	\$3,405,000	\$3,310,000
2016A-3 Bonds	Phases 1A-3, 1-B, & 1-E (268 lots)	\$3,330,000	\$3,330,000

THE CIP AND THE SERIES 2019 PROJECT

As described in the "Talavera Community Development District Capital Improvement Revenue Bonds, Series 2019 Report of the District Engineer" dated June 26, 2019 (the "Engineer's Report"), the District's Capital Improvement Plan (the "CIP") is a system of public infrastructure improvements which includes, but is not limited to, master roadways, water and wastewater facilities, landscaping and hardscaping, utilities, amenities, as well as community or subdivision improvements. The estimated total cost of the CIP is approximately \$22,000,000.

The Developer and the District have previously entered into various acquisition and construction funding agreements whereby the Developer has advanced funds to the District for purposes of constructing CIP improvements. Since inception, the Developer has advanced \$8,498,624 to the District for CIP improvements for which the Developer has not been paid. As of June 1, 2019, all the Development's master infrastructure is complete except one lift station necessary to service Phase 2A in the Series 2019 Assessment Area. The master improvements include: including offsite roadway improvements at U.S 41, Talavera Parkway, water and sanitary sewer improvements, all recreational amenities, and landscaping, hardscaping, and irrigation on the common properties. The remaining CIP to be constructed therefore, is the lift station and the subdivision improvements for Phases 1C, 1D, 2A, & 2B of the Development, which is anticipated to include 284 single-family units (the "Series 2019 Assessment Area"). See "THE DEVELOPMENT – Development Status" herein.

The "Series 2019 Project" is defined in the Third Supplemental Indenture to mean that portion of the CIP benefitting the Series 2019 Assessment Area and financed with proceeds of the Series 2019 Bonds. The proceeds of the Series 2019 Bonds will be used entirely to acquire portions of the District-wide system of improvements constructed by the Developer. The District Engineer has estimated the cost to complete the public infrastructure for the Series 2019 Assessment Area to be approximately \$7,268,000, which does not include certain non-CIP development costs which the Developer estimates to be \$605,000.

The Development (as defined below) is being constructed in nine phases, the 516 planned lots in the first five phases consisting of Phases 1A-1, 1A-2, 1A-3, 1B, and 1E (the "Series 2016A Assessment Areas") have been platted. The remaining four phases of the Development, comprised of Phases 1C, 1D, 2A, and 2B (the "Series 2019 Assessment Area"), are unimproved and planned for 284 lots and will secure the Series 2019 Bonds. The Developer expects to begin construction on the first 100 planned lots in the Series 2019 Assessment Area early 2020.

The net proceeds of the Series 2019 Bonds are approximately \$3.9 million and will be used to acquire the infrastructure already constructed by the Developer. Such infrastructure amount represents a proportionate share of the District-wide infrastructure improvements that benefit the Series 2019 Assessment Area. The remaining CIP costs for the Series 2019 Assessment Area will be funded by Developer with equity and cashflow from home sales within the Development, as described under the heading "THE DEVELOPMENT – Land Acquisition and Development Financing." There are also limitations on issuing Additional Bonds on the Series 2019 Assessment Area lands until the Series 2019 Assessments have been Substantially Absorbed. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS - Additional Bonds" for more information. Notwithstanding the foregoing, at the time of issuance of the Series 2019 Bonds, the Developer and the District will enter into an agreement (the "Completion Agreement") whereby the Developer will agree to complete the infrastructure for the Series 2019 Assessment Area. The District cannot make any representation that the Developer will have enough funds to complete the final phases of the Development. See "BONDOWNERS' RISKS - Insufficient Resources or Other Factors Causing Failure to Complete the Development of the Series 2019 Assessment Area or the Construction of Homes within the Series 2019 Assessment Area."

The District Engineer has indicated that all permits necessary to construct the entire Development have either been obtained or are expected to be obtained in the ordinary course of development. In addition to the Engineer's Report, please refer to "THE DEVELOPMENT – Development Approvals" for a more detailed description of the entitlement, zoning status and permitting status of the Development.

ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS

General

Rizzetta & Company, Incorporated, Tampa, Florida (the "Methodology Consultant"), has prepared the Master Special Assessment Allocation Report dated August 12, 2015 (the "Master Method Methodology") and the Final Supplemental Special Assessment Allocation Report Capital Improvement Revenue Bonds, Series 2019 dated July 18, 2019 (the "Supplemental Methodology" and, together with the Master Methodology, the "Assessment Methodology") attached hereto as APPENDIX D. The Assessment Methodology sets forth an overall method for allocating the Series 2019 Assessments to be levied against the lands within the District benefited by the Series 2019 Project and collected by the District as a result thereof. Once levied and imposed, the Series 2019 Assessments are a first lien on the land against which assessed until paid or barred by operation of law, co-equal with other taxes and assessments levied by the District and other units of government. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein. The lands securing the Series 2019 Bonds and the Series 2016A Bonds, while adjacent to each other, are separate and distinct assessment areas; there are no cross-collateralization or cross-default provisions. No Additional Bonds can be issued on the land securing the Series 2019 Assessment Area without Bondholder's consent as described herein. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS - Additional Bonds" for more information.

The land within the District has been and is expected to continue to be subject to taxes and assessments imposed by taxing authorities other than the District. These taxes would be

payable in addition to the Series 2019 Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Pasco County, Florida may each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year. See "THE DEVELOPMENT – Taxes, Fees and Assessments" for more information.

Series 2019 Assessments

The Series 2019 Bonds are payable from and secured solely by the Series 2019 Trust Estate, which consists primarily of the Series 2019 Assessments. The Series 2019 Assessments will initially be levied over the remaining 274.8 unplatted acres in the Development (which is comprised of Phases 1C, 1D, 2A and 2B) on an equal acreage basis, and will be allocated on a first platted, first assigned basis. As properties are developed and platted, the assessments will be assigned to the developed and platted properties in accordance with the Assessment Methodology. See "APPENDIX D: ASSESSMENT METHODOLOGY" herein. Upon completion of platting within the Series 2019 Assessment Area, the Series 2019 Assessments levied to pay debt service on the Series 2019 Bonds, along with the total Series 2019 Bonds par amount allocated per unit, are expected to be as follows:

	<u>Est. Annual Series 2019 Assessments*</u>	<u>Est. Series 2019 Bonds Total Par Per Unit</u>
Single Family 60'	\$1,000	\$15,238
Single Family 65'	\$1,083	\$16,503
Single Family 75'	\$1,250	\$19,048

* Assumes recognition of a Developer contribution of infrastructure of \$56,646.79. Estimated Annual Series 2019 Assessments include estimated County collection costs/payment discounts, which may fluctuate.

The following information appearing below under the captions "THE DEVELOPMENT" and "THE DEVELOPER" has been furnished by the Developer for inclusion in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by the District or its counsel, or the Underwriter or its counsel, and no person other than the Developer makes any representation or warranty as to the accuracy or completeness of such information supplied by it.

The following information is provided by the Developer as a means for the prospective bondholders to understand the anticipated development plan and risks associated with the Development. The Developer's obligations to pay the Series 2019 Assessments are no greater than the obligation of any other landowner within the District. The Developer is not a guarantor of payment on any property within the District and the recourse for the Developer's failure to pay, or otherwise comply with its obligations to the District, is limited to its ownership interests in the property.

THE DEVELOPMENT

Overview

Talavera encompasses approximately 547 acres (the "Development") and is in the northern area of unincorporated Pasco County, Florida in the greater metropolitan Tampa Bay area. The Development is situated on U.S. 41, approximately one mile north of State Road 52. and approximately three miles east of the Suncoast Parkway toll road. The District is located entirely within the Development. The Development is located approximately 28 miles from downtown Tampa and approximately 33 miles from the Tampa International Airport. See Exhibit A - Vicinity Map to the Engineer's Report attached hereto as APPENDIX C for a depiction of the location of the Development and the District.

The Development has primarily been marketed to families and move up buyers seeking an amenitized community with a Mediterranean feel and country charm. The District issued its \$6,735,000 Series 2016 Bonds in December 2016 to provide a portion of the funds to develop the 516 planned lots in the Series 2016A Assessment Areas. As of June 1, 2019, the Developer has sold 295 homes including contracts on 37 homes in the Series 2016A Assessment Areas. In addition, the Developer sold 119 lots in fourth quarter of 2017 to Pulte Homes and as of June 1, 2019, Pulte Homes has sold 43 homes. In total, the Developer and Pulte Homes have sold 338 homes of the 516 planned lots in the Series 2016A Assessment Areas. The District's completed recreational facilities include a cabana with pool and splash pad, air-conditioned meeting room, full size basketball court, tennis court and playground facilities. These amenities were completed in August 2016.

The Series 2019 Assessments will initially be levied over the gross acres in Phases 1C, 1D, 2A and 2B of the District, which comprise the Series 2019 Assessment Area, on an equal acreage basis, and will be allocated on a first platted, first assigned basis. The Series 2019 Assessment Area is planned for 284 single-family units.

Land Acquisition and Development Financing

The acreage constituting the Development was originally acquired in June 2013 by the Developer for \$6,100,000 in a cash transaction. There is no mortgage on the property. All CIP costs not funded with the proceeds of the Series 2019 Bonds are expected to be funded with Developer equity and cashflow from the Development.

Development Status

All of the Development's master infrastructure is complete except the final lift station for Phase 2A. This includes offsite roadway improvements at U.S 41, Talavera Parkway, as well as water and sanitary sewer improvements. The recreational amenities are complete, and substantial landscaping, hardscaping, and irrigation has been completed along U.S. 41, Talavera Parkway and the recreational facility. The 516 lots planned in the Series 2016A Assessment Areas are platted. Development of the Series 2019 Assessment Area is projected to commence in the first quarter of 2020 with completion estimated by the second quarter of 2023. However, the ultimate timing of the final phase will be based on market factors and is subject to change. The tables below summarizes the status of development and cost to complete the remainder of the Development.

<u>Phase</u>	<u>Units</u>	<u>Status</u>	<u>Bond Issue</u>
1A-1	106	Platted	Series 2016A-1
1A-2	142	Platted	Series 2016A-1
1A-3	105	Platted	Series 2016A-3
1B	93	Platted	Series 2016A-3
1E	70	Platted	Series 2016A-3
1C	66	Unimproved	Series 2019
1D & 2B	100	Unimproved	Series 2019
2A	<u>118</u>	Unimproved	Series 2019
Total:	800		

The projected costs to complete the infrastructure improvements for the Series 2019 Assessment Area of 1C, 1D, 2A and 2B is as follows:

<u>Item</u>	<u>Cost</u>
District Roads	\$1,560,000
Water Management Control	1,420,000
Sewer and Wastewater Management	2,220,000
Water Supply	960,000
Landscape / Hardscape	106,000
Undergrounding of Electrical Power	142,000
Professional / Permitting Fees	480,000
Contingency	<u>400,000</u>
Total Estimated Costs	\$7,268,000*

* Does not include certain non-CIP development costs which the Developer estimates to be \$605,000.

Builders in the Series 2016A Assessment Area

In addition to the Developer, Pulte Homes is also serving as a builder in the Development. Pulte Home Company, LLC, 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"). Pulte Homes does not own any land in the Series 2019 Assessment Area. 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 Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above. See "THE DEVELOPER" for more information on the Developer.

Sales Activity and Projected Absorptions

As of June 1, 2019, the Developer has sold 295 homes in the Series 2016A Assessment Areas. In Addition, the Developer sold 119 lots in the fourth quarter of 2017 to Pulte Homes and as of June 1, 2019, Pulte Homes has sold 43 homes. In total, the Developer and Pulte Homes have sold 338 homes of the 516 planned lots in the Series 2016A Assessment Areas. The following table sets forth the anticipated absorption schedule for M/I Homes and Pulte Homes for the remaining lots in the Development. Actual home/lot closings with the ultimate retail homebuyers will be dependent on the success of the builders in the Development:

	<u>2019 *</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
Units	63	118	113	76	68	24	462

*- Sales through 6/1/19 of 56 units included above in total sales to date of 338.

The aforementioned projections are based upon estimates and assumptions that are inherently uncertain, though considered reasonable, and are subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict. As a result, there can be no assurance that such projections will occur or be realized in the time frames anticipated. See "BONDOWNERS' RISKS" herein.

Residential Product Offerings

The Development continues to be marketed to attract families and move-up buyers with a Mediterranean-style community with country charm. The Developer is marketing its products through its website, radio and billboard advertisements, direct mail, online ads and displays and realtor promotions. The Developer is conducting sales activities from its on-site model center. The estimated home sizes and base price ranges for each of the different unit types in the Development are provided below:

	<u>Square Footage</u>	<u>Estimated Price</u>
Single Family 60'	1,674 – 2,162	\$186,990 - \$241,990
Single Family 65'	2,503 – 2,855	\$260,990- \$279,990
Single Family 75'	3,811-3,990 +	\$321,990 - \$329,990

As described above, the Development's amenities include a cabana with pool and splash pad, air-conditioned meeting room, full size basketball court, tennis court and playground facilities.

Development Approvals

The Development is a master planned community that is encompassed by the Talavera (f/k/a Edward's Grove) Master Planned Unit Development ("MPUD"). The MPUD was originally approved on September 21, 2004 and was amended on July 26, 2005 with non-substantial modifications. The MPUD allows a maximum of 840 residential units to be constructed within the Development; however, due to a constraint in transportation concurrency, the Development is planned for 800 residential units.

The District Engineer has confirmed that all major zoning approvals have been received to permit the development of the 800 planned residential units within the Development. In addition, see the Engineer's Report attached hereto as APPENDIX A for a detailed discussion of the various permits. All concurrency requirements and entitlements as a condition precedent to commencement of construction of homes in the Development as contemplated in the Engineer's Report have been received. All significant required offsite improvements required for the Series 2019 Assessment Area have been completed. The Developer is required to complete a traffic signal warrant study prior to platting the last phase of the project to determine if a traffic signal is warranted at the project entrance on U.S. Hwy 41.

Any remaining necessary permits are expected to be obtained in the ordinary course of business throughout the development process and the District's Engineer will certify at the closing of the Series 2019 Bonds that there are no known issues which would prevent permits necessary for the installation of the infrastructure for the Development from being obtained.

Environmental

The Developer previously obtained a Phase 1 Environmental Site Assessment ("ESA") which determined that a localized area of copper soil contamination, which was previously discovered during a 2005 limited Phase II ESA, was still present on the property. This area of contamination is located within Phase 2A of the Development, which is slated for future development and must be remediated by the Developer in the normal course of development as recommended in the ESA. The Developer intends to remediate the issue as recommended in the report. The recommended remediation is to bury the soil in non-residential areas on site. No soil will be placed in residential lots or in amenity areas. The Developer estimates the total cost to be between \$25,000 and \$50,000 for the remediation which includes removing the limited debris, the import and export of fill dirt and special purpose soils testing. See "BONDHOLDER'S RISKS' – Regulatory and Environmental Risks" herein.

Schools

The schools for which children in the Development are zoned are Mary Giella Elementary School, Crews Lake Middle School and Land O' Lakes High School which are located approximately seven miles, eight miles and seven miles from the Development, respectively, and are currently rated by the State as B, C and A, respectively. Although the foregoing information is current as of the date hereof, the Pasco County School District may

change school boundaries from time to time and there is no requirement that students residing in the Development be permitted to attend the schools which are closest to the Development.

Utilities

The Development is located within the franchise/service areas of Pasco County which provides water and wastewater services to the Development. Withlacootchie River Electric provides electrical power to the Development. Brighthouse and Verizon provide telephone, internet and cable services.

Taxes, Fees and Assessments

Each homeowner residing in the 2019 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 2019 Assessments, association fees, and administrative, operation and maintenance assessments levied by the District as described in more detail below. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" for the expected Series 2019 Assessment amounts.

Property Taxes

The current millage rate for the area of the County where the District is located is 16.1891 mills. Accordingly, by way of example, the annual property taxes for a \$250,000 assessed value home with a \$25,000 homestead exemption (\$225,000 taxable value), would be approximately \$3,848.

Homeowner's Association Fees

All homeowners will be subject to annual homeowner's association ("HOA") fees for architectural review, deed restriction enforcement, waste management, as well as operation and maintenance of any HOA-owned facilities. The current annual master HOA fee is approximately \$290 payable in quarterly installments of \$72.50, which is subject to annual adjustment. Furthermore, it is anticipated that funds derived from the HOA fees will be used by such association primarily to pay for architectural review fees, deed restriction, waste management, as well as operation and maintenance of any HOA-owned facilities.

Operation and Maintenance Assessments

It is anticipated that funds derived from the operation and maintenance assessments in the initial annual amount of approximately \$1,242 per year will be used by the District primarily to pay for administrative overhead and operating expenses including, without limitation, District management, insurance, maintenance and supplies. The assessments imposed by the District for its administrative, operation and maintenance costs will vary annually, based on the adopted budget of the District for a fiscal year.

Competition

The Developer anticipates that its primary competition will come from the communities listed below. The information appearing below has been obtained from the websites for each of

these communities and the District makes no representation as to the accuracy or completeness of such information.

Connerton

Connerton is a master planned, mixed use community located approximately five miles south of the Development on U.S. 41 and commenced development in 2004. When complete, Connerton is expected to be composed of approximately 8,600 homes, 730,000 square feet of retail services, 1.4 million square feet of office, medical and industrial space, a government center, multiple schools, and more than 1,800 acres of natural, protected spaces which promotes a live/work/play environment. Amenities include a water park and resort-style pool, sports and fitness center, kids' zone, tennis, basketball and volleyball courts, and an outdoor amphitheater. Currently, multiple homebuilders are offering move-in-ready homes starting at \$254,540 to over \$400,000 and square footage ranging from approximately 2,074 square feet to more than 3,700 square feet. Additional information on models and floorplans can be found at connerton.com. The Connerton West CDD has issued multiple series of bonds to fund public improvements, most recently in 2018. For further information, please visit emma.msrb.org.

Lakeside

Lakeside is an approximately 434-acre residential community located approximately 4.5 miles northwest of the State Road 52 and Suncoast Parkway interchange, in northwestern Pasco County. Lakeside is currently planned to include approximately 779 single-family detached and attached residential units and recreational facilities. Development activities originally commenced in 2006. Lennar Homes is actively building homes within Lakeside, with offerings ranging in price starting from \$145,000 for villas to \$300,000 for single family homes and in size from approximately 1,730 square feet to 3,000 square feet. The Lakeside CDD has issued multiple series of bonds to fund public improvements, most recently in 2018. For further information, please visit emma.msrb.org.

Cypress Preserve

Cypress Preserve is an approximately 443-acre master planned community located approximately three miles from the Development. Cypress Preserve is planned for up to 840 single family homes. Development activity commenced in August 2017. NVR, Inc. d/b/a Ryan Homes is the expected builder in Cypress Preserve. Cypress Preserve issued \$9,630,000 Special Assessment Revenue Bonds in December 2017. For further information, please visit emma.msrb.org.

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

Developer Agreements

As previously noted, the Developer will enter into a completion agreement that will obligate the Developer to complete the development of the Series 2019 Assessment Area. In addition, the Developer will execute and deliver to the District a Collateral Assignment and Assumption of Development Rights (the "Collateral Assignment"), pursuant to which the

Developer will collaterally assign to the District, to the extent assignable and to the extent that they are solely owned or controlled by the Developer, development rights relating to the development of the Series 2019 Assessment Area. That said, the Developer has previously granted similar rights ("Prior Collateral Assignments") in connection with the issuance of the Series 2016A Bonds, and such rights under such Prior Collateral Assignments are superior to and may take priority over the rights granted under the Collateral Assignment. Notwithstanding such Collateral Assignment, in the event the District forecloses on the lands subject to the Series 2019 Assessments as a result of a Developer's or subsequent landowners' failure to pay such assessments, there is a risk that the District will not have all permits and entitlements necessary to complete the development of the Series 2019 Assessment Area. Finally, the Developer will also enter into a True-Up Agreement in connection with its obligations to pay true-up payments in the event that debt levels remaining on unplatted lands in the Series 2019 Assessment Area increase above the maximum debt levels set forth in the Assessment Methodology. See "APPENDIX D: ASSESSMENT METHODOLOGY" herein for additional information regarding the "true-up mechanism." Such obligations of the Developer are unsecured obligations. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Development of the Series 2019 Assessment Area or the Construction of Homes within the Series 2019 Assessment Area" and "THE DEVELOPER" herein for more information regarding the Developer.

THE DEVELOPER

M/I Homes of Tampa, LLC, a Florida limited liability company (the "Developer"), is the majority landowner in the District and one of two homebuilders in the District. The Developer sold 119 lots in the Series 2016A Assessment Areas to Pulte Homes in the fourth quarter of 2017. See "THE DEVELOPMENT" herein for more information. The Developer was organized as a Florida limited liability company formed on November 1, 2002. The Developer is ultimately wholly owned by M/I Homes, Inc.

M/I Homes, Inc. common shares trade on the New York Stock Exchange under the symbol (MHO). M/I Homes, Inc. is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith, files annual, quarterly and current reports, proxy statements, and other information with the Securities and Exchange Commission (the "SEC"). The file number for M/I Homes, Inc. is 001-12434. Such reports, proxy statements, and other information can be inspected and copied at the Public Reference Room of the SEC at 100 F Street, Washington, DC and at the SEC's internet website at <http://www.sec.gov>. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates.

All documents subsequently filed by M/I Homes pursuant to the requirements of the Exchange Commission after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

Neither the Developer, the Builder nor any of the other entities listed above or herein are guaranteeing payment of the Series 2019 Bonds or the Series 2019 Assessments. None of the entities listed herein, other than the Developer, has entered into any agreements in connection with the issuance of the Series 2019 Bonds.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, the form of which is included as Appendix B hereto, the interest on the Series 2019 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax under existing statutes, regulations, rulings and court decisions. Failure by the District to comply subsequently to the issuance of the Series 2019 Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), including but not limited to requirements regarding the use, expenditure and investment of Series 2019 Bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2019 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance. The District has covenanted to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2019 Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2019 Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the Series 2019 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2019 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2019 Bonds being included in gross income for federal income tax purposes retroactive to their date of issuance.

Collateral Tax Consequences

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2019 Bonds. Prospective purchasers of the Series 2019 Bonds should be aware that the ownership of the Series 2019 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2019 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2019 Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2019 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2019 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2019 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE SERIES 2019 BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Bank Qualified Obligations

The District has designated the Series 2019 Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3)(B) of the Code, which may be treated pursuant to Section 265(b)(3)(A) of the Code as being acquired on August 7, 1986 for purposes of the application of Section 265(b)(2) of the Code in the case of certain financial institutions owning the Series 2019 Bonds. Any change in the findings and facts set forth in the Resolution and in the certifications of the District delivered at the closing with respect to the Series 2019 Bonds and relating to such designation could adversely impact the status of the Series 2019 Bonds as "qualified tax-exempt obligations."

Florida Taxes

In the opinion of Bond Counsel, the Series 2019 Bonds and interest thereon are exempt from taxation under the laws of the State, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

Other Tax Matters

Interest on the Series 2019 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2019 Bonds should consult their tax advisors as to the income tax status of interest on the Series 2019 Bonds in their particular state or local jurisdictions.

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 2019 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 2019 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 2019 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2019 Bonds.

On February 23, 2016, the Internal Revenue Service issued a notice of proposed rulemaking (the "Proposed Regulations") and notice of public hearing containing proposed regulations that provided guidance regarding the definition of political subdivision for purposes of the rules for tax-exempt bonds, including determinations of entities that are valid issuers of tax-exempt bonds. On October 4, 2017, the Treasury Department ("Treasury") announced that it would withdraw the proposed regulations, stating that, "while Treasury and the IRS continue to study the legal issues relating to political subdivisions, Treasury and the IRS currently believe that these proposed regulations should be withdrawn in their entirety, and plan to publish a withdrawal of the proposed regulations shortly in the Federal Register. Treasury and the IRS may propose more targeted guidance in the future after further study of the relevant legal issues." The Proposed Regulations were officially withdrawn on October 20, 2017. See also BONDOWNERS' RISKS.

AGREEMENT BY THE STATE

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2019 Bonds, that it will not limit or alter the rights of the District 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.

LEGALITY FOR INVESTMENT

The Act provides that the Series 2019 Bonds are legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State, and constitute securities which may be deposited by banks or trust companies as security for deposits of state, county, municipal or other public funds, or by insurance companies as required or voluntary statutory deposits.

SUITABILITY FOR INVESTMENT

In accordance with applicable provisions of Florida law, the Series 2019 Bonds may initially be sold by the District only to "accredited investors" within the meaning of Chapter 517, Florida Statutes and the rules promulgated thereunder. The limitation of the initial offering to accredited investors does not denote restrictions on transfer in any secondary market for the Series 2019 Bonds. Investment in the Series 2019 Bonds poses certain economic risks. No dealer, broker, salesperson 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.

ENFORCEABILITY OF REMEDIES

The remedies available to the Owners of Series 2019 Bonds 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 the federal bankruptcy code, the remedies specified by the Indenture and the Series 2019 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2019 Bonds will be qualified as to the enforceability of the remedies provided in 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.

LITIGATION

The District

There is no litigation of any nature now pending or, to the knowledge of the District threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2019 Bonds, or in any way contesting or affecting (i) the validity of the Series 2019 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge

or application of any moneys or security provided for the payment of the Series 2019 Bonds, (iii) the existence or powers of the District or (iv) the validity of the Series 2019 Assessment Proceedings.

The Developer

The Developer has represented that there is no litigation of any nature now pending or, to the knowledge of the Developer, threatened, which, if successful, could reasonably be expected to have a material and adverse effect upon the ability of the Developer to complete the Development as described herein, materially and adversely affect the ability of the Developer to pay the Series 2019 Assessments imposed against the land within the District owned by the Developer or materially and adversely affect the ability of the Developer to perform its various obligations described in this Limited Offering Memorandum.

CONTINGENT FEES

The District has retained Bond Counsel, District Counsel, the Methodology Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (who has retained Trustee's Counsel), with respect to the authorization, sale, execution and delivery of the Series 2019 Bonds. Except for the payment of fees to District Counsel and the Methodology Consultant, the payment of fees of the other professionals is each contingent upon the issuance of the Series 2019 Bonds.

NO RATING

No application for a rating for the Series 2019 Bonds has been made to any rating agency, nor is there any reason to believe that an investment grade rating for the Series 2019 Bonds would have been obtained if application had been made.

EXPERTS

The Engineer's Report attached hereto as APPENDIX C to this Limited Offering Memorandum has been prepared by the Consulting Engineer. APPENDIX C should be read in its entirety for complete information with respect to the subjects discussed therein. The Methodology Consultant has prepared the Assessment Methodology attached hereto as APPENDIX D. APPENDIX D should be read in its entirety for complete information with respect to the subjects discussed therein.

FINANCIAL INFORMATION

This District will covenant in a Continuing Disclosure Agreement, the proposed form of which is set forth in APPENDIX F hereto, to provide its annual audited financial statements to certain information repositories as described in APPENDIX F, commencing with the audit for the District fiscal year ended September 30, 2019. Attached hereto as APPENDIX E is a copy of the District's most recent audited financial statements for the District's fiscal year ending September 30, 2018, as well as a copy of the District's most recent unaudited financial statements for the period ended April 30, 2019. Such audited financial statements, including the auditor's report included within the audited financial statements, have been included in this Limited Offering Memorandum as publicly available documents and consent from the auditor was not

requested. Further, the auditors have not performed any services related to, and therefore are not associated with, the preparation of this Limited Offering Memorandum. The Series 2019 Bonds are not general obligation bonds of the District and are payable solely from the Series 2019 Pledged Revenues.

Beginning October 1, 2016, each community development district in Florida must have a separate website with certain information as set forth in Section 189.069, Florida Statutes. Under such statute, each district must post its proposed budget and final budget and a link to the auditor general's website (and the district's audit) on a district website or the website of the municipal or county government. The District currently has such a website in place.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (the "Disclosure Act") 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 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or private activity bonds issued on behalf of private business).

The District is not and has not ever been in default as to principal and interest on its bonds or other debt obligations.

CONTINUING DISCLOSURE

The District and the Developer will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement"), the proposed form of which is set forth in APPENDIX F, for the benefit of the Series 2019 Bondholders (including owners of beneficial interests in such Bonds), respectively, to provide certain financial information and operating data relating to the District by certain dates prescribed in the Disclosure Agreement (the "Reports") with the Municipal Securities Rulemaking Board ("MSRB") through the MSRB's Electronic Municipal Market Access system ("EMMA"). The specific nature of the information to be contained in the Reports is set forth in "APPENDIX F: PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT." Under certain circumstances, the failure of the District or the Developer to comply with their respective obligations under the Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement would allow the Series 2019 Bondholders (including owners of beneficial interests in such Bonds), as applicable, to bring an action for enforcement.

The District has previously entered into a continuing disclosure undertaking pursuant to Rule 15c2-12, promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), with respect to its Series 2016A Bonds. A review of filings made pursuant to such prior undertaking indicates that the District has not materially failed to comply with its requirements thereunder within the last five years. The Developer has provided continuing disclosure information pursuant to the Rule; provided, however, a review of filings made pursuant to such prior agreements indicates that certain filings were either not filed or not timely filed and that notices of such missed and late filings were not provided. The District will appoint the District

Manager as the dissemination agent in the Disclosure Agreement. The District and the Developer fully anticipate satisfying all future disclosure obligations required pursuant to its continuing disclosure undertakings and the Rule.

UNDERWRITING

MBS Capital Markets, LLC (the "Underwriter"), has agreed, pursuant to a contract with the District, subject to certain conditions, to purchase the Series 2019 Bonds from the District at a purchase price of \$4,610,900.00 (par amount of the Series 2019 Bonds, less an Underwriter's discount of \$94,100.00). The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the Series 2019 Bonds if they are purchased.

The Underwriter intends to offer the Series 2019 Bonds to accredited investors at the offering price set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Series 2019 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

VALIDATION

The Series 2019 Bonds were validated by a Final Judgment of the Sixth Judicial Circuit Court in and for Pasco County, Florida issued on February 6, 2007. The period for appeal of the judgment of validation of such Series 2019 Bonds has expired with no appeals being taken.

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the Series 2019 Bonds are subject to the approval of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel Burr & Forman LLP, Tampa, Florida, for the Developer by its counsel, Shutts & Bowen LLP, Florida, and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida.

Bond Counsel's opinions included herein are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date hereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the IRS or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

MISCELLANEOUS

Any statements made in this Limited Offering Memorandum involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representations are made that any of the estimates will be realized.

The references herein to the Series 2019 Bonds and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions.

This Limited Offering Memorandum is submitted in connection with the limited offering of the Series 2019 Bonds and may not be reproduced or used, as a whole or in part, for any purpose. This Limited Offering Memorandum is not to be construed as a contract with the purchaser or the Beneficial Owners of any of the Series 2019 Bonds.

AUTHORIZATION AND APPROVAL

The execution and delivery of this Limited Offering Memorandum has been duly authorized by the Board of Supervisors of the District.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT

By: /s/ Betty Valenti
Chairperson, Board of Supervisors

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APPENDIX A

**COPY OF MASTER INDENTURE AND PROPOSED FORM OF THIRD
SUPPLEMENTAL INDENTURE**

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MASTER TRUST INDENTURE

TALAVERA
COMMUNITY DEVELOPMENT DISTRICT

TO

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

Dated as of December 1, 2016

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MASTER TRUST INDENTURE

THIS IS A MASTER TRUST INDENTURE, dated as of December 1, 2016, by and between **TALAVERA COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government organized and existing under the laws of the State of Florida (the "District"), and **U.S. BANK NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association and having the authority to exercise corporate trust powers, with its designated corporate trust office located at 225 East Robinson Street, Suite 250, Orlando, Florida 32801, Attention: Corporate Trust Department.

WHEREAS, the District is a community development district duly organized and existing under the provisions of Chapter 190, Florida Statutes, as amended (the "Act"), for the purpose, among other things, of financing and managing the acquisition, construction, installation, maintenance, and operation of the major infrastructure within and without the boundaries of the District; and

WHEREAS, the District has the power and authority under the Act to issue special assessment bonds and revenue bonds and to use the proceeds thereof to finance the cost of acquiring and constructing assessable improvements (as defined in the Act) and, by virtue of Section 190.022 of the Act, to levy and collect special assessments therefor as provided in Chapter 170, Florida Statutes, as amended, and to levy and collect user charges and fees therefor as provided in Section 190.011, Florida Statutes, as amended; and

WHEREAS, the District has the power and authority under and by virtue of Section 190.021 of the Act to levy and collect Benefit Special Assessments (hereinafter defined); and

WHEREAS, the District has found and determined and does hereby find and determine, that acquisition and construction of the Series Projects (hereafter defined) is and will be necessary and desirable in serving the District's goal of properly managing the acquisition, construction, installation and operation of portions of the infrastructure within and without the boundaries of the District; and

WHEREAS, the execution and delivery of the Bonds and of this Master Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the Bonds, when executed by the District

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EXHIBIT A FORM OF REQUISITION

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and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Master Indenture a valid and binding agreement and a valid and binding lien on the Trust Estate (hereinafter defined) have been done;

NOW, THEREFORE, THIS MASTER TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

That the District, in consideration of the premises and acceptance by the Trustee of the trusts hereby created and the purchase and acceptance of the Bonds (hereafter defined) by the Owners (hereafter defined), and of the sum of ten dollars (\$ 10.00), lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of this Master Indenture, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds of a Series (hereafter defined) issued hereunder according to their tenor and effect and to secure the performance and observance by the District of all of the covenants expressed or implied herein, in the Supplemental Indenture authorizing the issuance of such Series of Bonds and in the Bonds of such Series, does hereby assign and grant a security interest in the following (herein called the "Trust Estate") to the Trustee and its successors in trust, and assigns forever, for the securing of the performance of the obligations of the District herein set forth: (i) the Pledged Revenues (hereinafter defined) and Pledged Funds (hereinafter defined); and (ii) any and all property of every kind or description which may from time to time hereafter be sold, transferred, conveyed, assigned, hypothecated, endorsed, deposited, pledged, granted or delivered to, or deposited with, the Trustee as security for any Series of Bonds issued pursuant to this Master Indenture by the District or anyone on its behalf or with its consent, or which pursuant to any of the provisions hereof or of the Supplemental Indenture securing such Series of Bonds may come into the possession or control of the Trustee or of a lawfully appointed receiver, as such additional security, and the Trustee is hereby authorized to receive any and all such property as and for security for the payment of such Series of Bonds and the interest and premium, if any, thereon, and to hold and apply all such property subject to the terms hereof, it being expressly understood and agreed that except as otherwise provided herein or in a Supplemental Indenture the Trust Estate established and held hereunder for Bonds of a Series shall be held separate and in trust solely for the benefit of the Owners of the Bonds of such Series and for no other Series;

TO HAVE AND TO HOLD the Trust Estate, whether now owned or held or hereafter acquired, forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth (a) for the equal and proportionate benefit and security of all present and future Owners of the Bonds of a Series, without preference of any Bond of such Series over any other Bond of such Series, (b) for enforcement of the payment of the Bonds of a Series, in accordance with their terms and the terms of this Master Indenture and the Supplemental Indenture authorizing the issuance of such Series of Bonds, and all other sums payable hereunder, under the Supplemental Indenture authorizing such Series of Bonds or on the Bonds of such Series, and (c) for the enforcement of and compliance with the obligations, covenants and conditions of this Master Indenture except as otherwise expressly provided herein, as if all the Bonds at any time Outstanding (hereafter defined) had been authenticated, executed and delivered simultaneously with the execution and delivery of this Master Indenture, all as herein set forth.

IT IS HEREBY COVENANTED, DECLARED AND AGREED (a) that this Master Indenture creates a continuing lien equally and ratably to secure the payment in full of the principal of, premium, if any, and interest on all Bonds of a Series which may from time to time be Outstanding hereunder, except as otherwise expressly provided herein, (b) that the Trust Estate shall immediately be subject to the lien of this pledge and assignment without any physical delivery thereof or further act, (c) that the lien of this pledge and assignment shall be a first lien and shall be valid and binding against all parties having any claims of any kind in tort, contract or otherwise against the District, irrespective of whether such parties have notice thereof, and (d) that the Bonds of a Series are to be issued, authenticated and delivered, and that the Trust Estate is to be held, dealt with, and disposed of by the Trustee, upon and subject to the terms, covenants, conditions, uses, agreements and trusts set forth in this Master Indenture and the District covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective Owners from time to time of the Bonds of each respective Series, as follows:

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Supplemental Indenture executed by the District upon issuance of any Capital Appreciation Bonds.

"Acquisition and Construction Fund" shall mean the fund so designated in, and created pursuant to, Section 502 hereof.

"Act" shall mean Chapter 190, Florida Statutes, as amended from time to time.

"Additional Bonds" shall mean Bonds of a Series authenticated and delivered pursuant to the terms of a Supplemental Indenture providing for the issuance of pari passu Additional Bonds of such Series.

"Additional Series Project" shall mean the acquisition and/or construction of any additions, extensions, improvements and betterments to and reconstructions of a Series Project to be financed, in whole or in part, from the proceeds of any Subordinate Debt.

"Amortization Installments" shall mean the moneys required to be deposited in a Series Redemption Account within the Debt Service Fund for the purpose of redeeming and paying when due any Term Bonds, the specific amounts and dates of such deposits to be set forth in a Supplemental Indenture.

"Assessments" shall mean all assessments levied and collected by or on behalf of the District pursuant to Section 190.022 of the Act as amended from time to time, together with the interest specified by resolution adopted by the Governing Body, the interest specified in Chapter 170 Florida Statutes, as amended, if any such interest is collected by or on behalf of the Governing Body, and any applicable penalties collected by or on behalf of the District, together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Delinquent Assessments and which are referred to as such and pledged to a Series of Bonds pursuant to the Supplemental Indenture authorizing the issuance of such Series of Bonds.

"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 Officer" shall mean any person authorized by the District in writing directed to the Trustee to perform the act or sign the document in question.

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ARTICLE I DEFINITIONS

Section 101. Meaning of Words and Terms. The following words and terms used in this Master Indenture shall have the following meanings, unless some other meaning is plainly intended:

"Accountant" shall mean the independent certified public accountant or independent certified public accounting firm retained by the District to perform the duties of the Accountant under this Master Indenture.

"Accountant's Certificate" shall mean an opinion signed by an independent certified public accountant or firm of certified public accountants (which may be the Accountants) from time to time selected by the District.

"Accounts" shall mean all accounts created pursuant to Section 502 hereof except amounts on deposit in the Series Rebate Account within the Rebate Fund.

"Accreted Value" shall mean, as of the date of computation with respect to any Capital Appreciation Bonds, an amount (truncated to three (3) decimal places) equal to the original principal amount of such Capital Appreciation Bonds at the date of issuance plus the interest accrued on such Bonds from the date of original issuance of such Capital Appreciation Bonds to the date of computation, such interest to accrue at the rate of interest per annum of the Capital Appreciation Bonds (or in accordance with a table of compound accreted values set forth in such Capital Appreciation Bonds), compounded semi-annually on each Interest Payment Date; provided, however, that if the date with respect to which any such computation is made is not an Interest Payment Date, the Accreted Value of any Bond as of such date shall be the amount determined by compounding the Accreted Value of such Bond as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) at the rate of interest per annum of the Capital Appreciation Bonds for the partial semi-annual compounding period determined by dividing (x) the number of days elapsed (determined on the basis of a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months) from the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance), by (y) one hundred eighty (180). A table of Accreted Values for the Capital Appreciation Bonds shall be incorporated in a

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"Beneficial Owners" shall have the meaning given such term by the Depository Trust Company so long as it is the registered Owner through its nominee Cede & Co of the Bonds as to which such reference is made to enable such Bonds to be held in book-entry only form, and, shall otherwise mean the registered Owner on the registration books of the District maintained by the Bond Registrar.

"Benefit Special Assessments" shall mean benefit special assessments levied and collected in accordance with Section 190.021(2), Florida Statutes, as amended from time to time, together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Benefit Special Assessments which are not paid in full when due and which are referred to as such and pledged to a Series of Bonds pursuant to the Supplemental Indenture authorizing the issuance of such Series of Bonds.

"Bond Counsel" shall mean an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the District.

"Bond Registrar" or "Registrar" shall mean the bank or trust company designated as such by Supplemental Indenture with respect to a Series of Bonds for the purpose of maintaining the registry of the District reflecting the names, addresses, and other identifying information of Owners of Bonds of such Series.

"Bond Year" shall mean, unless otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, the period commencing on the first day of May in each year and ending on the last day of April of the following year.

"Bonds" shall mean the Outstanding Bonds of all Series.

"Business Day" shall mean any day excluding Saturday, Sunday or any other day on which banks in the cities in which the designated corporate trust office of the Trustee or the Paying Agent are located are authorized or required by law or other governmental action to close and on which the Trustee or Paying Agent, or both, is closed.

"Capital Appreciation Bonds" shall mean Bonds issued under this Master Indenture and any Supplemental Indenture as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding and payable in an amount equal to the then-current

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Accreted Value only at the maturity or earlier redemption thereof, all as so designated in a Supplemental Indenture of the District providing for the issuance thereof.

"Capitalized Interest" shall mean, with respect to the interest due or to be due on a Series of Bonds prior to, during and for a period not exceeding one year after the completion of a Series Project to be funded by such Series, all or part of such interest which will be paid, or is expected to be paid, from the proceeds of such Series.

"Capitalized Interest Account" shall mean any Capitalized Interest Account to be established within a Series Debt Service Account by Supplemental Indenture with respect to any Series of Bonds issued under this Master Indenture, as authorized pursuant to this Master Indenture.

"Chairman" shall mean the Chairman of the Governing Body of the District or his or her designee or the person succeeding to his or her principal functions.

"Code" shall mean the Internal Revenue Code of 1986, as amended, or any successor provisions thereto and the regulations promulgated thereunder or under the Internal Revenue Code of 1954, as amended, if applicable, or any successor provisions thereto.

"Completion Bonds" shall mean Bonds issued pursuant to a Supplemental Indenture ranking on a parity with the Series of Bonds issued under such Supplemental Indenture, the proceeds of which are to be used to complete the Series Project.

"Connection Fees" shall mean all fees and charges assessed by the District to users for the actual costs of connecting to a utility system of the District.

"Consulting Engineers" shall mean the independent engineer or engineering firm or corporation employed by the District in connection with any Series Project to perform and carry out the duties of the Consulting Engineer under this Master Indenture or any Supplemental Indenture.

"Cost" as applied to a Series Project or Additional Series Project, shall include the cost of acquisition and construction thereof and all obligations and expenses relating thereto including, but not limited to, those items of cost which are set forth in Section 403 hereof.

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"District" shall mean the Talavera Community Development District, a community development district established pursuant to the Act or any successor thereto which succeeds to the obligations of the District hereunder.

"Engineers' Certificate" shall mean a certificate of the Consulting Engineers or of such other engineer or firm of engineers having a favorable repute for skill and experience in the engineering matters with respect to which such certification is required by this Master Indenture.

"Federal Securities" shall mean, to the extent permitted by law for investment as contemplated in this Master Indenture and any Supplemental Indenture, (i) Government Obligations, (ii) any Tax Exempt Obligations which are fully secured as to principal and interest by an irrevocable pledge of Government Obligations, which Government Obligations are segregated in trust and pledged for the benefit of the holders of the Tax Exempt Obligations, (iii) certificates of ownership of the principal or interest of Government Obligations, which Government Obligations are held in trust and (iv) investment agreements at least 100% collateralized by obligations described in clauses (i), (ii) or (iii) above.

"Fiscal Year" shall mean the fiscal year of the District in effect from time to time, which shall initially mean the period commencing on the first day of October of any year and ending on the last day of September of the following year.

"Funds" shall mean all funds, except the Rebate Fund, created pursuant to Section 502 hereof.

"Governing Body" shall mean the Board of Supervisors of the District.

"Government Obligations" shall mean direct obligations of, or obligations the payment of which is unconditionally guaranteed by, the United States of America.

"Indenture" shall mean this Master Indenture, as amended and supplemented from time to time by a Supplemental Indenture or indentures, and, shall mean when used with respect to a Series of Bonds issued hereunder, this Master Indenture, as amended and supplemented by the Supplemental Indenture relating to such Series of Bonds.

"Insurer" shall mean the issuer of any municipal bond insurance policy insuring the timely payment of the principal of and interest on Bonds or any Series of Bonds.

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"Credit Facility or Liquidity Facility" shall mean a letter of credit, a municipal bond insurance policy, a surety bond or other similar agreement issued by a banking institution or other entity satisfactory to the District and providing for the payment of the principal of, interest on or purchase price of a Series of Bonds or any alternate or substitute Credit Facility or Liquidity Facility if then in effect.

"Current Interest Bonds" shall mean Bonds of a Series the interest on which is payable at least annually.

"Date of Completion" with respect to a Series Project or Additional Series installed Project shall mean: (i) the date upon which such Project and all components thereof have been acquired or constructed and are capable of performing the functions for which they were intended, as evidenced by a certificate of the Consulting Engineer filed with the Trustee and the District; or (ii) the date on which the District determines, upon the recommendation of or in consultation with the Consulting Engineer, that it cannot complete such Project in a sound and economical manner within a reasonable period of time as evidenced by a certificate of the Consulting Engineer of the District filed with the Trustee and the District; provided that in each case such certificate of the Consulting Engineer shall set forth the amount of all Costs of such Project which has theretofore been incurred, but which on the Date of Completion is or will be unpaid or unreimbursed.

"Debt Service" shall mean collectively the principal (including Amortization Installments), interest, and redemption premium, if any, payable with respect to the Bonds.

"Debt Service Fund" shall mean the fund so designated in, and created pursuant to, Section 502 hereof.

"Delinquent Assessments" shall mean, collectively, any and all installments of any Assessments which are not paid when due, including any applicable grace period under State law or District proceedings.

"Depository" shall mean any bank or trust company duly authorized by law to engage in the banking business and designated by the District as a depository of moneys subject to the provisions of this Master Indenture.

"Direct Billed" shall mean Assessments or Operation and Maintenance Assessments, as applicable within the context in which such reference is made, which are billed directly by the District rather than collected on the tax bill using the Uniform Method.

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"Interest Payment Date" shall mean the dates specified in a Supplemental Indenture with respect to a Series of Bonds upon which the principal of and/or interest on Bonds of such Series shall be due and payable in each Bond Year.

"Investment Obligations" shall mean and include, except as otherwise provided in the Supplemental Indenture providing for the authorization of Notes or Bonds, mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District;

(i) Government Obligations;

(ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government - sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by the United States of America; Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Federal Home Loan Bank System; Export-Import Bank of the United States; Farmers Home Administration; Small Business Administration; Inter-American Development Bank; International Bank for Reconstruction and Development; Federal Land Banks; the Federal National Mortgage Association; the Government National Mortgage Association; the Tennessee Valley Authority; or the Washington Metropolitan Area Transit Authority;

(iii) Direct and general obligations of any state of the United States, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, if at the time of their purchase such obligations are rated in either of the two highest rating categories without regard to gradations within any such categories by either S&P or Moody's;

(iv) Negotiable or non-negotiable certificates of deposit, time deposits or other similar banking arrangements issued by any bank or trust company, including the Trustee, or any federal savings and loan association, the deposits of which are insured by the Federal Deposit Insurance Corporation (including the FDIC's Savings Association Insurance Fund), which securities, to the extent that the principal thereof exceeds the maximum amount insurable by the Federal Deposit Insurance Corporation and, therefore, are not so insured, shall be fully secured to the extent permitted by law as to principal and interest by the securities listed in subsection (i), (ii) or (iii)

above; provided, however, that with respect to securities used to secure securities hereunder, in addition to direct and general obligations of any political subdivision or instrumentality of any such state, to the payment of the principal of and interest on which the full faith and credit of such subdivision or instrumentality is pledged if such obligations are initially rated in one of the three highest rating categories without regard to gradations within any such categories by either S&P or Moody's;

(v) Bank or broker repurchase agreements fully secured by securities specified in (i) or (ii) above, which may include repurchase agreements with the commercial banking department of the Trustee, provided that such securities are deposited with the Trustee, with a Federal Reserve Bank or with a bank or trust company (other than the seller of such securities) having a combined capital and surplus of not less than \$100,000,000;

(vi) A promissory note of a bank holding company rated in either of the two highest rating categories without regard to gradations within any such categories by either S&P or Moody's;

(vii) Any short term government fund or any money market fund whose assets consist of (i), (ii) and (iii) above;

(viii) Commercial paper which at the time of purchase is rated in the highest rating category without regard to gradations with such category by either S&P or Moody's;

(ix) (A) Certificates evidencing a direct ownership interest in non-callable Government Obligations or in future interest or principal payments thereon held in a custody account by a custodian satisfactory to the Trustee, and (B) obligations of any state of the United States of America or any political subdivision, public instrumentality or public authority of any such state which are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and which are fully secured by and payable solely from non-callable Government Obligations held pursuant to an escrow agreement; and

(x) the Local Government Surplus Funds Trust Fund as described in Florida Statutes, Section 218.405 or the corresponding provisions of subsequent laws.

"Letter of Credit Agreement" shall mean any financing agreement relating to a Credit Facility for so long as such agreement will be in effect.

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(i) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or redemption price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under this Master Indenture or Supplemental Indenture with respect to Bonds of any Series and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in Article III hereof or in the Supplemental Indenture relating to the Bonds of any Series;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to this Master Indenture and the Supplemental Indenture with respect to Bonds of a Series unless proof satisfactory to the Trustee is presented that any such Bonds are held by a bona fide purchaser in due course; and

(iv) Bonds paid or deemed to have been paid as provided in this Master Indenture or in a Supplemental Indenture with respect to Bonds of a Series, including Bonds with respect to which payment or provision for payment has been made in accordance with Article XII hereof.

In addition, Bonds actually known by the Trustee to be held by or for the District will not be deemed to be Outstanding for the purposes and within the purview of Article IX and Article XI of this Master Indenture.

"Owner" or **"Owners"** shall mean the registered owners from time to time of Bonds.

"Paying Agent" shall mean the bank or trust company designated by Supplemental Indenture with respect to a Series of Bonds as the place where Debt Service shall be payable with respect to such Series of Bonds and which accepts the duties of Paying Agent under this Master Indenture and under such Supplemental Indenture.

"Pledged Funds" shall mean all of the Series Pledged Funds.

"Pledged Revenues" shall mean all of the Series Pledged Revenues.

"Liquidity Agreement" shall mean any financing agreement relating to a Liquidity Facility for so long as such agreement will be in effect.

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of a Series of Bonds then Outstanding or all of the Bonds then Outstanding, as applicable in the context within which such reference is made.

"Master Indenture" shall mean this Master Trust Indenture, as amended and supplemented from time to time in accordance with the provisions hereof.

"Maturity Amount" shall mean the amount due at maturity with respect to a Capital Appreciation Bond.

"Maximum Annual Debt Service Requirement" shall mean, at any given time of determination, the greatest amount of principal, interest and Amortization Installments coming due in any current or future Bond Year with regard to the Series of Bonds for which such calculation is made; provided, the amount of interest coming due in any Bond Year shall be reduced to the extent moneys derived from the proceeds of Bonds are used to pay interest in such Bond Year.

"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 is dissolved or liquidated or no longer performs the functions of a securities rating agency, Moody's will be deemed to refer to any other nationally recognized securities rating agency designated by the District by written notice to the Trustee.

"Operation and Maintenance Assessments" shall mean assessments described in Section 190.022(1), Florida Statutes, for the maintenance of District facilities or the operations of the District.

"Option Bonds" shall mean Current Interest Bonds, which may be either Serial or Term Bonds, which by their terms may be tendered by and at the option of the Owner for purchase prior to the stated maturity thereof.

"Outstanding" when used with reference to Bonds, shall mean, as of a particular date, all Bonds theretofore authenticated and delivered under this Master Indenture, except:

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"Prepayments" shall mean any Assessments or Benefit Special Assessments, or portions thereof, which shall be paid to the District prior to the time such amounts become due. Prepayments shall not include any interest paid on such Assessments.

"Principal and Interest Requirement" shall mean with respect to a Series of Bonds, the respective amounts which are required in each Bond Year to provide:

(i) for paying the interest on all Bonds of such Series then Outstanding which is payable in such Bond Year;

(ii) for paying the principal or Maturity Amount of all Serial Bonds of such Series then Outstanding which is payable in such Bond Year; and

(iii) the Amortization Installments on the Term Bonds of such Series of Bonds, if any, payable in such Bond Year.

"Property Appraiser" shall mean the Property Appraiser of Pasco County, Florida, or the person succeeding to such officer's principal functions.

"Rebate Amount" shall mean the amount, if any, required to be rebated to the United States pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended, and the regulations and rulings thereunder.

"Rebate Analyst" shall mean the person or firm selected by the District to calculate the Rebate Amount, which person or firm shall have recognized expertise in the calculation of the Rebate Amount.

"Rebate Fund" shall mean the fund so designated in, and created pursuant to, Section 502 hereof.

"Record Date" shall mean the fifteenth (15th) day of the calendar month next preceding any Debt Service payment date or, in the case of any proposed redemption of Bonds, the fifth (5th) day next preceding the date of mailing of notice of such redemption, or if either of the foregoing days is not a Business Day, then the Business Day immediately preceding such day.

"Redemption Price" shall mean the principal of, premium, if any, and interest accrued to the date fixed for redemption of any Bond called for redemption pursuant to the provisions thereof, hereof and of the Supplemental Indenture pursuant to which such Bond is issued.

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"Refunding Bonds" shall mean Bonds issued pursuant to provisions of this Master Indenture, the proceeds of which are used to refund one or more Series of Outstanding Bonds.

"Reserve Fund" shall mean the fund so designated in, and created pursuant to, Section 502 hereof.

"Revenue Fund" shall mean the fund so designated in, and created pursuant to, Section 502 hereof.

"S&P" shall mean Standard & Poor's Rating Group, a division of McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and its assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, S&P will be deemed to refer to any other nationally recognized securities rating agency designated by the District by written notice to the Trustee.

"Secretary" shall mean the Secretary or any Assistant Secretary to the Governing Body, or his or her designee or the person succeeding to his or her principal functions.

"Serial Bonds" shall mean Bonds (other than Term Bonds) that mature in annual or semi-annual installments.

"Series" shall mean all of the Bonds authenticated and delivered on original issuance of a stipulated aggregate principal amount in a simultaneous transaction under and pursuant to the same Supplemental Indenture and any Bonds thereafter authenticated and delivered in lieu of or in substitution therefor pursuant to this Master Indenture and such 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 District upon original issuance.

"Series Acquisition and Construction Account" shall mean the account within the Acquisition and Construction Fund with respect to each Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

"Series Interest Account" shall mean the account with respect to a Series of Bonds established within the Debt Service Fund so designated in, and created pursuant to, Section 502 hereof.

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(A) Maximum Annual Debt Service Requirement for all Outstanding Bonds of such Series, (B) 125% of the average annual debt service for all Outstanding Bonds of such Series, or (C) the aggregate of 10% of the proceeds of the Bonds of such Series calculated as of the date of original issuance thereof. In computing the Series Reserve Account Requirement in respect of any Series of Bonds that constitute Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be the greater of: (1) 110% of the daily average interest rate on such Variable Rate Bonds during the 12 months ending with the month preceding the date of calculation, or such shorter period of time that such Series of Bonds shall have been Outstanding, or (2) the actual rate of interest borne by such Variable Rate Bonds on such date of calculation; provided, in no event shall the Series Reserve Account Requirement as adjusted on such date of calculation exceed the lesser of the amounts specified in the immediately preceding sentence. In computing the Series Reserve Account Requirement in accordance with clause (C) of this definition in respect of any Capital Appreciation Bonds, the principal amount of such Bonds shall be the original principal amount thereof, not the Accreted Value. A Supplemental Indenture may provide that the Series Reserve Account Requirement for a Series is zero.

"Series Revenue Account" shall mean the Revenue Account for a Series of Bonds established in the Revenue Fund by Supplemental Indenture for such Series of Bonds.

"Subordinate Debt" shall mean indebtedness secured hereby or by any Supplemental Indenture which is by its terms expressly subordinate and inferior hereto both in lien and right of payment.

"Supplemental Indenture" shall mean an indenture supplemental hereto authorizing the issuance of a Series of Bonds hereunder and establishing the terms thereof and the security therefor and shall also mean any indenture supplementary hereto entered into for the purpose of amending the terms and provisions hereof with respect to all Bonds in accordance with Article XI hereof.

"Taxable Bonds" shall mean Bonds of a Series which are not Tax Exempt Bonds.

"Tax Collector" shall mean the Tax Collector of Pasco County, Florida, or the person succeeding to such officer's principal functions.

"Series Pledged Funds" shall mean all amounts on deposit from time to time in the Funds and Accounts and designated in the Supplemental Indenture relating to such Series of Bonds as pledged to the payment of such Series of Bonds; provided, however, such term shall not include any amounts on deposit in a Series Rebate Account in the Rebate Fund.

"Series Pledged Revenues" shall mean the revenues designated as such by Supplemental Indenture and which shall constitute the security for and source of payment of a Series of Bonds and may consist of Assessments, Benefit Special Assessments, Connection Fees or other user fees or other revenues or combinations thereof imposed or levied by the District in accordance with the Act.

"Series Principal Account" shall mean the account with respect to a Series of Bonds established within the Debt Service Fund so designated in, and created pursuant to, Section 502 hereof.

"Series Project" or **"Series Projects"** shall mean the acquisition, construction, equipping and/or improvement of capital projects to be located within or without the District for the benefit of the District to be financed with all or a part of the proceeds of a Series of Bonds as shall be described in the Supplemental Indenture authorizing such Series of Bonds.

"Series Rebate Account" shall mean the account in the Rebate Fund with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

"Series Redemption Account" shall mean the account so designated in, and created pursuant to, Section 502 hereof.

"Series Reserve Account" shall mean the Reserve Account for the Series of Bonds, if any, established in the Reserve Fund by Supplemental Indenture in an amount equal to the Series Reserve Account Requirement for such Series of Bonds.

"Series Reserve Account Requirement" shall mean the amount of money or other security which may be in the form of a reserve fund insurance policy or other security as may be required by the terms of a Supplemental Indenture to be deposited in or credited to a Series Reserve Account for each Series of Bonds provided, however, that unless otherwise provided in the Supplemental Indenture relating to a Series of Bonds, as of any date of calculation for a particular Series Reserve Account, the "Series Reserve Account Requirement" shall be an amount equal to the lesser of:

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"Tax Exempt Bonds" shall mean Bonds of a Series the interest on which, in the opinion of Bond Counsel on the date of original issuance thereof, is excludable from gross income for federal income tax purposes.

"Tax Exempt Obligations" shall mean any bond, note or other obligation issued by any person, the interest on which is excludable from gross income for federal income tax purposes.

"Tax Regulatory Covenants" shall mean the Tax Regulatory Covenants of the District contained in the Supplemental Indenture authorizing the issuance of a Series of Tax Exempt Bonds, setting forth the covenants of the District necessary for the preservation of the excludability of interest thereon from gross income for federal income tax purposes, as such covenants shall be amended from time to time upon written instructions from Bond Counsel.

"Term Bonds" shall mean Bonds that mature on one date and that are subject to mandatory redemption from Amortization Installments or are subject to extraordinary mandatory or mandatory redemption upon receipt of unscheduled Pledged Revenues.

"Time Deposits" shall mean time deposits, certificates of deposit or similar arrangements with any bank or trust company, including the Trustee or an affiliate thereof, which is a member of the Federal Deposit Insurance Corporation and any Federal or State of Florida savings and loan association which is a member of the Federal Deposit Insurance Corporation or its successors and which are secured or insured in the manner required by Florida law.

"Trust Estate" shall have the meaning ascribed to such term in the granting clauses hereof, including, but not limited to, the Pledged Revenues and Pledged Funds.

"Trustee" shall mean U.S. Bank National Association U.S. Bank National Association with its designated office in Orlando, Florida and any successor trustee appointed or serving pursuant to Article VI hereof.

"Uniform Method" shall mean 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.

"Variable Rate Bonds" shall mean Current Interest Bonds, which may be either Serial Bonds or Term Bonds, issued with a variable,

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adjustable, convertible or other similar interest rate which is not fixed in percentage for the entire term thereof at the date of issue, which Bonds may also be Option Bonds.

Section 102. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond," "Owner," "person," "Paying Agent," and "Bond Registrar" shall include the plural as well as the singular number and the word "person" shall mean any individual, corporation partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof. All references to Florida Statutes or other provisions of Florida law shall be deemed to include any and all amendments thereto.

ARTICLE II FORM, EXECUTION, DELIVERY AND DESIGNATION OF BONDS

Section 201. Issuance of Bonds. For the purpose of providing funds for paying all or part of the Cost of a Series Project, Bonds of a Series, without limitation as to aggregate principal amount, may be issued under this Master Indenture subject to the conditions hereinafter provided in Section 207 of this Article. Debt Service on each Series of Bonds shall be payable solely from the Pledged Revenues and Pledged Funds pledged to such Series of Bonds in the Supplemental Indenture authorizing the issuance of such Series of Bonds and, as may be provided in such Supplemental Indenture, all of the provisions of this Master Indenture shall be for the benefit and security of the present and future Owners of such Series of Bonds so issued, without preference, priority or distinction, as to lien or otherwise, of any one Bond of such Series over any other Bond of such Series. The District may also issue from time to time, Additional Bonds, Completion Bonds and Refunding Bonds of a Series under and pursuant to the terms of the Supplemental Indenture authorizing the issuance of such Series of Bonds.

Section 202. Details of Bonds. Bonds of a Series shall be in such denominations, numbered consecutively, shall bear interest from their date until their payment at rates not exceeding the maximum rate permitted by law, shall be dated, shall be stated to mature in such year or years in accordance with the Act, and shall be subject to redemption prior to their respective maturities, subject to the limitations hereinafter provided, as

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Trustee. The official seal of the District shall be imprinted or impressed on the Bonds. In case any officer whose signature or a facsimile of whose signature appears on any Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid for all purposes the same as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond shall be proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers. The Bonds, and the provisions for registration and reconversion to be endorsed on such Bonds, shall be substantially in the form set forth in a Supplemental Indenture. The Trustee may appoint one or more authenticating agents.

Section 204. Negotiability, Registration and Transfer of Bonds. The District shall cause books for the registration and for the transfer of the Bonds as provided in this Master Indenture to be kept by the Bond Registrar. All Bonds shall be registered as to both principal and interest. Any Bond may be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, such transfer to be made on such books and endorsed on the Bond by the Bond Registrar. No charge shall be made to any Owner for registration and transfer as hereinabove provided, but any Owner requesting any such registration or transfer shall pay any tax or other governmental charge required to be paid with respect thereto. The Bond Registrar shall not be required to transfer any Bond during the period between the Record Date and the Interest Payment Date next succeeding the Record Date of such Bond, during the period between the Record Date for the mailing of a notice of redemption and the date of such mailing, nor after such Bond has been selected for redemption. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive Owner, in accepting any of the Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida.

Section 205. Ownership of Bonds. The person in whose name any Bond shall be registered shall be deemed the absolute owner thereof for all purposes, and payment of Debt Service shall be made only to or upon the order of the registered owner thereof or his attorney or legal representative as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums

provided for in the Supplemental Indenture authorizing the issuance of such Series of Bonds. Bonds of a Series may be Current Interest Bonds, Variable Rate Bonds, Capital Appreciation Bonds, Option Bonds or any combination thereof and may be secured by a Credit and/or Liquidity Facility, all as shall be provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds. Bonds of a Series (or a part of a Series) may be in book-entry form at the option of the District as shall be provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

Debt Service shall be payable in any coin or currency of the United States of America which, at the date of payment thereof, is legal tender for the payment of public and private debts. Interest shall be paid to the registered Owner of Bonds at the close of business on the Record Date for such interest; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 hereof, the payment of interest and principal or Redemption Price or Amortization Installments pursuant hereto shall be made by the Paying Agent to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of a Bond. Any payment of principal, Maturity Amount or Redemption Price shall be made only upon presentation of the Bond at the designated corporate trust office of the Paying Agent in Orlando, Florida; provided, however, that presentation shall not be required if the Bonds are in book-entry only form. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner if such Owner requests such method of payment by delivery of written notice to the Paying Agent prior to the Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner owns not less than \$1,000,000, or, if less than such amount, all of the Outstanding Bonds of a Series, in aggregate principal amount of the Bonds). Unless otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, interest on a Series of Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Section 203. Execution and Form of Bonds. The Bonds shall be signed by, or bear the facsimile signature of the Chairman, shall be attested and countersigned by the Secretary, and the certificate of authentication appearing on the face of the Bonds shall be signed by, or bear the facsimile signature of the Trustee; provided, however, that each Bond shall be manually signed by either the Chairman, the Secretary or the

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so paid. The Trustee, the District, the Bond Registrar and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither the Trustee, the District, the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.

Section 206. Special Obligations. Each Series of Bonds shall be a special and direct obligation of the District. Neither the Bonds nor the interest and premium, if any, payable thereon shall constitute a general obligation or general indebtedness of the District within the meaning of the Constitution and laws of Florida. The Bonds and the interest and premium, if any, payable thereon do not constitute either a pledge of the full faith and credit of the District or a lien upon any property of the District other than as provided herein or in the Supplemental Indenture authorizing the issuance of such Series of Bonds. No Owner or any other person shall ever have the right to compel the exercise of any ad valorem taxing power of the District or any other public authority or governmental body to pay Debt Service or to pay any other amounts required to be paid pursuant to this Master Indenture, any Supplemental Indenture, or the Bonds. Rather, Debt Service and any other amounts required to be paid pursuant to this Master Indenture, any Supplemental Indenture, or the Bonds, shall be payable solely from, and shall be secured solely by, the Series Pledged Revenues and the Series Pledged Funds pledged to such Series of Bonds, all as provided herein and in such Supplemental Indenture.

Section 207. Authorization of Bonds. There shall be issued from time to time in Series, under and secured by this Master Indenture, Bonds without limitation as to aggregate principal amount for the purposes of: (i) paying all or part of the Cost of a Project or Projects or refunding an Outstanding Series of Bonds or any portion thereof; (ii) depositing the Series Reserve Account Requirement to the Series Reserve Account for such Series of Bonds; and (iii) paying the costs and expenses of issuing such Series of Bonds.

Each Series of Bonds, upon initial issuance thereof, shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of the following:

(i) an executed and attested original or certified copy of this Master Indenture;

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(ii) an executed and attested original or certified copy of the Supplemental Indenture fixing the amount of and security for the Series of Bonds authorized to be issued thereby and establishing, among other things, the dates on which, and the amounts in which, such Series of Bonds will mature (provided that the final maturity date of such Series of Bonds shall be not later than permitted by the Act with respect to such Series of Bonds), designating the Paying Agent and Bond Registrar, fixing the Amortization Installments, if any, for the Term Bonds of such Series, awarding the Series of Bonds, specifying the interest rates or the method for calculating such interest rates with respect to such Series of Bonds, specifying the redemption provisions and prices thereupon, specifying other details of such Series of Bonds, and directing the delivery of such Series of Bonds to or upon the order of the initial purchaser thereof upon payment of the purchase price therefor set forth in such Supplemental Indenture;

(iii) an opinion of counsel for the District substantially to the effect that the signer is of the opinion that this Master Indenture and the Supplemental Indenture relating to such Series of Bonds have been duly and validly authorized in accordance with the terms hereof and of the Act, and have been duly approved and adopted, that the issuance of such Series of Bonds has been duly authorized, and that this Master Indenture and the Supplemental Indenture constitute binding obligations of the District, enforceable against the District in accordance with their terms except as enforcement thereof may be affected by bankruptcy and other similar laws relating to creditor's rights generally; and

(iv) an opinion of Bond Counsel for the District substantially to the effect that the signer is of the opinion that the Bonds of such Series are valid, binding and enforceable obligations of the District and, if such Series of Bonds are not Taxable Bonds, that interest thereon is excludable from gross income of the Owners under the income tax laws of the United States in effect on the date such Series of Bonds are delivered to their initial purchasers.

The Trustee shall be provided with reliance letters with respect to the opinions required in paragraphs (iii) and (iv) above. When the documents mentioned in subsections (i) through (iv) above shall have been received, and when the Bonds of such Series shall have been executed and authenticated as required by this Master Indenture, such Series of Bonds shall be delivered to, or upon the order of, the District, but only upon payment to the Trustee of the purchase price of such Series of Bonds, together with accrued interest, if any,

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substitution for such Bond destroyed or lost, and upon payment by the Owner of the reasonable expenses and charges of the District and the Trustee in connection therewith and, in the case of a Bond destroyed or lost, upon the Owner filing with the Trustee evidence satisfactory to it that such Bond was destroyed or lost and of his or her ownership thereof, and upon furnishing the District and the Trustee with indemnity satisfactory to them.

Section 210. Pari Passu Obligations Under Credit Agreements. As may be provided for or required in any Supplemental Indenture, the District may incur financial obligations under a Letter of Credit Agreement or a Liquidity Agreement payable *pari passu* with respect to the lien on the Trust Estate pledged to a Series of Bonds issued under this Master Indenture and a Supplemental Indenture, without meeting any financial test or requirement set forth in this Master Indenture or the corresponding Supplemental Indenture, but only if the Letter of Credit Agreement or Liquidity Agreement supports a related Series of Bonds then being issued which does meet such tests or requirements.

Section 211. Bond Anticipation Notes. Whenever the District shall authorize the issuance of a Series of Bonds, the District may by resolution authorize the issuance of Bond Anticipation Notes in anticipation of the sale of such authorized Series of Bonds in a principal amount not exceeding the principal amount of such Series. The aggregate principal amount of Bonds of such Series and all other Bonds previously authenticated and delivered to pay the Cost of the Series Project or Projects for which the proceeds of the Bond Anticipation Notes will be applied shall not exceed such Cost. The interest on such Bond Anticipation Notes may be payable out of the related Series Interest Account to the extent provided in the resolution of the District authorizing such Bond Anticipation Notes. The principal of and interest on such Bond Anticipation Notes and renewals thereof shall be payable from any moneys of the District available therefor or from the proceeds of the sale of the Series of Bonds in anticipation of which such Bond Anticipation Notes are issued. The proceeds of sale of Bond Anticipation Notes shall be applied to the purposes for which the Bonds anticipated by such Bond Anticipation Notes are authorized and shall be deposited in the appropriate Fund or Account established by the Indenture for such purposes; provided, however, that the resolution or resolutions authorizing such Bond Anticipation Notes may provide for the payment of interest on such Bond Anticipation Notes from the proceeds of sale of such Bond Anticipation Notes and for the deposit, in the related Series Interest Account. In the event that the District adopts a resolution authorizing the issuance of Bond Anticipation

thereon as set forth in a certificate of delivery and payment executed by the Chairman or Vice Chairman of the District.

The proceeds (including accrued interest and any premium) of each Series of Bonds shall be applied as soon as practicable upon delivery thereof to the Trustee as follows:

(i) the amount received as accrued interest on the Bonds shall be deposited to the credit of the Series Interest Account and Capitalized Interest, if any, shall be deposited to the credit of the Series Interest Account;

(ii) an amount equal to the Series Reserve Account Requirement or the initial cost of satisfying the Series Reserve Account Requirement if not satisfied by the deposit of cash, shall be deposited to the credit of the Series Reserve Account; and

(iii) the balance shall be deposited and applied as provided for in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

Section 208. Temporary Bonds. Pending delivery of definitive Bonds, there may be executed, authenticated, and delivered to the Owners thereof, in lieu of definitive Bonds and subject to the same limitations and conditions except as to identifying numbers, temporary printed, engraved, lithographed or typewritten Bonds in Authorized Denominations, substantially of the tenor set forth in the Bond form to be set forth in the Supplemental Indenture authorizing such Series of Bonds. The District shall cause definitive Bonds to be prepared and to be executed, endorsed, registered and delivered to the Trustee, and the Trustee, upon presentation to it of any temporary Bond, shall cancel the same or cause the same to be canceled and cause to be authenticated and delivered, in exchange therefor, at the place designated by the Owner, without expense to the Owner, definitive Bonds of the same Series and in the same aggregate principal amount, maturing on the same date and bearing interest or yield to maturity at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits of this Master Indenture and any Supplemental Indenture as the definitive Bonds to be issued hereunder.

Section 209. Mutilated, Destroyed or Lost Bonds. If any Bonds become mutilated or destroyed or lost, the District may cause to be executed, and the District may cause to be delivered, a new Bond in substitution therefor upon the cancellation of such mutilated Bond or in lieu of and in

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Notes, the District will promptly furnish to the Trustee a copy of such resolution, certified by an Authorized Officer, together with such information with respect to such Bond Anticipation Notes as the Trustee may reasonably request, including, without limitation, information as to the paying agent or agents for such Bond Anticipation Notes. The Trustee shall have no duties or obligations to the holders of such Bond Anticipation Notes unless specifically so authorized by the resolution of the District authorizing the issuance of such Bond Anticipation Notes and unless the Trustee accepts in writing such duties and obligations.

Section 212. Tax Status of Bonds. Any Series of Bonds issued under this Master Indenture either (i) may be issued as Tax Exempt Bonds, or (ii) may be issued as Taxable Bonds. The intended tax status of any Series of Bonds to be issued may be referenced in any Supplemental Indenture authorizing the issuance of such Series of Bonds.

ARTICLE III REDEMPTION OF BONDS

Section 301. Redemption Generally. The Bonds of any Series shall be subject to redemption, either in whole on any date or in part on any Interest Payment Date, and at such times, in the manner and at such prices, as may be provided by the Supplemental Indenture authorizing the issuance of such Series of Bonds. The District shall provide written notice to the Trustee of any optional redemption on or before the forty-fifth (45th) day next preceding the date to be fixed for such optional redemption. Notwithstanding any other provision of this Master Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events or upon the later deposit of moneys therefor as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

Unless otherwise provided in the Supplemental Indenture relating to a Series of Bonds, if less than all of the Bonds of any one maturity of a Series shall be called for redemption, the particular Bonds of a Series to be redeemed shall be selected by lot in such reasonable manner as the Bond Registrar in its discretion may determine. The portion of any Series of Bonds to be redeemed shall be in an Authorized Denomination and, in selecting the Bonds of such Series to be redeemed, the Bond Registrar shall treat each such Bond as representing that number of Bonds of such Series which is obtained by dividing the principal amount of such Bond by an Authorized

Denomination (such amount being hereafter referred to as the "unit of principal amount").

If it is determined that one or more, but not all, of the units of principal amount represented by any such Bond is to be called for redemption, then upon notice of intention to redeem such unit or units of principal amount as provided below, the registered Owner of such Bond, upon surrender of such Bond to the Paying Agent for payment to such registered Owner of the redemption price of the unit or units of principal amount called for redemption, shall be entitled to receive a new Bond or Bonds of such Series in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds of such Series representing the unredeemed balance of the principal amount shall be issued to the Owner thereof without any charge therefor. If the Owner of any Bond of a denomination greater than the unit of principal amount to be redeemed shall fail to present such Bond to the Paying Agent for payment in exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption.

Subject to the provisions of Section 506(b) hereof, the District may purchase a Bond or Bonds of a Series in the open market at a price no higher than the highest redemption price (including premium) for the Bond to be so purchased with any funds legally available therefor and any such Bonds so purchased shall be credited to the amounts otherwise required to be deposited for the payment of Bonds of such Series as provided in Section 506(b) hereof or as otherwise provided in the Supplemental Indenture relating to such Series.

Section 302. Notice of Redemption; Procedure for Selection. The District shall establish each redemption date, other than in the case of a mandatory redemption, in which case the Trustee shall establish the redemption date, and the District or the Trustee, as the case may be, shall notify the Bond Registrar in writing of such redemption date on or before the forty-fifth (45th) day next preceding the date fixed for redemption, which notice shall set forth the terms of the redemption and the aggregate principal amount of Bonds so to be redeemed. Except as provided below, notice of redemption shall be given by the Bond Registrar not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption by first-class mail, postage prepaid, to any Paying Agent for the Bonds to be redeemed and to the registered Owner of each Bond to be redeemed, at the address of such registered Owner on the registration books maintained by the

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Failure to give notice by mailing to the Owner of any Bond designated for redemption or to any depository or information service shall not affect the validity of the proceedings for the redemption of any other Bond.

Section 303. Effect of Calling for Redemption. On the date designated for redemption of any Bonds, notice having been filed and mailed in the manner provided above, the Bonds called for redemption shall be due and payable at the redemption price provided for the redemption of such Bonds on such date and, moneys for payment of the redemption price being held in a separate account by the Paying Agent in trust for the Owners of the Bonds to be redeemed, interest on the Bonds called for redemption shall cease to be entitled to any benefit under this Master Indenture, and the Owners of such Bonds shall have no rights in respect thereof, except to receive payment of the redemption price thereof, and interest, if any, accrued thereon to the redemption date, and such Bonds shall no longer be deemed to be Outstanding.

Section 304. Cancellation. Bonds called for redemption shall be canceled upon the surrender thereof.

ARTICLE IV ACQUISITION AND CONSTRUCTION FUND

Section 401. Acquisition and Construction Fund. There is created and established by Section 502 hereof a fund designated as the "Acquisition and Construction Fund" which shall be held by the Trustee and to the credit of the Series Acquisition and Construction Accounts there shall be deposited the amounts specified in the Supplemental Indenture relating to such Series of Bonds.

Section 402. Payments From Acquisition and Construction Fund. Payments of the Cost of constructing and acquiring a Series Project shall be made from the Acquisition and Construction Fund as herein provided. All such payments shall be subject to the provisions and restrictions set forth in this Article and in Article V hereof, and the District covenants that it will not request any sums to be paid from the Acquisition and Construction Fund except in accordance with such provisions and restrictions. 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

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Bond Registrar (and, for any Owner of \$1,000,000 or more in the principal amount of Bonds, to one additional address if written request therefor is provided to the Bond Registrar prior to the Record Date); and a second notice of redemption shall be sent by registered or certified mail at such address to any Owner who has not submitted his Bond to the Paying Agent for payment on or before the date sixty (60) days following the date fixed for redemption of such Bond, in each case stating: (i) the numbers of the Bonds to be redeemed, by giving the individual certificate number of each Bond to be redeemed (or stating that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption); (ii) the CUSIP numbers of all Bonds being redeemed; (iii) in the case of a partial redemption of Bonds, the principal amount of each Bond being redeemed; (iv) the date of issue of each Bond as originally issued and the complete official name of the Bonds including the series designation; (v) the rate or rates of interest borne by each Bond being redeemed; (vi) the maturity date of each Bond being redeemed; (vii) the place or places where amounts due upon such redemption will be payable; and (viii) the notice date, redemption date, and redemption price. The notice shall require that such Bonds be surrendered at the designated corporate trust office of the Paying Agent for redemption at the redemption price and shall state that further interest on such Bonds will not accrue from and after the redemption date. CUSIP number identification with appropriate dollar amounts for each CUSIP number also shall accompany all redemption payments.

Any required notice or redemption also shall be sent by registered mail, overnight delivery service, telecopy or other secure means, postage prepaid, to any Owner of \$1,000,000 or more in aggregate principal amount of Bonds to be redeemed, to certain municipal registered securities depositories in accordance with the then-current guidelines of the Securities and Exchange Commission which are known to the Bond Registrar to be holding Bonds thirty-two (32) days prior to the redemption date and to at least two of the national information services that disseminate securities redemption notices in accordance with the then-current guidelines of the Securities and Exchange Commission, when possible, at least thirty (30) days prior to the redemption date; provided that neither failure to send or receive any such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

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satisfaction of the conditions for disbursement set forth in Section 503(b) hereof.

Section 403. Cost of Project. For the purposes of this Master Indenture, the Cost of the Series Project shall include, without intending thereby to limit or to restrict or expand any proper definition of such cost under the Act, other applicable provisions of Florida law, or this Master Indenture, the following:

(i) **Expenses of Bond Issuance.** All expenses and fees relating to the issuance of the Bonds, including, but not limited to, initial Credit and Liquidity Facility fees and costs, attorneys' fees, underwriting fees and discounts, the Trustee's acceptance fees, expenses and Trustee's counsel fees and costs, rating agency fees, fees of financial advisors, engineer's fees and costs, administrative expenses of the District, the costs of preparing audits and engineering reports, the costs of preparing reports, surveys, and studies, and the costs of printing the Bonds and preliminary and final disclosure documents.

(ii) **Accrued and Capitalized Interest.** Any interest accruing on the Bonds from their date through the first Interest Payment Date received from the proceeds of the Bonds (to be deposited into the related Series Interest Account) and Capitalized Interest (to be deposited into the related Series Interest Account or Capitalized Interest Account) as may be authorized or provided for by a Supplemental Indenture related to a Series of Bonds. Notwithstanding the deposit of Capitalized Interest into the related Series Capitalized Interest Account or Interest Account, Capitalized Interest shall also include any amount directed by the District to the Trustee in writing to be withdrawn from the related Series Acquisition and Construction Account and deposited into such Capitalized Interest Account or Interest Account, provided that such direction includes a certification that such amount represents earnings on amounts on deposit in the related Series Acquisition and Construction Account and that, after such deposit, the amount on deposit in such Acquisition and Construction Account, together with earnings thereon will be sufficient to complete the related Series Project which is to be funded from such Acquisition and Construction Account.

(iii) **Acquisition Expenses.** The costs of acquiring, by purchase or condemnation, all of the land, structures, improvements, rights-of-law, franchises, easements, plans and specifications and similar items and other interests in property, whether real or personal, tangible or intangible, which themselves constitute the Series Project or which are necessary or convenient

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to acquire, install and construct the Series Project and payments, contributions, dedications, taxes, assessments or permit fees or costs and any other exactions required as a condition to receive any government approval or permit necessary to accomplish any District purpose.

(iv) **Construction Expense.** All costs incurred including interest charges, for labor and materials, including equipment, machinery and fixtures, by contractors, builders, and materialmen in connection with the acquisition, installation and construction of the Series Project, and including without limitation costs incident to the award of contracts.

(v) **Other Professional Fees and Miscellaneous Expenses.** All legal, architectural, engineering survey, and consulting fees, as well as all financing charges, taxes, insurance premiums, and miscellaneous expenses, not specifically referred to in this Master Indenture that are incurred in connection with the acquisition and construction of the Series Project.

(vi) Expenses of determining the feasibility or practicality of acquisition, construction, installation, or reconstruction.

(vii) Costs of surveys, estimates, plans and specifications.

(viii) Costs of improvements.

(ix) Financing charges.

(x) Creation of initial reserve and debt service funds.

(xi) Working capital.

(xii) Amounts to repay temporary or bond anticipation notes or loans made to finance any costs permitted under the Act.

(xiii) 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 dispute.

(xiv) 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.

(xv) Expenses of Project management and supervision.

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Section 502. Establishment of Funds and Accounts. The following funds and accounts are hereby established and shall be held by the Trustee:

(a) Acquisition and Construction Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Acquisition and Construction Account and a Series Costs of Issuance Account for each Series of Bonds issued hereunder;

(b) Revenue Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Revenue Account for each Series issued hereunder;

(c) Debt Service Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Debt Service Account and within such Series Debt Service Account,

(i) a Series Interest Account,

(ii) a Series Principal Account,

(iii) a Series Sinking Fund Account,

(iv) a Series Redemption Account and therein a Prepayment Subaccount and an Optional Redemption Subaccount, and

(v) a Capitalized Interest Account

for each such series of Bonds issued hereunder;

(d) Reserve Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Reserve Account for each such Series of Bonds issued hereunder and any Bonds issued on a parity with any such Series of Bonds hereunder; and

(e) Rebate Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Rebate Account for each such Series of Tax Exempt Bonds issued hereunder.

Notwithstanding the foregoing, the Supplemental Indenture authorizing any Series of Bonds may establish such other Series Accounts or dispense with the Series Accounts set forth above as shall be deemed advisable by the District in connection with such Series of Bonds.

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(xvi) Costs of effecting compliance with any and all governmental permits relating to the Series Project.

(xvii) Any other "cost" or expense as provided by the Act.

(xviii) **Refinancing Costs.** All costs described in (i) through (xvii) above or otherwise permitted by the Act associated with refinancing or repaying any loan or other debt obligation, of the District.

Section 404. Disposition of Balances in Acquisition and Construction Fund. On the Date of Completion of a Series Project, the balance in the related Series Acquisition and Construction Account not reserved for the payment of any remaining part of the Cost of the Series Project shall be transferred by the Trustee to the credit of the Series Redemption Account, and used for the purposes set forth for such Account in the Supplemental Indenture relating to such Series of Bonds.

ARTICLE V ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 501. Lien. There is hereby irrevocably pledged for the payment of the Bonds of each Series issued hereunder, subject only to the provisions of this Master Indenture and any Supplemental Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Master Indenture and any such Supplemental Indenture with respect to each Series of Bonds, the Trust Estate; provided, however, that unless otherwise specifically provided herein or in a Supplemental Indenture relating to a Series of Bonds with respect to the Trust Estate securing such Series of Bonds, the Pledged Funds and Pledged Revenues securing a Series of Bonds shall secure only such Series of Bonds and shall not secure any other Bonds or Series of Bonds.

The foregoing pledge shall be valid and binding from and after the date of initial delivery of the Bonds and the proceeds of sale of the Bonds and all the moneys, securities and funds set forth in this Section 501 shall immediately be subject to the lien of the foregoing pledge, which lien is hereby created, without any physical delivery thereof or further act. Such lien shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District or the Trustee, irrespective of whether such parties have notice thereof. Such lien shall be prior and superior to all other liens now existing or hereafter created.

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Section 503. Acquisition and Construction Fund.

(a) Deposits. The District shall pay to the Trustee, for deposit into the related Acquisition and Construction Account in the Acquisition and Construction Fund, as promptly as practicable, the following amounts received by it:

(1) the amount set forth in the Supplemental Indenture relating to such Series of Bonds;

(2) subject to Section 806 hereof, payments made to the District from the sale, lease or other disposition of the Series Project or any portion thereof;

(3) the balance of insurance proceeds with respect to the loss or destruction of the Series Project or any portion thereof; and

(4) such other amounts as may be provided in a Supplemental Indenture.

Amounts in such Acquisition and Construction Account shall be applied to the Cost of the Series Project; provided, however, that if any amounts remain in the Acquisition and Construction Account after the Date of Completion, and if such amounts are not reserved for payment of any remaining part of the Cost of the Series Project, such amounts shall be applied in the manner set forth in Section 404 above.

(b) Disbursements. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds, payments from a Series Acquisition and Construction Account shall be paid in accordance with the provisions of this subsection (b). Before any such payment shall be made, the District shall file with the Trustee a requisition in the form of Exhibit A hereto, signed by an Authorized Officer.

Upon receipt of each such requisition and accompanying certificate the Trustee shall promptly withdraw from the Series Acquisition and Construction Account and pay to the person, firm or corporation named in such requisition the amount designated in such requisition. The Trustee shall have no duty to investigate the accuracy or validity of the items delivered pursuant to this Section 503(b).

(c) Inspection. All requisitions and certificates received by the Trustee pursuant to this Article shall be retained in the possession of the Trustee, subject at all reasonable times to the inspection of the District, the

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Consulting Engineer, the Owner of any Bonds of the related Series, and the agents and representatives thereof.

(d) **Completion of Series Project.** On the Date of Completion, the balance in the Acquisition and Construction Account not reserved by the District for the payment of any remaining part of the Cost of acquiring or constructing the Series Project shall be applied in accordance with the provisions of Section 404 hereof.

Section 504. Revenue Fund and Series Revenue Accounts. The District hereby covenants and agrees that it will assess, impose, establish and collect the Pledged Revenues with respect to each Series of Bonds in amounts and at times sufficient to pay, when due, the principal of, premium, if any, and interest on such Series of Bonds. The District hereby covenants and agrees to immediately deposit upon receipt of all such Pledged Revenues (except Prepayments), when received, into the related Series Revenue Account and to immediately deposit all Prepayments, when received, into the related Series Redemption Account, unless otherwise provided for in the Supplemental Indenture relating to a Series of Bonds.

Section 505. Debt Service Fund and Series Debt Service Account.

(a) **Principal, Maturity Amount, Interest and Amortization Installments.** On the Business Day preceding each Interest Payment Date on the Bonds, the Trustee shall withdraw from the Series Revenue Account and, from the amount so withdrawn, shall make the following deposits in the following order of priority:

(i) to the credit of the related Series Interest Account, an amount which, together with other amounts, if any, then on deposit therein will equal the amount of interest payable on the Bonds of such Series on such Interest Payment Date;

(ii) to the related Series Principal Account, an amount which, together with other amounts, if any, then on deposit therein will equal the principal amount, if any, payable with respect to Serial Bonds of such Series on such Interest Payment Date;

(iii) in each Bond Year in which Term Bonds of such Series are subject to mandatory redemption from Amortization Installments, to the related Series Sinking Fund Account, an amount which, together with other amounts, if any, then on deposit therein, will equal the Amortization

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then to reimburse the District for such payment upon written request of an Authorized Officer. If, after such amounts have been withdrawn, paid and provided for as provided above, any amounts remain in the Series Revenue Account, such amounts shall be disbursed to the District on written request of an Authorized Officer and applied to pay the operating and administrative costs and expenses of the District. After making the payments provided for in this subsection (b), the balance, if any, remaining in the Series Revenue Account shall be retained therein, or, at the written direction of an Authorized Officer to the Trustee, transferred into the Series Redemption Account.

(c) **Series Reserve Account.** Moneys held for the credit of a Series Reserve Account shall be used for the purpose of paying interest or principal or Amortization Installment or Maturity Amount on the Bonds of the related Series whenever amounts on deposit in the Series Debt Service Account shall be insufficient for such purpose.

(d) **Series Debt Service Account.** Moneys held for the credit of a Series Principal Account and Series Interest Account in a Series Debt Service Account shall be withdrawn therefrom by the Trustee and transferred by the Trustee to the Paying Agent in amounts and at times sufficient to pay, when due, the interest on the Bonds of such Series, the principal of Serial Bonds of such Series, the Maturity Amount of Capital Appreciation Bonds of such Series and to redeem Term Bonds of such Series that are subject to mandatory redemption from Amortization Installments, as the case may be.

(e) **Series Redemption Account.** Moneys representing Prepayments on deposit in a Series Redemption Account to the full extent of a multiple of an Authorized Denomination shall unless otherwise provided in the Supplemental Indenture relating to such Series of Bonds, be used by the Trustee to redeem Bonds of such Series on the earliest date on which such Bonds are permitted to be called without payment of premium by the terms hereof (including extraordinary or extraordinary mandatory redemption) and of the Supplemental Indenture relating to such Series of Bonds. Such redemption shall be made pursuant to the provisions of Article III. The District shall pay all expenses incurred by the Trustee and Paying Agent in connection with such redemption. Moneys other than from Prepayments shall be held and applied in a Series Redemption Account as provided in Section 506(a) hereof.

(f) **Payment to the District.** When no Bonds of a Series remain Outstanding, and after all expenses and charges herein and in the related

Installment payable on the Term Bonds of such Series on such Interest Payment Date;

(iv) in each Bond Year in which Capital Appreciation Bonds of such Series mature to the related Series Principal Account, an amount which, together with other amounts, if any, then on deposit therein, will equal the Maturity Amount payable with respect to the Capital Appreciation Bonds of such Series maturing on such Interest Payment Date;

(v) to the credit of the Series Reserve Account, an amount, if any, which, together with the amount then on deposit therein, will equal the Series Reserve Account Requirement; and

(vi) to the credit of the Series Rebate Account the Rebate Amount, if any, required to be deposited therein pursuant to the Supplemental Indenture related to a Series of Tax Exempt Bonds.

Notwithstanding the foregoing, so long as there are moneys on deposit in the related Series Capitalized Interest Account on the date required for any transfer into the Series Interest Account as set forth above, the Trustee shall, prior to making any transfer into the related Series Interest Account from the related Series Revenue Account, transfer to the related Series Interest Account from the related Series Capitalized Interest Account, the lesser of the interest on such Series of Bonds coming due on the next succeeding Interest Payment Date or the amount remaining on deposit in the related Series Capitalized Interest Account.

(b) **Disposition of Remaining Amounts on Deposit in Series Revenue Account.** The District shall authorize the withdrawal, from time to time, from the Series Revenue Account an amount sufficient to pay the fees and charges of the Trustee, Bond Registrar, and Paying Agent, when due. Subject to the provisions of Section 604 hereof, if (i) the amount on deposit in the Series Interest Account, Series Principal Account, and Series Redemption Account in each Bond year equals the interest payable on the Bonds of such Series in such Bond Year, the principal amount of Serial Bonds payable in such Bond Year, the Maturity Amount of all Capital Appreciation Bonds due in such Bond Year and the Amortization Installment required to be paid into the Series Redemption Account in such Bond Year, and (ii) any amounts remain in the Series Revenue Account, then, such amounts shall, at the written direction of the District, be applied to pay the commissions, fees, costs and any other charges of the Tax Collector and the Property Appraiser, or, if such commissions, fees, costs, or other charges have been paid by the District,

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Supplemental Indenture required to be paid have been paid as certified to the Trustee in writing by an Authorized Officer, and after all amounts due and owing to the Trustee have been paid in full, the Trustee shall pay any balance in the Series Accounts for such Series of Bonds to the District upon the written direction of an Authorized Officer, free and clear of any lien and pledge created by this Master Indenture; provided, however, that if an Event of Default has occurred and is continuing in the payment of the principal or Maturity Amount of, or interest or premium on the Bonds of any other Series, the Trustee shall pay over and apply any such excess pro rata (based upon the ratio of the aggregate principal amount of such Series to the aggregate principal amount of all Series Outstanding and for which such an Event of Default has occurred and is continuing) to each other Series of Bonds for which such an Event of Default has occurred and is continuing.

Section 506. Optional Redemption.

(a) **Excess Amounts in Series Redemption Account.** The Trustee shall, but only at the written direction of an Authorized Officer on or prior to the forty-fifth (45th) day preceding the date of redemption, call for redemption on each Interest Payment Date on which Bonds are subject to optional redemption, from moneys on deposit in a Series Redemption Account such amount of Authorized Denominations of Bonds of such Series then subject to optional redemption as, with the redemption premium, if any, will exhaust such amount as nearly as may be practicable. Such redemption shall be made pursuant to the provisions of Article III. The District shall pay all expenses incurred by the Trustee and Paying Agent in connection with such redemption.

(b) **Purchase of Bonds of a Series.** The District may purchase Bonds of a Series then Outstanding at any time, whether or not such Bonds shall then be subject to redemption, at the most advantageous price obtainable with reasonable diligence, having regard to maturity, option to redeem, rate and price, such price not to exceed the principal of such Bonds plus the amount of the premium, if any, which would be payable on the next redemption date to the Owners of such Bonds under the provisions of this Master Indenture and the Supplemental Indenture pursuant to which such Series of Bonds was issued if such Bonds were called for redemption on such date. Before making each such purchase, the District shall file with the Trustee a statement in writing directing the Trustee to pay the purchase price of the Bonds of such Series so purchased upon their delivery and cancellation, which statement shall set forth a description of such Bonds, the purchase price to be paid therefor, the name of the seller and the place of

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delivery of the Bonds. The Trustee shall pay the interest accrued on such Bonds to the date of delivery thereof from the related Series Interest Account and the principal portion of the purchase price of Serial Bonds from the related Series Principal Account, but no such purchase shall be made after the Record Date in any Bond Year in which Bonds have been called for redemption. To the extent that insufficient moneys are on deposit in a related Series Interest Account to pay the accrued interest portion of the purchase price of any Bonds or in a related Series Principal Account to pay the principal amount of the purchase price of any Serial Bond, the Trustee shall transfer into such Accounts from the related Series Revenue Account sufficient moneys to pay such respective amounts. In the event that there are insufficient moneys on deposit in the related Series Principal Account with which to pay the principal portion of the purchase price of any Term Bonds, the Trustee may, at the written direction of the District, transfer moneys into such related Series Principal Account from the related Series Revenue Account to pay the principal amount of such purchase price, but only in an amount no greater than the Amortization Installment related to such Series of Bonds coming due in the current Bond Year calculated after giving effect to any other purchases of Term Bonds during such Bond Year. The Trustee may pay the principal portion of the purchase price of Bonds from the related Series Redemption Account, but only upon delivery of written instructions from an Authorized Officer to the Trustee by the District accompanied by a certificate of an Authorized Officer: (i) stating that sufficient moneys are on deposit in the Redemption Account to pay the purchase price of such Bonds; (ii) setting forth the amounts and maturities of Bonds of such Series which are to be redeemed from such amounts; and (iii) containing cash flows which demonstrate that, after giving effect to the purchase of Bonds in the amounts and maturities set forth in clause (ii) above, the Pledged Revenues to be received by the District in the current and each succeeding Bond Year will be sufficient to pay the principal, Maturity Amount and Amortization Installments of and interest on all Bonds of such Series. The Trustee may pay the principal portion of the purchase price of any Term Bonds from the related Series Principal Account, but only Term Bonds of a maturity having Amortization Installments in the current Bond Year and in the principal amount no greater than the Amortization Installment related to such Series of Bonds coming due in the current Bond Year (calculated after giving effect to any other purchases of Term Bonds during such Bond Year). The Trustee may pay the principal portion of the purchase price of Term Bonds having maturities different from or in amounts greater than set forth in the next preceding sentence from amounts on deposit in the related Series Principal Account and the Trustee may transfer moneys from the related Series

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Tax Exempt Bonds. Moneys deposited and held in the Rebate Fund shall not be subject to the pledge of this Master Indenture.

(b) **Payment to United States.** The Trustee shall pay to the District upon written request of the District, the Rebate Amount required to be paid to the United States at the times, in the manner and as calculated in accordance with the Supplemental Indenture related to a Series of Tax Exempt Bonds. The Trustee shall have no responsibility for computation of the Rebate Amount and instead the District shall cause the Rebate Amount to be calculated by the Rebate Analyst and shall cause the Rebate Analyst to deliver such computation to the Trustee as provided in the Supplemental Indenture related to a Series of Tax Exempt Bonds but before the date of any required payment of the Rebate Amount to the Internal Revenue Service. The fees of, and expenses incurred by, the Rebate Analyst in computing the Rebate Amount shall be paid by the District, which amount shall be treated as administrative and operating expenses of the District payable or reimbursable from the Series Revenue Account in accordance with Section 505(b) hereof.

(c) **Deficiencies.** If the Trustee does not have on deposit in the Series Rebate Account sufficient amounts to make the payments required by this Section, the District shall pay, from any legally available source, the amount of any such deficiency to the United States as in paragraph (b) above provided.

(d) **Survival.** The covenants and agreements of the District in this Section 507 and Section 809, and, any additional covenants related to compliance with provisions necessary in order to preserve the exclusion of interest on the Bonds of a Series from gross income for Federal income tax purposes shall survive the defeasance of the Bonds of such Series in accordance with Article XII hereof.

Section 508. Investment of Funds and Accounts. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, moneys held for the credit of the Series Accounts shall be invested as hereinafter in this Section 508 provided.

(a) **Series Acquisition and Construction Account, Revenue Account and Debt Service Account.** Moneys held for the credit of a Series Acquisition and Construction Account, the Series Revenue Account, and the Series Debt Service Account shall, as nearly as may be practicable, be continuously invested and reinvested by the Trustee in Investment

Revenue Account to the related Series Principal Account for such purpose, but only upon delivery of written instructions from an Authorized Officer to the Trustee accompanied by a certificate of an Authorized Officer: (i) stating that sufficient moneys are on deposit in the Series Principal Account, after giving effect to any transfers from the related Series Revenue Account, to pay the principal portion of the purchase price of such Term Bonds; (ii) setting forth the amounts and maturities of Term Bonds of such Series which are to be redeemed from such amounts and the Amortization Installments against which the principal amount of such purchases are to be credited; and (iii) containing cash flow which demonstrate that, after giving effect to the purchase of Term Bonds in the amounts and having the maturities and with the credits against Amortization Installments set forth in clause (ii) above and any transfers from the related Series Revenue Account, the Pledged Revenues to be received by the District in the current and in each succeeding Bond Year will be sufficient to pay the principal, Maturity Amount and Amortization Installments of and interest on all Bonds of such Series. If any Bonds are purchased pursuant to this Subsection (b), the principal amount of the Bonds so purchased shall be credited as follows:

(i) if the Bonds are to be purchased from amounts on deposit in the Prepayment Subaccount of a Series Redemption Account, against the principal coming due or Amortization Installments set forth in the certificate of the Authorized Officer accompanying the direction of the District to effect such purchase; or

(ii) if the Bonds are Term Bonds of a Series, against the Amortization Installment for Bonds of such Series first coming due in the current Bond Year, or, if such Term Bonds so purchased are to be credited against Amortization Installments coming due in any succeeding Bond Year, against the Amortization Installments on Term Bonds of such Series maturing on the same date and designated in the certificate of the Authorized Officer accompanying the direction of the District to effect such purchase; or

(iii) against the principal or Maturity Amount of Serial Bonds coming due on the maturity date of such Serial Bond.

Section 507. Rebate Fund and Series Rebate Accounts.

(a) **Creation.** There is hereby created and established a Rebate Fund, and within the Rebate Fund a Series Rebate Account for each Series of

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Obligations as directed in writing by an Authorized Officer, which Investment Obligations shall mature, or shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates, as estimated by an Authorized Officer, when moneys held for the credit of each such Series Account will be required for the purposes intended.

(b) **Series Reserve Account.** Moneys held for the credit of a Series Reserve Account shall be continuously invested and reinvested by the Trustee in Investment Obligations as directed in writing by an Authorized Officer.

(c) **Investment Obligations as a Part of Funds and Accounts.** Investment Obligations purchased as an investment of moneys in any Fund or Account shall be deemed at all times to be a part of such Fund or Account, and the interest accruing thereon and profit realized from such investment shall be credited as provided in Section 510 hereof. Any loss resulting from such investment shall be charged to such Fund or Account. The foregoing notwithstanding, for purposes of investment and to the extent permitted by law, amounts on deposit in any Fund or Account may be commingled for purposes of investment, provided adequate care is taken to account for such amounts in accordance with the prior sentence. The Trustee may, upon the written direction of an Authorized Officer, transfer investments within such Funds or Accounts without being required to sell such investments. The Trustee shall sell at the best price obtainable or present for redemption any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment or transfer from any such Fund or Account. The Trustee shall not be liable or responsible for any loss resulting from any such investment or for failure to make an investment (except failure to make an investment in accordance with the written direction of an Authorized Officer) or for failure to achieve the maximum possible earnings on investments. The Trustee shall have no obligation to invest funds without written direction from an Authorized Officer.

(d) **Valuation.** In computing the value of the assets of any Fund or Account, investments and earnings thereon shall be deemed a part thereof. The Trustee shall value the assets in each of the Funds and Accounts established hereunder as of September 30 of each Fiscal Year, and as soon as practicable after each such valuation date (but no later than ten (10) days after each such valuation date) shall provide the District a report of the status of each Fund and Account as of the valuation date. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder, with the exception of a Series Reserve Account,

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obligations in which money in such Fund or Account shall have been invested shall be valued at the market value or the amortized cost thereof, whichever is lower, or at the redemption price thereof, to the extent that any such obligation is then redeemable at the option of the holder. For the purpose of determining the amount on deposit to the credit of a Series Reserve Account, obligations in which money in such Account shall have been invested shall be valued at par, if purchased at par, or at amortized cost, if purchased at other than par, plus, in each case, accrued interest. Amortized cost, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase; and (1) in the case of an obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (2) in the case of an obligation purchased at a discount by adding the product thus obtained to the purchase price.

Section 509. Deficiencies and Surpluses in Funds. For purposes of this Section: (a) a "deficiency" shall mean, in the case of a Series Reserve Account, that the amount on deposit therein is less than the Series Reserve Account Requirement (but only after the Bond Year in which the amount on deposit therein first equals the Series Reserve Account Requirement), and (b) a "surplus" shall mean in the case of a Series Reserve Account, that the amount on deposit therein is in excess of the applicable Series Reserve Account Requirement.

At the time of any withdrawal from a Series Reserve Account that results in a deficiency therein, the Trustee shall promptly notify the District of the amount of any such deficiency and the Trustee shall withdraw the amount of such deficiency from the related Series Revenue Account, and, if amounts on deposit therein are insufficient therefor, the District shall pay the amount of such deficiency to the Trustee, for deposit in such Series Reserve Account, from the first legally available sources of the District.

The Trustee, as of the close of business on the last Business Day in each Bond Year, after taking into account all payments and transfers made as of such date, shall compute, in the manner set forth in Section 508(d), the value of the Series Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such Series Reserve Account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the Series Reserve Account, from any

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ARTICLE VI CONCERNING THE TRUSTEE

Section 601. 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, to all of which the parties hereto and the Owners agree. The Trustee shall have only those duties expressly set forth herein, and no duties shall be implied against the Trustee.

Section 602. No Responsibility for Recitals. The recitals, statements and representations in this Master Indenture, in any Supplemental Indenture or in the Bonds, save only the Trustee's authentication certificate, if any, upon the Bonds, have been made by the District and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof.

Section 603. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Gross 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 Trustee shall not be answerable for the default or misconduct of any attorney, agent or employee selected by it with reasonable care. In performance of its duties hereunder, the Trustee may rely on the advice of counsel and shall not be held liable for actions taken in reliance on the advice of counsel. The Trustee shall not be answerable for the exercise of any discretion or power under this Master Indenture or any Supplemental Indenture nor for anything whatever in connection with the trust hereunder, except only its own gross negligence or willful misconduct.

Section 604. Compensation and Indemnity. The District shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, including the reasonable fees and expenses of Trustee's counsel, and to the extent permitted under Florida law shall indemnify the Trustee and hold the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder except with respect to its own negligence or misconduct. The Trustee shall have no duty in connection with its responsibilities hereunder to advance its own funds nor shall the Trustee have any duty to take any action hereunder without first having received indemnification satisfactory to it. If the District defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from

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legally available sources of the District. The Trustee, as soon as practicable after such computation, shall deposit any surplus, at the direction of an Authorized Officer, to the credit of the Series Redemption Account or the Series Principal Account.

Section 510. Investment Income. Unless provided otherwise in a Supplemental Indenture, earnings on Investments in a Series Acquisition and Construction Account, a Series Interest Account and a Series Revenue Account shall be deposited, as realized, to the credit of such Series Account and used for the purpose of such Account. Unless provided in a Supplemental Indenture, earnings on investments in a Series Principal Account and Redemption Account shall be deposited, as realized, to the credit of such Series Interest Account and used for the purpose of such Account.

Earnings on investments in a Series Reserve Account shall unless otherwise therein provided in a Supplemental Indenture be disposed of as follows:

(a) if there was no deficiency (as defined in Section 509 above) in the Series Reserve Account as of the most recent date on which amounts on deposit in the Series Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series Reserve Account since such date, then earnings on investments in the Series Reserve Account shall be deposited, as realized, in the Series Revenue Account.

(b) if as of the last date on which amounts on deposit in the Series Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 above) in the Series Reserve Account, or if after such date withdrawals have been made from the Series Reserve Account and have created such a deficiency, then earnings on investments in the Series Reserve Account shall be deposited to the credit of the Series Reserve Account until the amount on deposit therein equals the Series Reserve Account Requirement and thereafter shall be deposited to the Series Revenue Account

Section 511. Cancellation of the Bonds. All Bonds paid, redeemed or purchased, either at or before maturity, shall be canceled upon the payment, redemption or purchase of such Bonds. All Bonds canceled under any of the provisions of this Master Indenture shall be destroyed by the Paying Agent, which shall upon request of the District execute a certificate in duplicate describing the Bonds so destroyed. One executed certificate shall be filed with the Trustee and the other executed certificate shall be retained by the Paying Agent.

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any moneys received or held by the Trustee under this Master Indenture or any Supplemental Indenture and payable to the District other than moneys from a Credit Facility or a Liquidity Facility. This provision shall survive termination of this Master Indenture and any Supplemental Indenture, and as to any Trustee, its resignation or removal thereof. As security for the foregoing, the District hereby grants to the Trustee a security interest in and to the amounts of deposit in all Series Funds and Accounts (other than the Rebate Fund) thereby, in effect, granting the Trustee a first charge against these moneys following an Event of Default for its fees and expenses (including legal counsel and default administration costs and expenses), subordinate and inferior to the security interest granted to the Owners of the Bonds from time to time secured thereby, but nevertheless payable in the order of priority as set forth in Section 905(a) upon the occurrence of an Event of Default.

Section 605. 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 District to require or effect or renew insurance or to report or file claims of loss thereunder.

Section 606. Notice of Default; Right to Investigate. The Trustee shall give written notice, as soon as practicable, by first-class mail to registered Owners of Bonds of all defaults of which the Trustee has actual knowledge, unless such defaults have been remedied (the term "defaults" for purposes of this Section and Section 607 being defined to include the events specified as "Events of Default" in Section 902 hereof, but not including any notice or periods of grace provided for therein) or if the Trustee based upon the advice of counsel upon which the Trustee is entitled to rely, determines that the giving of such notice is not in the best interests of the Owners of the Bonds. The Trustee will be deemed to have actual knowledge of any payment default under this Master Indenture or under any Supplemental Indenture and, after receipt of written notice thereof by a Credit Facility issuer or a Liquidity Facility issuer of a default under its respective reimbursement agreement, but shall not be deemed to have actual knowledge of any other default unless notified in writing of such default by the Owners of at least 25% in aggregate principal amount of the Outstanding Bonds. The Trustee may, however, at any time require of the District 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 District, an investigation into the affairs of the District.

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Section 607. Obligation to Act on Default. Before taking any action under this Master Indenture or any Supplemental Indenture in respect of an Event of Default, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability resulting from its own gross negligence or willful misconduct in connection with any such action.

Section 608. Reliance by Trustee. The Trustee may act on any requisition, resolution, notice, telegram, request, consent, waiver, opinion, certificate, statement, affidavit, voucher, bond, or other paper or document or telephone message which it in good faith believes to be genuine and to have been passed, signed or given by the proper persons or to have been prepared and furnished pursuant to any of the provisions of this Master Indenture or any Supplemental Indenture; and 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 609. 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 Owners may be entitled to take with like effect as if the Trustee were not a party to this Master Indenture or any Supplemental Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the District.

Section 610. Construction of Ambiguous Provision. The Trustee may construe any ambiguous or inconsistent provisions of this Master Indenture or any Supplemental Indenture and any construction by the Trustee shall be binding upon the Owners. The Trustee shall give prompt written notice to the District of any intention to make such construal.

Section 611. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Master Indenture by written resignation filed with the Secretary of the District not less than sixty (60) days before the date when such resignation is to take effect; provided that notice of such resignation shall be sent by first-class mail to each Owner as its name and address appears on the Bond Register and to any Paying Agent, Bond Registrar, any Credit Facility issuer, and any Liquidity Facility issuer, 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.

Section 612. Removal of Trustee. Any Trustee hereunder may be removed at any time by an instrument appointing a successor to the Trustee so removed, upon application of the District; provided, however, that if an Event of Default has occurred hereunder and is continuing with respect to a Series of Bonds, then the Trustee hereunder may be removed only by an instrument appointing a successor to the Trustee so removed executed by the Majority Owners of the Series as to which Event of Default exists and filed with the Trustee and the District.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Master Indenture or any Supplemental Indenture with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the District; provided that no Event of Default has occurred hereunder and is continuing, or upon the application of the Owners of not less than 20% in aggregate principal amount of the Bonds then Outstanding.

Section 613. 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 District shall appoint a successor and shall mail notice of such appointment, including the name and address of the applicable corporate trust office of the successor Trustee, by first-class mail to each Owner as its name and address appears on the Bond Register, and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer; provided, however, that the District shall not appoint a successor Trustee if an Event of Default has occurred and is continuing, unless the District shall have received the prior written consent, which consent shall not be unreasonably withheld, of any Credit Facility issuer, and any Liquidity Facility issuer, to the appointment of such successor Trustee. If an Event of Default has occurred hereunder and is continuing and the

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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 a successor may be appointed by any court of competent jurisdiction upon the application of the Owners of not less than twenty percent (20%) in aggregate principal amount of the Bonds then Outstanding and such successor Trustee shall mail notice of its appointment, including the name and address of the applicable corporate trust office of the successor Trustee, by first-class mail to each Owner as its name and address appears on the Bond Register, and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer.

Section 614. Qualification of Successor Trustee. A successor Trustee shall be a national bank with trust powers or a bank or trust company with trust powers, having a combined net capital and surplus of at least \$50,000,000.

Section 615. Instruments of Succession. Except as provided in Section 616 hereof, any successor Trustee shall execute, acknowledge and deliver to the District 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. After withholding from the funds on hand any amounts owed to itself hereunder, the Trustee ceasing to act hereunder shall pay over to the successor Trustee all moneys held by it hereunder; and the Trustee ceasing to act and the District shall execute and deliver an instrument or instruments transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the Trustee ceasing to act except for the rights granted under Section 604 hereof. The successor Trustee shall mail notice of its appointment, including the name and address of the applicable corporate trust office of the successor Trustee, by first-class mail to each Owner as its name and address appears on the Bond Register, and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer.

Section 616. Merger of Trustee. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated or into which all or substantially all of its corporate trust assets shall be sold or its operations conveyed, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, shall be the successor Trustee under this Master Indenture, without the execution or

filing of any paper or any further act on the part of the parties thereto, 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 614 hereof, and if such corporation does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article VI.

Section 617. Resignation of Paying Agent or Bond Registrar. The Paying Agent or Bond Registrar may resign and be discharged of the duties created by this Master 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 District and the Trustee not less than sixty (60) days before the date specified in such instrument when such resignation shall take effect, and by giving written notice of such resignation mailed not less than sixty (60) days prior to such resignation date to each Owner as its name and address appear on the registration books of the District maintained by the Bond Registrar. Such resignation shall take effect on the date specified in such notice, unless a successor Paying Agent or Bond Registrar is previously appointed in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Bond Registrar. If the successor Paying Agent or Bond Registrar shall not have been appointed within a period of sixty (60) days following the giving of notice, then the Trustee may appoint a successor Paying Agent or Bond Registrar as provided in Section 619 hereof.

Section 618. Removal of Paying Agent or Bond Registrar. The Paying Agent or Bond Registrar may be removed at any time prior to any Event of Default by the District by filing with the Paying Agent or Bond Registrar to be removed, and with the Trustee, an instrument or instruments in writing executed by an Authorized Officer appointing a 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 Bond Registrar appointed hereunder shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder.

Section 619. Appointment of Successor Paying Agent or Bond Registrar. In case at any time the Paying Agent or Bond 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

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forthwith and ipso facto exist in the office of the Paying Agent or Bond Registrar, as the case may be, and a successor shall be appointed by the District; and in case at any time the Paying Agent or Bond Registrar shall resign, then a successor shall be appointed by the District. Upon any such appointment, the District shall give written notice of such appointment to the predecessor Paying Agent or Bond Registrar, the successor Paying Agent or Bond Registrar, the Trustee and all Owners. Any new Paying Agent or Bond Registrar so appointed shall immediately and without further act supersede the predecessor Paying Agent or Bond Registrar.

Section 620. Qualifications of Successor Paying Agent or Bond Registrar. Every successor Paying Agent or Bond Registrar (i) shall be a commercial bank or trust company (a) duly organized under the laws of the United States or any state or territory thereof, (b) authorized by law to perform all the duties imposed upon it by this Master Indenture, and (c) capable of meeting its obligations hereunder, and (ii) shall have a combined net capital and surplus of at least \$50,000,000.

Section 621. Acceptance of Duties by Successor Paying Agent or Bond Registrar. Except as provided in Section 622 hereof, any successor Paying Agent or Bond Registrar appointed hereunder shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder, and thereupon such successor Paying Agent or Bond Registrar, without any further act, deed or conveyance, shall become duly vested with all the estates property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent or Bond Registrar herein. Upon request of such Paying Agent or Bond Registrar, such predecessor Paying Agent or Bond Registrar and the District shall execute and deliver an instrument transferring to such successor Paying Agent or Bond Registrar all the estates, property, rights and powers hereunder of such predecessor Paying Agent or Bond Registrar and such predecessor Paying Agent or Bond Registrar shall pay over and deliver to the successor Paying Agent or Bond Registrar all moneys and other assets at the time held by it hereunder.

Section 622. Successor by Merger or Consolidation. Any corporation into which any Paying Agent or Bond Registrar hereunder may be merged or converted or with which it may be consolidated or into which substantially all of its corporate trust assets shall be sold or otherwise conveyed, or any corporation resulting from any merger or consolidation to which any Paying Agent or Bond Registrar hereunder shall be a party, shall be the successor Paying Agent or Bond Registrar under this Master

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(c) be held and accounted for separate and apart from all other Funds and Accounts, including Series Accounts of other Series of Bonds, and other funds and accounts of the Trustee and the District;

(d) until applied for the purposes provided herein, be subject to a first lien in favor of the Owners of such Series of Bonds and any pari passu obligations to issuers of Credit or Liquidity Facilities with respect to such series of Bonds, which lien is hereby created, prior and superior to all other liens now existing or hereafter created, and, to a second lien in favor of the Trustee, as security for the reasonable compensation for the services of the Trustee hereunder, and also all its reasonable expenses and disbursements, including the reasonable fees and expenses of Trustee's counsel, subordinate and inferior to the security interest granted to the Owners of such Series of Bonds and any pari passu obligations to issuers of Credit or Liquidity Facilities with respect to such Series of Bonds, but nevertheless payable in the order of priority as set forth in Section 905(a) hereof upon the occurrence of an Event of Default; and

(e) shall not be subject to lien or attachment by any creditor of the Trustee or any creditor of the District or any other Series of Bonds other than the Owners of such Series of Bonds and the issuers of Credit or Liquidity Facilities with respect to such Series of Bonds.

ARTICLE VIII COVENANTS AND AGREEMENTS OF THE DISTRICT

Section 801. Payment of Bonds. The District shall duly and punctually pay or cause to be paid, but only from the Trust Estate with respect to each Series of Bonds, Debt Service on the dates, at the places, and in the amounts stated herein, in any Supplemental Indenture, and in the Bonds of such Series.

Section 802. Extension of Payment of Bonds. Except as provided in Section 901 hereof, the District shall not directly or indirectly extend the time for payment of the interest on any Bonds. The time for payment of Bonds of any Series shall be the time prescribed in the Supplemental Indenture relating to such Series of Bonds.

Section 803. Further Assurance. At any and all times the District shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds,

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Indenture without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Master Indenture to the contrary notwithstanding.

Section 623. Brokerage Statements. The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive individual confirmations of security transactions at no additional cost, as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

Section 624. 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 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 VII FUNDS CONSTITUTE TRUST FUNDS

Section 701. Trust Funds. Subject to the provisions of Section 604 and Section 905(a) hereof, all amounts on deposit in Series Funds or Accounts for the benefit of a Series of Bonds shall:

(a) be used only for the purposes and in the manner herein and in the Supplemental Indenture relating to such Series of Bonds provided and, pending such application, be held by the Trustee in trust for the benefit of the Owners of such Series of Bonds;

(b) be irrevocably pledged to the payment of such Series of Bonds, except for amounts on deposit in the Series Rebate Accounts in the Rebate Fund;

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conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, moneys, securities and funds hereby pledged or assigned, or intended so to be, or which the District may become bound to pledge or assign after the date of execution of this Master Indenture.

Section 804. Power to Issue Bonds and Create a Lien. The District hereby represents to the Trustee and to the Owners that it is and will be duly authorized under all applicable laws to issue the Bonds of each Series, to execute this Master Indenture, to adopt Supplemental Indentures, and to pledge its moneys, securities and funds in the manner and to the extent provided herein. Except as provided herein, the District hereby represents that such moneys, securities and funds of the District are and will be free and clear of any pledge, lien, charge or encumbrance thereon and all action on the part of the District to that end has been and will be duly and validly taken. The Bonds of each Series, this Master Indenture and any Supplemental Indenture are and will be the valid and legally enforceable obligations of the District, enforceable in accordance with their terms except to the extent that enforcement thereof may be subject to bankruptcy and other similar laws affecting creditors' rights generally. The District shall at all times, to the extent permitted by law, defend, preserve and protect the pledge and lien created by this Master Indenture and all the rights of the Owners hereunder against all claims and demands of all other persons whomsoever.

Section 805. Power to Undertake Series Projects and to Collect Pledged Revenue. The District has or will have upon the date of issuance of each Series of Bonds, and will have so long as any Bonds are Outstanding, good right and lawful power: (i) to undertake the Series Projects, or it will take such action on its part required which it deems reasonable in order to obtain licenses, orders, permits or other authorizations, if any, from any agency or regulatory body having lawful jurisdiction which must be obtained in order to undertake such Series Project; and (ii) to fix, levy and collect or cause to be collected any and all Pledged Revenues.

Section 806. Sale of Series Projects. The District covenants that, until such time as there are no Bonds of a Series Outstanding, it will not sell, lease or otherwise dispose of or encumber the related Series Project or any part thereof other than as provided herein. The District may, however, from time to time, sell any machinery, fixtures, apparatus, tools,

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instruments, or other movable property acquired by the District in connection with a Series Project, or any materials used in connection therewith, if the District shall determine that such articles are no longer needed or are no longer useful in connection with the acquisition, construction, operation or maintenance of a Series Project, and the proceeds thereof may be applied to the replacement of the properties so sold or disposed of and, if not so applied, shall be deposited to the credit of the related Series Acquisition and Construction Account or, after the Date of Completion of the Series Project, shall be applied as provided in the corresponding Supplemental Indenture. The District may from time to time sell or lease such other property forming part of a Series Project which it may determine is not needed or serves no useful purpose in connection with the maintenance and operation of such Series Project, if the Consulting Engineers shall in writing approve such sale or lease; the proceeds of any such sale shall be disposed of as hereinabove provided for the proceeds of the sale or disposal of movable property. The proceeds of any lease as described above shall be applied as provided in the corresponding Supplemental Indenture.

Notwithstanding the foregoing, the District may: (i) dispose of all or any part of a Series Project, other than a Series Project the revenues to be derived from the operation of which are pledged to a Series of Bonds, by gift or dedication thereof to any unit of local government, or to the State or any agency or instrumentality of either of the foregoing or the United States Government; and/or (ii) impose, declare or grant title to or interests in the Series Project or a portion or portions thereof in order to create ingress and egress rights and public and private utility easements as the District may deem necessary or desirable for the development, use and occupancy of the property within the District; and/or (iii) impose or declare covenants, conditions and restrictions pertaining to the use, occupancy and operation of the Series Projects.

Section 807. Completion and Maintenance of Series Projects. The District shall complete the acquisition and construction of a Series Project with all practical dispatch and in a sound and economical manner. So long as any Series Project is owned by the District, the District shall maintain, preserve and keep the same or cause the same to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation thereof may be properly and advantageously conducted.

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Section 809. Arbitrage and Other Tax Covenants. The District hereby covenants that it will not take any action, and will not fail to take any action, which action or failure would cause the Tax Exempt Bonds to become "arbitrage bonds" as defined in Section 148 of the Internal Revenue Code of 1986. The District further covenants that it will take all such actions after delivery of any Tax Exempt Bonds as may be required in order for interest on such Tax Exempt Bonds to remain excludable from gross income (as defined in Section 61 of the Internal Revenue Code of 1986) of the Owners. Without limiting the generality of the foregoing, the District hereby covenants that it will to the extent not remitted by the Trustee from funds held in the Rebate Account, remit to the United States that Rebate Amount at the time and place required by this Master Indenture and any Supplemental Indenture, including any Tax Regulatory Covenants contained therein.

Section 810. Enforcement of Payment of Assessment. The District will assess, levy, collect or cause to be collected and enforce the payment of Assessments, Benefit Special Assessments, and/or any other sources which constitute Pledged Revenues for the payment of any Series of Bonds in the manner prescribed by this Master Indenture, any Supplemental Indenture and all resolutions, ordinances or laws thereunto appertaining at times and in amounts as shall be necessary in order to pay, when due, the principal of and interest on the Series of Bonds to which such Pledged Revenues are pledged; and to pay or cause to be paid the proceeds of such Assessments as received to the Trustee in accordance with the provisions hereof.

Section 811. Method of Collection of Assessments and Benefit Special Assessments. The District shall levy and collect Assessments and Benefit Special Assessment in accordance with applicable Florida law.

Section 812. Delinquent Assessment. If the owner of any lot or parcel of land shall be delinquent in the payment of any Assessment or Benefit Special Assessment, pledged to a Series of Bonds, then such Assessment or Benefit Special Assessments, shall be enforced in accordance with the provisions of Chapters 170 and/or 197, Florida Statutes, including but not limited to the sale of tax certificates and tax deed as regards such Delinquent Assessment. In the event the provisions of Chapter 197, Florida Statutes, are inapplicable or unavailable, then upon the delinquency of any Assessment or Benefit Special Assessments, the District either on its own behalf, or through the actions of the Trustee may, and shall, if so directed in writing by the Majority Owners of the Outstanding Bonds of the Series,

Section 808. Accounts and Reports.

(a) **Annual Report.** The District shall, within thirty days of receipt and approval by the District, so long as any Bonds are Outstanding, deliver to each Requesting Owner (hereinafter defined), and otherwise as provided by law, a copy of its annual audit for such year, accompanied by an Accountant's Certificate, including: (a) statements in reasonable detail of its financial condition as of the end of such Fiscal Year and income and expenses for such Fiscal Year, and (b) statements of all receipts and disbursements of the Pledged Revenues of each Series of Bonds (unless the Pledged Revenues of such Series are remitted directly to the Trustee). The Trustee shall, within ninety (90) days after the close of each Fiscal Year so long as any Bonds are Outstanding, file with the District a summary with respect to each Fund and Account of the deposits thereto and disbursements therefrom during such Fiscal Year and the amounts held therein at the end of such Fiscal Year, or at the option of the Trustee, such summary can be made on a monthly basis. For purposes of the foregoing, the term "Requesting Owner" shall mean the Owner (or beneficial owner in the case of book-entry Bonds) of more than \$1,000,000 aggregate principal amount of any Series of Bonds who requests such information in writing to the District.

(b) **No Default Certificate.** The District shall file with the Trustee, so long as any Bonds are Outstanding, a certificate of an Authorized Officer upon the occurrence of an Event of Default as described in Section 902(g) hereof, such certificate to contain a description of the nature of such default and actions taken or to be taken to remedy with default.

(c) **Inspection.** The reports, statements and other documents required to be furnished by the District to the Trustee and by the Trustee to the District pursuant to any provisions hereof shall be available for inspection by any Owner at the designated corporate trust office of the Trustee upon the giving of at least five (5) days advance written notice to the Trustee.

(d) **Reports Pursuant to Uniform Special District Accountability Act of 1989.** The District covenants and agrees that it will comply with the provisions of Chapter 189.01 et seq., Florida Statutes, as amended, the Uniform Special District Accountability Act of 1989, to the extent applicable to the District, including any reporting requirements contained therein which are applicable to the District. The District may contract with a service provider selected by the District to ensure such compliance.

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declare the entire unpaid balance of such Assessment or Benefit Special Assessment, to be in default and, at its own expense, cause such delinquent property to be foreclosed 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, and Sections 190.026 and/or 170.10, Florida Statutes, or otherwise as provided by law. The District further covenants to furnish, at its expense, to any Owner of Bonds of the related Series so requesting, sixty (60) days after the due date of each annual installment, a list of all Delinquent Assessments together with a copy of the District's annual audit, and a list of foreclosure actions currently in progress and the current status of such Delinquent Assessments.

Section 813. Deposit of Proceeds from Sale of Tax Certificates. If any tax certificates relating to Delinquent Assessments which are pledged to a Series of Bonds are sold by the Tax Collector pursuant to the provisions of Section 197.432, Florida Statutes, or if any such tax certificates are not sold but are later redeemed, the proceeds of such sale or redemption (to the extent that such proceeds relate to the Assessments), less any commission or other charges retained by the Tax Collector, shall, if paid by the Tax Collector to the District, be paid by the District to the Trustee not later than five (5) Business Days following receipt of such proceeds by the District and shall be deposited by the Trustee to the credit of the related Series Revenue Account.

Section 814. Sale of Tax Deed or Foreclosure of Assessment or Benefit Special Assessment Lien. If any property shall be offered for sale for the nonpayment of any Assessment, which is pledged to a Series of Bonds, and no person or persons shall purchase such property for an amount less than or equal to the full amount due on the Assessments or Benefit 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 Assessments or Benefit 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 of Bonds to which such Assessments or Benefit Special Assessments were pledged; provided that the Trustee shall have the right, acting at the direction of the Majority Owners of the applicable Series of Bonds secured by such Assessment or Benefit Special Assessment, but shall not be obligated, to direct the District with respect to any action taken pursuant to this paragraph. The District,

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either through its own actions, or actions caused to be taken through the Trustee, shall have the power to lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the related Series Revenue Account. Not less than ten (10) days prior to the filing of any foreclosure action as herein provided, the District shall cause written notice thereof to be mailed to any designated agents of the Owners of the related Series of Bonds. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the District, it shall give written notice thereof to such representatives. 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 the listing for sale of property acquired by it as trustee for the benefit of the Owners of the related Series of Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the Outstanding Bonds of such Series.

Section 815. Other Obligations Payable from Assessments or Benefit Special Assessments. The District will not issue or incur any obligations payable from the proceeds of Assessments or Benefit Special Assessments securing a Series of Bonds nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge upon such Assessments or Benefit Special Assessments other than the lien of any Subordinate Debt except for fees, commissions, costs, and other charges payable to the Property Appraiser or to the Tax Collector pursuant to Florida law.

Section 816. Re-Assessments. If any Assessments or Benefit Special Assessments shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or the District shall be satisfied that any such Assessments or Benefit Special Assessments is so irregular or defective that it cannot be enforced or collected, or if the District shall have omitted to make such Assessments or Benefit Special Assessments when it might have done so, the District shall either: (i) take all necessary steps to cause a new Assessment or Benefit Special Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement; or (ii) in its sole discretion, make up the amount of such Assessment or Benefit Special Assessment from legally available moneys, which moneys shall be deposited into the related Series Revenue Account. In case any such subsequent Assessment or Benefit Special Assessment shall also be annulled, the District shall obtain and make other Assessments or

Benefit Special Assessments until a valid Assessment or Benefit Special Assessment shall be made.

Section 817. General. The District shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the District under law and this Master Indenture, in accordance with the terms of such provisions.

Upon the date of issuance of each Series of Bonds, all conditions, acts and things required by law and this Master Indenture and any Supplemental Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Series of Bonds shall exist, have happened and have been performed and upon issuance the issue of such Series of Bonds shall be within every debt and other limit prescribed by the laws of the State of Florida applicable to the District.

Section 818. Secondary Market Disclosure. The District covenants and agrees with the Owners, from time to time, of the Bonds issued hereunder to make best efforts to provide, or cause to be provided, on a timely basis, all appropriate information repositories such information and documents as shall be required by applicable law to enable Owners to purchase and resell the Bonds issued, from time to time, hereunder. For purposes of complying with the above-described provision, the District may rely on an opinion of counsel which is familiar with disclosure of information relating to municipal securities. Nothing herein shall, however, require the District to provide disclosure in order to enable the purchaser of a security in a "private placement transaction" within the meaning of applicable securities laws, to offer or re-sell such security in other than a "private placement transaction." All financial statements provided to a repository shall be in accordance with generally accepted governmental accounting principles and shall be provided to such repository as soon as practicable after the same becomes available. The financial statements shall contain such information as shall be customary for local governments, such as the District. Nothing in this Section 818 is intended to impose upon the District, and this Section 818 shall not be construed as imposing upon the District, any disclosure obligations beyond those imposed by applicable law. Failure to comply with the provisions of this Section 818 shall not constitute an Event of Default hereunder, but instead shall be enforceable by mandamus, injunction or any other means of specific performance.

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ARTICLE IX EVENTS OF DEFAULT AND REMEDIES

Section 901. Extension of Interest Payment. If the time for payment of interest of a Bond of any Series shall be extended, whether or not such extension be by or with the consent of the District, such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Master Indenture unless the aggregate principal amount of all Bonds of such Bonds then Outstanding and of all accrued interest the time for payment of which shall not have been extended shall have previously been paid in full.

Section 902. Events of Default. Each of the following events is hereby declared an Event of Default with respect to a Series of Bonds, but no other Series of Bonds unless otherwise provided in the Supplemental Indenture relating to such Series:

(a) Any payment of Debt Service on such Series of Bonds is not made when due;

(b) The District shall for any reason be rendered incapable of fulfilling its obligations hereunder or under the Supplemental Indenture relating to such Series of Bonds;

(c) The District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of a related Series Project;

(d) The District is adjudged insolvent by a court of competent jurisdiction, or is adjudged a bankrupt on a petition in bankruptcy filed against the District, or an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the District, a receiver or trustee of the District or of the whole or any part of its property and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof;

(e) The District shall file a petition or answer seeking reorganization or any arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;

(f) Under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District's assets or any part thereof, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control;

(g) Any portion of the Assessments pledged to a Series shall have become Delinquent Assessments and, as the result thereof, the Indenture provides for the Trustee to withdraw funds in an amount greater than twenty-five percent (25%) of the amount on deposit in a Series Reserve Account to pay Debt Service on the corresponding Series of Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners, actually withdraw such funds from the Series Reserve Account to pay Debt Service on the corresponding Series of Bonds);

(h) The District shall default in the due and punctual performance of any of the material covenants, conditions, agreements and provisions contained in the Bonds of such Series or in this Master Indenture or in the Supplemental Indenture relating to such Series of Bonds on the part of the District to be performed (other than a default in the payment of Debt Service on the related Series of Bonds when due, which is an Event of Default under subsection (a) above) and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the District by the Trustee or, if the Trustee is unwilling or unable to act, by Owners of not less than ten percent (10%) in aggregate principal amount of the Bonds of such Series then Outstanding and affected by such default; and

(i) More than twenty percent (20%) of the Operation and Maintenance Assessments levied by the District on tax parcels subject to Assessments pledged to a Series of Bonds are not paid by the date such are due and payable.

Section 903. Acceleration of Maturities of Bonds of a Series Under Certain Circumstances. Upon the happening and continuance of any Event of Default specified in clauses (a) through (g) of Section 902 above with respect to a Series of Bonds, the Trustee shall, upon written direction of the Majority Owners of such Series then Outstanding, by a notice in writing to the District, declare the aggregate principal amount of all of the Bonds of such Series then Outstanding (if not then due and payable) to be due and payable immediately and, upon such declaration, the same shall become and be immediately due and payable, anything contained in the Bonds of such

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Series or in this Master Indenture or in the Supplemental Indenture authorizing such Series to the contrary notwithstanding; provided, however, that no such declaration of acceleration shall occur in the case of Bonds of a Series secured by Assessments, except to the extent that the Assessments have been accelerated and are currently due and payable in accordance with applicable law; and provided further, however, that if at any time after the aggregate principal amount of the Bonds of any Series then Outstanding shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Master Indenture or the related Supplemental Indenture, moneys shall have accumulated in the related Series Revenue Account sufficient to pay the principal of all matured Bonds of such Series and all arrears of interest, if any, upon all Bonds of such Series then Outstanding (except the aggregate principal amount of any Bonds of such Series then Outstanding that is only due because of a declaration under this Section, and except for the interest accrued on the Bonds of such Series since the last Interest Payment Date), and all amounts then payable by the District hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Paying Agent, and every other default (other than a default in the payment of the aggregate principal amount of the Bonds of such Series then Outstanding that is due only because of a declaration under this Section) shall have been remedied, then the Trustee or, if the Trustee is unable or unwilling to act, the Majority Owners of such Series then Outstanding not then due except by virtue of a declaration under this Section, may, by written notice to the District, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Section 904. Enforcement of Remedies. Upon the happening and continuance of any Event of Default specified in Section 902 above with respect to a Series of Bonds, the Trustee may protect and enforce the rights of the Owners of the Bonds of such Series under Florida law, and under this Master Indenture, the related Supplemental Indenture and the Bonds of such Series, by such proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein or in the related Supplemental Indenture granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights.

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Maintenance Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, the Majority Owners, from time to time, of the Bonds of a Series. Notwithstanding anything to the contrary herein, and unless otherwise directed by the Majority Owners of the Bonds of a Series 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 Assessments collected directly by the District when due, that the entire Assessment on the tax parcel as to which such Delinquent Assessment appertains, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and the District shall promptly, but in any event within one hundred twenty (120) days, cause to be brought the necessary legal proceedings for the foreclosure of liens of Delinquent Assessments, including interest and penalties with respect to such tax parcel 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.

Section 905. Pro Rata Application of Funds Among Owners of a Series of Bonds. Anything in this Master Indenture to the contrary notwithstanding, if at any time the moneys in the Series Funds and Accounts shall not be sufficient to pay Debt Service on the related Series of Bonds when due, such moneys together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

(a) Unless the aggregate principal amount of all the Bonds of such Series shall have become due and payable or shall have been declared due and payable pursuant to the provisions of Section 903 of this Article, all such moneys shall be applied:

First: to the payment of any then-due fees and expenses of the Trustee, including reasonable counsel fees and expenses, to the extent not otherwise paid;

Second: to payment to the persons entitled thereto of all installments of interest then due and payable on the Bonds of such Series, in the order in which such installments become due and payable 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 discrimination or preference except

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The Majority Owners of the Bonds of such Series then Outstanding shall, subject to the requirements of Section 607, have the right, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such directions shall not be in conflict with any rule of law or this Master Indenture and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unduly prejudicial to the rights of the Owners of such Series of Bonds not parties to such direction or would subject the Trustee to personal liability or expense. Notwithstanding the foregoing, the Trustee shall have the right to select and retain legal counsel of its choosing to represent it in any such proceedings. The Trustee may take any other action which is not inconsistent with any direction under this second paragraph of this Section 904.

No Owner of such Series of Bonds shall have any right to pursue any other remedy under this Master Indenture or such Series of Bonds unless: (1) an Event of Default shall have occurred and is continuing; (2) the Majority Owners of such Series Outstanding have requested the Trustee, in writing, to exercise the powers granted in this first paragraph of this Section 904 or to pursue such remedy in its or their name or names; (3) the Trustee has been offered indemnity satisfactory to it against costs, expenses and liabilities reasonably anticipated to be incurred; (4) the Trustee has declined to comply with such request, or has failed to do so, within sixty (60) days after its receipt of such written request and offer of indemnity; and (5) no direction inconsistent with such request has been given to the Trustee during such 60-day period by the Majority Owners of such Series Outstanding. The provisions of this immediately preceding sentence of this Section 904 are conditions precedent to the exercise by any Owner of such Series of Bonds of any remedy hereunder. The exercise of such rights is further subject to the provisions of Sections 907, 909, 910 and the second paragraph of this Section 904. No one or more Owner of such Series of Bonds shall have any right in any manner whatever to enforce any right under this Master Indenture, except in the manner herein provided.

The District 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 the Indenture, the provisions for the collection of Delinquent Assessments, including Delinquent Direct Billed Operation and Maintenance Assessments, the provisions for the foreclosure of liens of Delinquent Assessments, including Delinquent Direct Billed Operation and

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as to any difference in the rates of interest specified in the Bonds of such Series; and

Third: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds of such Series which shall have become due (other than Bonds of such Series called for redemption for the payment of which sufficient moneys are held pursuant to this Master Indenture), in the order of their due dates, with interest upon the Bonds of such Series at the rates specified therein from the dates upon which they become due to their payment date, and, if the amount available shall not be sufficient to pay in full the principal of Bonds of such Series due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Owners of the Bonds of such Series entitled thereto without any discrimination or preference except as to any difference in the foregoing rates of interest.

(b) If the aggregate principal amount of all the Bonds of a Series shall have become due and payable in accordance with their terms or shall have been declared due and payable pursuant to the provisions of Section 903 of this Article, all such moneys shall be applied first to the payment of any fees and expenses of the Trustee, including reasonable counsel fees and expenses, to the extent not otherwise paid, and, then the payment of the whole amount of principal and interest then due and unpaid upon the Bonds of such Series, without preference or priority of principal or of interest or of any installment of interest over any other, or of any Bond over any other Bond of such Series, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds of such Series.

(c) If the principal of all the Bonds of a Series shall have been declared due and payable pursuant to the provisions of Section 903 of this Article, and if such declaration shall thereafter have been rescinded and annulled pursuant to the provisions of Section 903 of this Article, then, if the aggregate principal amount of all of the Bonds of such Series shall later become due or be declared due and payable pursuant to the provisions of Section 903 of this Article, the moneys remaining in and thereafter accruing to the related Series Revenue Fund shall be applied in accordance with subsection (b) above.

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The provisions of this Section are in all respects subject to the provisions of Section 901 of this Article.

Whenever moneys are to be applied pursuant to this Section, such moneys shall be applied by the Trustee at such times as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application. The deposit of such moneys with the Paying Agent shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to any Owner or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies such moneys in accordance with such provisions of this Master Indenture as may be applicable at the time of application. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to any Owner until such Bond shall be surrendered to him for appropriate endorsement.

Section 906. Effect of Discontinuance of Proceedings. If any proceeding taken by the Trustee or any Owner on account of any default shall have been discontinued or abandoned for any reason, then the District and the Owner shall be restored to their former positions and rights hereunder, respectively, and all rights and remedies of the Owners shall continue as though no such proceeding had been taken.

Section 907. Restriction on Individual Owner Actions. Except as provided in Section 910 below, no Owner of any of the Bonds shall have any right in any manner whatever to affect, disturb or prejudice the security of this Master Indenture or any Supplemental Indenture, or to enforce any right hereunder or thereunder except in the manner herein or therein provided, and all proceedings at law or in equity shall be instituted and maintained for the benefit of all Owners of the Bonds of such Series.

Section 908. No Remedy Exclusive. No remedy conferred upon the Trustee or the Owners is intended to be exclusive of any other remedy herein or in any Supplemental Indenture provided, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereunder.

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(b) The District acknowledges and agrees that, although the Bonds of a Series were issued by the District, the Owners of the Bonds of a Series are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving an Insolvent Taxpayer:

(i) the District hereby agrees that it shall seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Bonds of a Series Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Assessments relating to the Bonds of a Series Outstanding, the Outstanding Bonds of a Series or any rights of the Trustee under the Indenture (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Bonds of a Series Outstanding, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following request for consent);

(ii) the District 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 Assessments relating to the Bonds of a Series Outstanding, the Bonds of a Series Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee;

(iii) the District hereby agrees that it shall seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Bonds of a Series Outstanding, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following request for consent);

(iv) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Assessments relating to the Bonds of a Series Outstanding, would have the right to pursue, and, if the Trustee chooses to exercise any such rights, the District shall not oppose the Trustee in seeking to exercise any and all rights and taking any and all actions

Section 909. Delay Not a Waiver. No delay or omission of the Trustee or any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given to the Trustee and the Owners may be exercised from time to time and as often as may be deemed expedient.

Section 910. Right to Enforce Payment of Bonds. Nothing in this Article shall affect or impair the right of any Owner to enforce the payment of Debt Service on the Bond of which such person is the registered Owner, or the obligation of the District to pay Debt Service to the Owner at the time and place specified in such Bond.

Section 911. No Cross Default Among Series. The occurrence of an Event of Default hereunder or under any Supplemental Indenture with respect to any Series of Bonds shall not constitute an Event of Default with respect to any other Series of Bonds, unless the event giving rise to the Event of Default also constitutes an Event of Default hereunder or under the Supplemental Indenture with respect to such other Series of Bonds.

Section 912. Indemnification. Other than to make proper draws under a Credit Facility, the Trustee shall be under no obligation to institute any suit or to take any remedial proceeding under this Master Indenture or any Supplemental Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to advance its own money, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability. Notwithstanding the foregoing, the indemnification provided by this Section 912 shall not be applicable in cases of the Trustee's gross negligence or willful misconduct.

Section 913. Provision Relating to Bankruptcy or Insolvency of Landowner. (a) The provisions of this Section 913 shall be applicable 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, or tax parcels which are in the aggregate, subject to at least five percent (5%) of the Assessments pledged to the Bonds of a Series Outstanding (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").

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available to the District in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Assessments relating to the Bonds of a Series Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and

(v) the District shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the District's claim and rights with respect to the Assessments relating to the Bonds of a Series Outstanding or receipt of adequate protection (as that term is defined in the 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 Assessments pledged to the Bonds of a Series Outstanding, (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.

The District acknowledges and agrees that it shall not be a defense to a breach of the foregoing covenants that it has acted on advice of counsel in not complying with the foregoing covenants.

(c) Notwithstanding the provisions of the immediately preceding paragraphs, nothing in this Section shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for Operation and Maintenance Assessments, and the District 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 District 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 consents with respect to the Assessments relating to the Bonds of a Series Outstanding whether such claim is pursued by the District or the Trustee;

provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (b)(iv) above.

ARTICLE X EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF BONDS

Section 1001. Execution of Instruments by Owners and Proof of Ownership of Bonds. Any request, direction, consent or other instrument in writing required or permitted by this Master Indenture or any Supplemental Indenture to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor and may be signed or executed by Owners or their attorneys or legal representatives. Proof of the execution of any such instrument shall be sufficient for any purpose of this Master Indenture and shall be conclusive in favor of the District with regard to any action taken by it under such instrument if verified by any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future owner of the same Bond in respect of anything done by the Trustee or the District in pursuance of such request or consent.

Section 1002. Deposit of Bonds. Notwithstanding the foregoing, neither the District nor the Trustee shall be required to recognize any person as an Owner of any Bond or to take any action at his request unless such Bond shall be deposited with the Trustee.

ARTICLE XI SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Without Owners' Consent. The Governing Body from time to time may authorize such indentures supplemental hereto or amendatory hereof as shall not be

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supplemental hereto or amendatory hereof as shall be deemed desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the provisions of this Master Indenture; provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent of all Owners of Bonds then Outstanding and affected by such supplement or amendment,

- (a) an extension of the maturity of, or an extension of the Interest Payment Date on, any Bond;
- (b) a reduction in the principal, premium, or interest on any Bond;
- (c) a preference or priority of any Bond over any other Bond; or
- (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture.

In addition to the foregoing, the Majority Owners of any Series then Outstanding shall have the right, from time to time, anything contained in this Master Indenture or in the Supplemental Indenture relating to such Series of Bonds to the contrary notwithstanding, to consent to and approve the adoption of such indentures supplemental to the Supplemental Indenture relating to such Series of Bonds or amendatory thereof, but not hereof, as shall be deemed desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the provisions of such Supplemental Indenture or of any indenture supplemental thereto; provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent of all Owners of Bonds of such Series then Outstanding and affected by such amendment,

- (a) an extension of the maturity of, or an extension of the Interest Payment Date on, any Bond of such Series;
- (b) a reduction in the principal, premium, or interest on any Bond of such Series;
- (c) a preference or priority of any Bond of such Series over any other Bond of such Series; or
- (d) a reduction in the aggregate principal amount of the Bonds of such Series required for consent to such indenture supplemental to the Supplemental Indenture.

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inconsistent with the terms and provisions hereof (which supplemental indenture shall thereafter form a part hereof), without the consent of the Owners, for the following purposes:

- (a) to provide for the initial issuance of a Series of Bonds or refunding bonds of a Series; or
- (b) to make any change whatsoever to the terms and provisions of this Master Indenture, but only as such change relates to a Series of Bonds upon the original issuance thereof (or upon the original issuance of refunding bonds of a Series which defease and discharge the Supplemental Indenture of the Series of Bonds to be refunded) under and pursuant to the terms of the Supplemental Indenture effecting such change; or
- (c) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Master Indenture; or
- (d) to grant to the Owners or to the Trustee on behalf of the Owners any additional rights or security that may lawfully be granted; or
- (e) to add to the covenants and agreements of the District in this Master Indenture other covenants and agreements thereafter to be observed by the District to the benefit of the Owners of the Outstanding Bonds; or
- (f) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190, 197 and 298, or other Florida Statutes, so long as, in the opinion of counsel to the District, such changes either: (a) do not have a material adverse effect on the Owners of each Series of Bonds to which such changes relate; or (b) if such changes do have a material adverse effect, that they nevertheless are required to be made as a result of such amendments; or
- (g) to modify the provisions of this Master Indenture or any Supplemental Indenture provided that such modification does not, in the written opinion of Bond Counsel, materially adversely affect the interests of the Owners of the Bonds Outstanding, upon which opinion the Trustee may conclusively rely.

Section 1102. Supplemental Indentures With Owner Consent. Subject to the provisions contained in this Section, and not otherwise, the Majority Owners then Outstanding shall have the right, from time to time, anything contained in this Master Indenture to the contrary notwithstanding, to consent to and approve the adoption of such indentures

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If at any time the District shall determine that it is desirable to approve any Supplemental Indenture pursuant to this Section 1102, the District shall cause the Trustee to mail, at the expense of the District, notice of the proposed approval to the Owners whose approval is required. Such notice shall be prepared by the District and shall briefly set forth the nature of the proposed Supplemental Indenture or indenture supplemental to a Supplemental Indenture and shall state that copies thereof are on file with the Secretary for inspection by all affected Owners. The District shall not, however, be subject to any liability to any Owner by reason of its failure to cause the notice required by this Section to be mailed and any such failure shall not affect the validity of such Supplemental Indenture or indenture supplemental to a Supplemental Indenture when consented to and approved as provided in this Section.

Whenever, at any time within one (1) year after the date of the first mailing of such notice, there shall be delivered to the District an instrument or instruments in writing purporting to be executed by the Owners of the requisite principal amount of the Bonds of such Series Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture or indenture supplemental to a Supplemental Indenture described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Governing Body and the Trustee may approve such Supplemental Indenture and cause it to be executed, in substantially such form, without liability or responsibility to any Owner.

Section 1103. Opinion of Bond Counsel With Respect to Supplemental Indenture. In addition to the other requirements herein set forth with respect to Supplemental Indentures or indenture supplemental to a Supplemental Indenture, no such indenture shall be effective unless and until there shall have been delivered to the Trustee the opinion of Bond Counsel to the effect that such indenture is permitted pursuant to this Master Indenture and that such indenture is the valid and binding obligation of the District enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or general equitable principles, upon which opinion the Trustee may conclusively rely. In addition, if such indenture relates to a Series of Tax Exempt Bonds, such opinion shall also state that such indenture will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the related Series of Bonds.

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Section 1104. Supplemental Indenture Part of Indenture. Any supplemental indenture executed in accordance with this Article and approved as to legality by counsel to the District shall thereafter, except as otherwise provided therein, form a part of this Master Indenture. Except as applicable only to Bonds of a Series, all of the terms and conditions contained in any such supplemental indenture amendatory of this Master Indenture shall be part of the terms and conditions hereof.

Section 1105. Insurer or Issuer of a Credit or Liquidity Facility as Owner of Bonds. As long as a Credit or Liquidity Facility securing all or a portion of the Bonds of a Series Outstanding is in effect and the issuer thereof is not in default of any of its obligations under such Credit or Liquidity Facility, as the case may be, the issuer of the Credit or Liquidity Facility or the Insurer, to the extent so authorized in the applicable Supplemental Indenture, will be deemed to be the Owner of the Bonds of such Series secured by the Credit or Liquidity Facility: (i) at all times for the purpose of the execution and delivery of a supplemental indenture or of any amendment, change or modification of the Master Indenture or the applicable Supplemental Indenture or the initiation by Owners of any action to be undertaken by the Trustee at the Owner's request, which under the Master Indenture or the applicable Supplemental Indenture requires the written approval or consent of or can be initiated by the Majority Owners of the Series at the time Outstanding; (ii) at all times for the purpose of the mailing of any notice to Owners under the Master Indenture or the applicable Supplemental Indenture; and (iii) following an Event of Default for all other purposes. Notwithstanding the foregoing, neither an Insurer nor the issuer of a Credit or Liquidity Facility with respect to a Series of Bonds will be deemed to be an Owner of the Bonds of such Series with respect to any such Supplemental Indenture or of any amendment, change or modification of the Master Indenture which would have the effect of permitting: (i) a change in the terms of redemption or maturity of any Bonds of a Series Outstanding or of any installment of interest thereon; or (ii) a reduction in the principal amount or the Redemption Price thereof or in rate of interest thereon; or (iii) reducing the percentage or otherwise affecting the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment; or (iv) creating any preference or priority of any Bond of a Series over any other Bond of such Series.

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obligations of the District hereunder shall be limited solely to and such Bonds shall be secured solely by and be payable solely from the moneys or Federal Securities so deposited.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit pursuant to this Master Indenture of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in this Section. All Outstanding Bonds of any particular maturity or Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 1201 if: (i) in case any of such Bonds are to be redeemed on any date prior to their maturity, the District shall have given to the Trustee or the Bond Registrar irrevocable instructions accepted in writing by the Trustee or the Bond Registrar to mail as provided in Article III notice of redemption of such Bonds on such date; (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Federal Securities, the principal of and the interest on which when due shall, as demonstrated in an Accountant's Certificate, provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be; (iii) the District shall have given the Trustee or the Bond Registrar in form satisfactory to it irrevocable instructions to mail, postage prepaid, to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registry books of the District, a notice to the registered Owners of such Bonds and to the Registrar that the deposit required by (ii) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section 1201 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on such Bonds; and (iv) an opinion of Bond Counsel to the effect that such defeasance is permitted under this Master Indenture and the Supplemental Indenture relating to the Series of Bonds so defeased and that, in the case of Tax-Exempt Bonds, such defeasance will not adversely affect the tax exempt status of such Series of Bonds. Neither Federal Securities nor moneys deposited with the Trustee pursuant to this Section 1201 nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the

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ARTICLE XII DEFEASANCE

Section 1201. Defeasance and Discharge of the Lien of this Master Indenture and Supplemental Indentures.

(a) If the District pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon and the obligations under any Letter of Credit Agreement and any Liquidity Agreement, at the times and in the manner stipulated therein and in this Master Indenture and any Letter of Credit Agreement and any Liquidity Agreement and pays or causes to be paid all other moneys owing hereunder and under any Supplemental Indenture (including, without limitation the fees and expenses of the Trustee, including reasonable counsel fees and expenses), then the lien of this Master Indenture and all covenants, agreements and other obligations of the District to the Owners and the issuer of any Credit Facility or Liquidity Facility shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee upon the request of the District shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee and the Paying Agent shall pay over or deliver, as directed by the District, all moneys or securities held by them pursuant to this Master Indenture which are not required for the payment of principal or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption or for payment of obligations under any Letter of Credit Agreement and any Liquidity Agreement. If the District pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds or of a particular maturity, of a particular Series or of any part of a particular maturity or Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Master Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Master Indenture, and all covenants, agreements and obligations of the District to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Anything to the contrary in this Section 1201 notwithstanding, this Master Indenture shall not be discharged nor shall any Bonds with respect to which moneys or Federal Securities have been deposited in accordance with the provisions of this Section 1201 cease to be entitled to the lien, benefit or security under this Master Indenture, except to the extent that the lien, benefit and security of this Master Indenture and the

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principal or redemption price, if applicable, and interest on such Bonds; provided that any cash received from such principal or interest payments on such Federal Securities deposited with the Trustee: (i) to the extent such cash shall not be required at any time for such purpose as evidenced by an Accountant's Certificate or, and to the extent all obligations under any Letter of Credit Agreement or any Liquidity Agreement are satisfied, as determined by an Insurer or an issuer of any Credit Facility and any Liquidity Facility securing the Bonds with respect to which such Federal Securities have been so deposited, shall be paid over upon the direction of the District as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing such Bonds or otherwise existing under this Master Indenture; and (ii) to the extent such cash shall be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Securities maturing at times and in amounts sufficient to pay when due the principal or redemption price, if applicable, and interest to become due on such Bonds, or obligations under any Letter of Credit Agreement or any Liquidity Agreement, on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over as received by the Trustee to the District, free and clear of any lien, pledge or security interest securing such Bonds or otherwise existing under this Master Indenture. For the purposes of this provision, Federal Securities means and includes only such securities which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof.

(c) As to any Variable Rate Bonds, whether discharged and satisfied under the provisions of subsection (a) or (b) above, the amount required for the interest thereon shall be calculated at the maximum rate permitted by the terms of the provisions which authorized the issuance of such Variable Rate Bonds; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Investment Obligations on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to fully discharge and satisfy such Bonds and obligations under Letter of Credit Agreement and any Liquidity Agreement pursuant to the provisions of this Section, the District may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Variable Rate Bonds or otherwise existing under this Master Indenture or under any Letter of Credit Agreement or any Liquidity Agreement.

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(d) Notwithstanding any of the provisions of this Master Indenture to the contrary, Option Bonds may only be fully discharged and satisfied either pursuant to subsection (a) above or by depositing in the Series Interest Account, the Series Principal Account and the Series Redemption Account, or in such other accounts which are irrevocably pledged to the payment of the Option Bonds, as the District may create and establish by Supplemental Indenture, moneys which together with other moneys lawfully available therefor shall be sufficient at the time of such deposit to pay when due the maximum amount of principal of and redemption price, if any, and interest on such Option Bonds which could become payable to the Owners of such Bonds upon the exercise of any options provided to the Owners of such Bonds; provided however, that if, at the time a deposit is made pursuant to this subsection (d), the options originally exercisable by the Owner of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this subsection (d). If any portion of the moneys deposited for the payment of the principal of and redemption price, if any, and interest on Option Bonds is not required for such purpose and is not needed to reimburse an Insurer or an issuer of any Credit Facility or Liquidity Facility, for obligations under any Letter of Credit Agreement or any Liquidity Agreement, the District may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing such Option Bonds or otherwise existing under this Master Indenture or any Letter of Credit Agreement or Liquidity Agreement.

(e) Anything in this Master Indenture to the contrary notwithstanding, any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bonds became due and payable, shall, at the written request of the District be repaid by the Trustee or Paying Agent to the District, as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of such Bonds; provided, however, that before being required to make any such payment to the District, the Trustee or Paying Agent shall, at the expense of the District, cause to be mailed, postage prepaid, to any Insurer or any issuer of any Credit Facility or Liquidity Facility, and to each registered Owner of Bonds then Outstanding at the

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Except as otherwise provided herein, all rights, powers and privileges conferred, and duties and liabilities imposed, upon the District or upon the Governing Body by this Master Indenture shall be exercised or performed by the Governing Body, or by such other officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the Governing Body in his or her individual capacity, and neither the members of the Governing Body nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 1302. Manner of Giving Notice to the District and the Trustee. Any notice, demand, direction, request or other instrument authorized or required by this Master Indenture to be given to or filed with the District or the Governing Body or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Master Indenture if and when sent by certified mail, return receipt requested:

To the District, addressed to:

Talavera Community Development District
c/o District Manager
Rizzetta & Company, Incorporated
12750 Citrus Park Lane, Suite115
Tampa, Florida 33625

To the Trustee, addressed to:

U.S. Bank National Association
225 East Robinson Street
Suite 250
Orlando, Florida 32801
Attention: Corporate Trust Department

or to such other address as shall be provided to the other party hereto in writing.

All documents received by the District and the Trustee under this Master Indenture shall be retained in their possession, subject at all

address, if any, appearing upon the registry books of the District, a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) days after the date of the mailing of such notice, the balance of such moneys then unclaimed shall be returned to the District.

(f) In the event that the principal and Redemption Price, if applicable, and interest due on the Bonds shall be paid by the Insurer pursuant to a municipal bond insurance policy, the assignment and pledge and all covenants, agreements and other obligations of the District to the Owners of such Bonds shall continue to exist and the Insurer shall be subrogated to the rights of such Owners.

(g) Anything in this Master Indenture to the contrary notwithstanding, the provisions of the foregoing subsections (b) through (f) shall apply to the discharge of Bonds of a Series and to the discharge of the lien of any Supplemental Indenture securing such Series of Bonds as though each reference to the "Master Indenture" were a reference to such "Supplemental Indenture" and as though each reference to "Bonds Outstanding" were a reference to the "Bonds of such Series Outstanding."

Section 1202. Moneys Held in Trust. All moneys and obligations held by an escrow or paying agent or trustee pursuant to this Section shall be held in trust and the principal and interest of said obligations when received, and said moneys, shall be applied to the payment, when due, of the principal, interest and premium, if any, of the Bonds to be paid or to be called for redemption.

ARTICLE XIII MISCELLANEOUS PROVISIONS

Section 1301. Effect of Covenant. All covenants, stipulations, obligations and agreements of the District contained in this Master Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the District and of the Governing Body of the District to the full extent authorized or permitted by law and all such covenants, stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

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reasonable times to the inspection of any Owner and the agents and representatives thereof.

Section 1303. Manner of Giving Notice to the Owners. Any notice, demand, direction, request, or other instrument authorized or required by this Master Indenture to be mailed to the Owners shall be deemed to have been sufficiently mailed if mailed by first class mail, postage pre-paid, to the Owners at their addresses as they appear at the time of mailing on the registration books maintained by the Bond Registrar.

Section 1304. Successorship of District Officers. If the offices of Chairman, or Secretary shall be abolished or any two or more of such offices shall be merged or consolidated, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of his office by reason of sickness, absence from the District or otherwise, all powers conferred and all obligations and duties imposed upon such officer shall be performed by the officer succeeding to the principal functions thereof or by the officer upon whom such powers, obligations and duties shall be imposed by law.

Section 1305. Inconsistent Provisions. All provisions of any resolutions, and parts thereof, which are inconsistent with any of the provisions of this Master Indenture are hereby declared to be inapplicable to this Master Indenture.

Section 1306. Further Acts; Counterparts. The officers and agents of the District are hereby authorized and directed to do all the acts and things required of them by the Bonds and this Master Indenture, for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Bonds and this Master Indenture.

This Master Indenture and any Supplemental Indenture may be executed in duplicate counterparts each of which shall constitute one and the same agreement.

Section 1307. Headings Not Part of Indenture. Any headings preceding the texts of the several Articles and Sections hereof and any table of contents, marginal notes or footnotes appended to copies hereof shall be solely for convenience of reference, and shall not constitute a part of this Master Indenture, nor shall they affect its meaning, construction or effect.

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Section 1308. Effect of Partial Invalidity. In case any one or more of the provisions of this Master Indenture or of any Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Master Indenture or of the Bonds, but this Master Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Bonds are issued and this Master Indenture is adopted with the intent that the laws of the State of Florida shall govern their construction.

Section 1309. Attorneys' Fees. Any reference herein to the term "attorneys' fees" or "legal fees" or words of like import shall include but not be limited to fees of legal assistants and paralegals and fees incurred in any and all legal proceedings, including any trial or appellate level proceedings, and any sales tax thereon.

Section 1310. Effective Date. This Master Indenture shall be effective as of the date first above-written.

(SEAL)



TALAVERA COMMUNITY
DEVELOPMENT DISTRICT

By: [Signature]
Chairman

ATTEST:

By: [Signature]
Secretary

U.S. BANK NATIONAL
ASSOCIATION, as Trustee

By: [Signature]
Vice President

EXHIBIT A
FORM OF REQUISITION

The undersigned, an Authorized Officer of Talavera Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the District to U.S. Bank National Association, Orlando, Florida, as trustee (the "Trustee"), dated as of December 1, 2016 (the "Master Indenture"), as amended and supplemented by the [] Supplemental Indenture from the District to the Trustee, dated as of [] (the "Master Indenture as amended and supplemented is hereinafter referred to as 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) Fund or Account and subaccount, if any, from which disbursement to be made:

The undersigned hereby certifies that [obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the [] Acquisition and Construction Account and the subaccount, if any, referenced above, that each disbursement set forth above was incurred in connection with the acquisition and construction of the [] Project and each represents a Cost of the [] Project, and has not previously been paid] OR [this requisition is for Costs of Issuance payable from the Costs of Issuance Account that has not previously been paid].

The undersigned hereby further certifies that there has not been filed with or served upon the District 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 District is at the date of such certificate entitled to retain.

If this requisition is for a disbursement from other than the Costs of Issuance Account or for payment of capitalized interest, there shall be attached a resolution of the Governing Body of the District approving this requisition or approving the specific contract with respect to which disbursements pursuant to this requisition are due and payable.

Attached hereto are originals of the invoice(s) from the vendor of the property acquired or services rendered with respect to which disbursement is hereby requested.

TALAVERA COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Authorized Officer

**CONSULTING ENGINEER'S APPROVAL FOR NON-COST OF
ISSUANCE AND CAPITALIZED INTEREST REQUESTS ONLY**

If this requisition is for a disbursement for other than Capitalized Interest or 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 attached as an Exhibit to the [] Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

Consulting Engineer

THIRD SUPPLEMENTAL TRUST INDENTURE

TALAVERA
COMMUNITY DEVELOPMENT DISTRICT

TO
U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE

Dated as of July 1, 2019

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THIRD SUPPLEMENTAL
TRUST INDENTURE

THIS THIRD SUPPLEMENTAL TRUST INDENTURE (the "Third Supplemental Indenture") is dated as of July 1, 2019, from **TALAVERA COMMUNITY DEVELOPMENT DISTRICT** (the "District") to **U.S. BANK NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association authorized to accept and execute trusts of the character herein set forth, with its designated corporate trust office located at 225 East Robinson Street, Suite 250, Orlando, Florida 32801, Attention: Corporate Trust Department.

WHEREAS, the District has entered into a Master Trust Indenture, dated as of December 1, 2016 (the "Master Indenture" and together with this Third Supplemental Indenture, the "Indenture") with the Trustee to secure the issuance of its Talavera Community Development District Capital Improvement Revenue Bonds (the "Bonds"), issuable in one or more Series from time to time; and

WHEREAS, pursuant to Resolution No. 2007-18 adopted by the Governing Body of the District on November 13, 2006, the District has authorized the issuance, sale and delivery of not to exceed \$43,000,000 of Bonds, to be issued in one or more Series of Bonds as authorized under the Master Indenture, which Bonds were validated by final judgment of the Circuit Court of Pasco County, Florida on February 6, 2007, the appeal period for which has expired with no appeal having been taken; and

WHEREAS, the Governing Body of the District duly adopted Resolution No. 2015-06 on June 24, 2015, providing for the acquisition, construction and installation of assessable capital improvements (the "Capital Improvement Program"), providing estimated Costs of the Capital Improvement Program, defining assessable property to be benefited by the Capital Improvement Program, defining the portion of the Costs of the Capital Improvement Program with respect to which Assessments will be imposed and the manner in which such Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll, and, stating the intent of the District to issue Bonds of the District secured by such Assessments to finance the Costs of the acquisition, construction and installation of the Capital Improvement Program and the Governing Body of the District duly adopted Resolution No. 2015-09, on August 12, 2015, following a public hearing conducted in accordance with the Act, to fix and establish the Assessments and the benefited property; and

WHEREAS, pursuant to Resolution No. 2019-08, adopted by the Governing Body of the District on June 19, 2019, the District has authorized the issuance, sale and delivery of, *inter alia*, its \$4,705,000 Talavera Community Development District Capital Improvement Revenue Bonds, Series 2019 (the "Series 2019 Bonds"), which are issued hereunder as an issue of Bonds under the Master

Indenture, and has ratified and confirmed the Master Indenture and authorized the execution and delivery of this Third Supplemental Indenture to secure the issuance of the Series 2019 Bonds and to set forth the terms of the Series 2019 Bonds; and

WHEREAS, the District will apply the proceeds of the Series 2019 Bonds to: (i) finance a portion of the Cost of acquiring assessable improvements (as more particularly defined herein, the "Series 2019 Project"); (ii) pay certain costs associated with the issuance of the Series 2019 Bonds; (iii) make a deposit into the Series 2019 Reserve Account for the benefit of all of the Series 2019 Bonds; and (iv) pay a portion of the interest first coming due on the Series 2019 Bonds; and

WHEREAS, the Series 2019 Bonds will be payable from and secured in part by revenues derived from Assessments imposed, levied and collected by the District with respect to property specially benefited by the Series 2019 Project (the "Series 2019 Assessments"), which, together with the Series 2019 Pledged Funds (hereinafter defined) will comprise the Trust Estate securing the Series 2019 Bonds (the "Series 2019 Trust Estate"), which shall constitute a "Series Trust Estate" as each term is defined in the Master Indenture; and

WHEREAS, the execution and delivery of the Series 2019 Bonds and of this Third Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the Series 2019 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Third Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the Series 2019 Trust Estate have been done;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS THIRD SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2019 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, all Series 2019 Bonds Outstanding from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this Third Supplemental Indenture and in the Series 2019 Bonds: (a) has executed and delivered this Third Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in the trusts under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the

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District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Series 2019 Bonds, as follows:

**ARTICLE I
DEFINITIONS**

Section 101. Definitions. All terms used herein that are defined in the recitals hereto are used with the same meaning herein unless the context clearly requires otherwise. All terms used herein that are defined in the Master Indenture are used with the same meaning herein (including the use of such terms in the recitals hereto and the granting clauses hereof) unless (i) expressly given a different meaning herein or (ii) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

"Assessment Methodology" shall mean the Master Special Assessment Allocation Report, dated August 12, 2015, as supplemented by the Final Supplemental Special Assessment Allocation Report, dated July 17, 2019, each prepared by Rizzetta & Company, Inc.

"Beneficial Owners" shall have the meaning given such term by DTC so long as it is the registered Owner through its nominee Cede & Co. of the Series 2019 Bonds as to which such reference is made to enable such Series 2019 Bonds to be held in book-entry only form, and shall otherwise mean the registered Owner on the registration books of the District maintained by the Bond Registrar.

"Bond Depository" shall mean the securities depository from time to time under Section 201 hereof, which may be the District.

"Bond Participants" shall mean those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds Bonds as securities depository.

"Collateral Assignment" shall mean the Collateral Assignment and Assumption of Development Rights by and between the District and the Landowner, dated July 29, 2019.

"Completion Agreement" shall mean the Agreement by and between the District and the Landowner Regarding the Completion of Certain Improvements Relating to the Series 2019 Project, dated as of July 29, 2019.

"Delinquent Assessment Interest" shall mean Series 2019 Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in

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provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture the revenues derived by the District from the Series 2019 Assessments (the "Series 2019 Pledged Revenues") and the Funds and Accounts (except for the Series 2019 Rebate Account) established hereby (the "Series 2019 Pledged Funds") which shall comprise a part of the Series 2019 Trust Estate;

TO HAVE AND TO HOLD all the same by the Master Indenture granted, bargained, sold, conveyed, transferred, assigned and pledged, or agreed or intended so to be, to the Trustee and its successors in said trust and to it and its assigns forever;

IN TRUST NEVERTHELESS, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2019 Bonds issued or to be issued under and secured by this Third Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one Series 2019 Bond over any other Series 2019 Bond by reason of priority in their issue, sale or execution;

PROVIDED FURTHER HOWEVER, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2019 Bonds or any Series 2019 Bond of a particular maturity issued, secured and Outstanding under this Third Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2019 Bonds and this Third Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this Third Supplemental 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 of the Master Indenture and this Third Supplemental Indenture, then upon such final payments, this Third Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2019 Bonds or any Series 2019 Bond of a particular maturity, otherwise this Third Supplemental Indenture shall remain in full force and effect;

THIS THIRD SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Series 2019 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as in the Master Indenture (except as amended directly or by implication by this Third Supplemental Indenture), including this Third Supplemental Indenture, expressed, and the

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which such Series 2019 Assessment Interest has, or would have, become delinquent under State law applicable thereto.

"Delinquent Assessment Principal" shall mean Series 2019 Assessment Principal deposited by the District with the Trustee on or after May 1 of the year in which such Series 2019 Assessment Principal has, or would have, become delinquent under State law applicable thereto.

"Delinquent Assessments" shall mean, collectively, Delinquent Assessment Principal and Delinquent Assessment Interest.

"Development" shall mean the development known as "Talavera" encompassing 547 acres located entirely within the District, which is anticipated to include 800 residential units.

"DTC" shall mean The Depository Trust Company, New York, New York.

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

"Interest Payment Date" shall mean each May 1 and November 1, commencing November 1, 2019.

"Landowner" shall mean M/I Homes of Tampa LLC, a Florida limited liability company.

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) of the Outstanding Series 2019 Bonds.

"Nominee" shall mean the nominee of the Bond Depository, which may be the Bond Depository, as determined from time to time pursuant to this Third Supplemental Indenture.

"Redemption Date" shall mean each Interest Payment Date.

"Series 2019 Assessment Area" shall mean Phases 1C, 1D, 2A and 2B of the Development, which is anticipated to include 284 single-family units.

"Series 2019 Assessment Interest" shall mean the interest on the Series 2019 Assessments which is pledged to the Series 2019 Bonds.

"Series 2019 Assessment Principal" shall mean the principal amount of Series 2019 Assessments received by the District which represents a proportionate amount of the principal of and Amortization Installments of the Series 2019 Bonds, other than applicable Delinquent Assessment Principal and Series 2019 Prepayment Principal.

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"Series 2019 Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2019 Assessments which include Resolution Nos. 2015-06, 2015-09 and 2019-14, as supplemented, adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the District with respect to the Series 2019 Assessments and the Assessment Methodology as approved thereby.

"Series 2019 Assessment Revenues" shall mean all revenues derived by the District from the Series 2019 Assessments, including proceeds from any foreclosure of the lien of Delinquent Assessments and any statutory interest on the Delinquent Assessments collected by the District in excess of the rate of interest on the Series 2019 Bonds.

"Series 2019 Assessments" shall mean the principal and interest of Series 2019 Assessments received by the District which corresponds to a proportionate amount of the principal and interest of the Series 2019 Bonds.

"Series 2019 Investment Obligations" shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District:

- (i) Government Obligations;
- (ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government - sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by the Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (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 and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by both Moody's and S&P at the time of purchase;
- (iii) Both (A) 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 for such funds by Moody's and S&P, and (B) shares of money market mutual funds that invest only in the obligations described in (i) and (ii) above;
- (iv) Money market deposit accounts, time deposits, and certificates of deposits issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated, at the time of purchase, in

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the aggregate principal amount of \$4,705,000 for the purposes enumerated in the recitals hereto to be designated "Talavera Community Development District Capital Improvement Revenue Bonds, Series 2019." The Series 2019 Bonds shall be substantially in the form set forth as Exhibit B to this Third Supplemental Indenture. Each Series 2019 Bond shall bear the designation "2019R" and shall be numbered consecutively from 1 upwards.

The Series 2019 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2019 Bond for each maturity thereof. Upon initial issuance, the ownership of each such Series 2019 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2019 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to Series 2019 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the Series 2019 Bonds, (ii) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Series 2019 Bonds, including any notice of redemption, or (iii) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2019 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose name each Series 2019 Bond is registered in the registration books kept by the Bond Registrar as the absolute Owner of such Series 2019 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2019 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2019 Bond, for the purpose of registering transfers with respect to such Series 2019 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2019 Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2019 Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Bond Registrar,

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one of the two highest rating categories, without regard to gradation, by Moody's and S & P; and

(v) Commercial paper (having maturities of not more than 270 days) rated, at the time of purchase, in one of the two highest rating categories, without regard to gradation, by Moody's and S & P.

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

"Series 2019 Prepayment Principal" shall mean the excess amount of Series 2019 Assessment Principal received by the District over the Series 2019 Assessment Principal included within an Assessment appearing on any outstanding and unpaid tax bill, whether or not mandated to be prepaid in accordance with the Series 2019 Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2019 Prepayment Principal shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

"Series 2019 Project" shall mean that portion of the Capital Improvement Program benefitting the Series 2019 Assessment Area and financed with proceeds of the Series 2019 Bonds.

"Series 2019 Reserve Account Requirement" shall mean an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2019 Bonds as of the time of any such calculation, which as of the date of issuance of the Series 2019 Bonds is \$145,028.75.

"Substantially Absorbed" shall mean the date on which the principal amount of the Series 2019 Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2019 Bonds is levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon and are owned by end users as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

"True-Up Agreement" shall mean the Agreement by and between the District and the Landowner Regarding the True-Up and Payment of Series 2019 Assessments, dated as of July 29, 2019.

ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2019 BONDS

Section 201. Authorization of Series 2019 Bonds; Book-Entry Only Form. The Series 2019 Bonds are hereby authorized to be issued in one Series in

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shall receive a certificated Series 2019 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in this Third Supplemental Indenture shall refer to such new Nominee of DTC; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC: (i) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding Series 2019 Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the Beneficial Owners of the Series 2019 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, the Series 2019 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the Series 2019 Bonds shall designate, in accordance with the provisions hereof.

Section 202. Terms. The Series 2019 Bonds shall be issued as four (4) Term Bonds, shall be dated as of the date of initial issuance and delivery to the initial purchasers thereof, shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

Number	Principal Amount	Maturity Date	Interest Rate	CUSIP
2019R-1	\$ 365,000	May 1, 2025	3.50%	87410P AE5
2019R-2	540,000	May 1, 2030	3.85	87410P AF2
2019R-3	1,485,000	May 1, 2040	4.35	87410P AG0
2019R-4	2,315,000	May 1, 2050	4.50	87410P AH8

Section 203. Dating; Interest Accrual. Each Series 2019 Bond shall be dated July 29, 2019. Each Series 2019 Bond also shall bear its date of authentication. Each Series 2019 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such Series 2019 Bond has been paid, in which event such Series 2019 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2019 Bonds, in which event such Series 2019 Bond shall bear interest from its date. Interest on the Series 2019 Bonds shall be due and payable on each May 1 and November 1, commencing

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November 1, 2019, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 204. Denominations. The Series 2019 Bonds shall be issued in Authorized Denominations; provided, however, that the Series 2019 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the Series 2019 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the Series 2019 Bonds.

Section 207. Conditions Precedent to Issuance of Series 2019 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2019 Bonds, all the Series 2019 Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Series 2019 Assessment Proceedings;
- (b) Executed copies of the Master Indenture and this Third Supplemental Indenture;
- (c) A customary Bond Counsel opinion;
- (d) The District Counsel opinion required by the Master Indenture;
- (e) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2019 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this Third Supplemental Indenture;
- (f) An Engineer's Certificate or Engineer's Certificates which set forth the estimated Cost of the Series 2019 Project;
- (g) A certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal; and
- (h) An executed Collateral Assignment, Completion Agreement and True-Up Agreement.

Payment to the Trustee of the net proceeds of the Series 2019 Bonds shall conclusively evidence satisfaction of the foregoing conditions precedent to the authentication of the Series 2019 Bonds.

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the amount of \$94,100.00), shall as soon as practicable upon the delivery thereof to the Trustee by the District pursuant to Section 207 of the Master Indenture, be applied as follows:

- (a) \$145,028.75, representing the Series 2019 Reserve Account Requirement at the time of issuance of the Series 2019 Bonds shall be deposited to the credit of the Series 2019 Reserve Account;
- (b) \$180,775.00, representing the costs of issuance relating to the Series 2019 Bonds shall be deposited to the credit of the Series 2019 Costs of Issuance Account;
- (c) \$355,214.72, representing Capitalized Interest on the Series 2019 Bonds through and including May 1, 2021, shall be deposited to the credit of the Series 2019 Capitalized Interest Account; and
- (d) \$3,929,881.53 shall be deposited to the credit of the Series 2019 Acquisition and Construction Account to be used to pay the Costs of the Series 2019 Project in accordance with the terms of the Indenture.

Section 403. Series 2019 Acquisition and Construction Account; Series 2019 Capitalized Interest Account. (a) Amounts on deposit in the Series 2019 Acquisition and Construction Account shall be applied to pay a portion of the Costs of the Series 2019 Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture; provided, however, that the form of requisition shall be the form set forth in Exhibit C hereto and shall contain the certifications, if applicable, of the Consulting Engineer provided for therein, and the Trustee shall be entitled to conclusively rely on such certification to pay such requisition.

Anything in the Master Indenture to the contrary notwithstanding, the Consulting Engineer shall establish a Date of Completion for the Series 2019 Project, and any balance remaining in the Series 2019 Acquisition and Construction Account after such Date of Completion (taking into account the moneys currently on deposit therein to pay any accrued but unpaid Costs of the Series 2019 Project which are required to be reserved in the Series 2019 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineer delivered to the District and the Trustee establishing such Date of Completion), shall be deposited to the Series 2019 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2019 Bonds in accordance with Section 301 hereof and in the manner prescribed in the form of Series 2019 Bond set forth as Exhibit B hereto, whereupon the Series 2019 Acquisition and Construction Account shall be closed.

- (b) Amounts on deposit in the Series 2019 Capitalized Interest Account shall, until and including May 1, 2021, be transferred into the Series 2019 Interest

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ARTICLE III REDEMPTION OF SERIES 2019 BONDS

Section 301. Bonds Subject to Redemption. The Series 2019 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as Exhibit B to this Third Supplemental Indenture. Interest on Series 2019 Bonds which are called for redemption shall be paid on the Redemption Date from the Series 2019 Interest Account or from the Series 2019 Revenue Account to the extent monies in the Series 2019 Interest Account are insufficient for such purpose. Moneys in the Series 2019 Optional Redemption Subaccount in the Series 2019 Redemption Account shall be applied in accordance with Section 506 of the Master Indenture to the optional redemption of Series 2019 Bonds.

ARTICLE IV DEPOSIT OF SERIES 2019 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

Section 401. Establishment of Accounts. There are hereby established, as needed, the following Funds and Accounts.

- (a) within the Acquisition and Construction Fund held by the Trustee: (i) a Series 2019 Acquisition and Construction Account and (ii) a Series 2019 Costs of Issuance Account;
- (b) within the Debt Service Fund held by the Trustee: (i) a Series 2019 Debt Service Account and therein a Series 2019 Sinking Fund Account, a Series 2019 Interest Account and a Series 2019 Capitalized Interest Account; and (ii) a Series 2019 Redemption Account and therein a Series 2019 Prepayment Subaccount and a Series 2019 Optional Redemption Subaccount;
- (c) within the Reserve Fund held by the Trustee a Series 2019 Reserve Account, which shall be held for the benefit of all of the Series 2019 Bonds, without distinction as to Series 2019 Bonds and without privilege or priority of one Series 2019 Bond over another;
- (d) within the Revenue Fund held by the Trustee a Series 2019 Revenue Account; and
- (e) within the Rebate Fund held by the Trustee a Series 2019 Rebate Account.

Section 402. Use of Series 2019 Bond Proceeds. The net proceeds of sale of the Series 2019 Bonds in the amount of \$4,610,900.00 (consisting of \$4,705,000.00 principal amount of Series 2019 Bonds less underwriter's discount in

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Account and applied to the payment of interest first coming due on the Series 2019 Bonds, and thereafter transferred into the Series 2019 Acquisition and Construction Account, whereupon the Series 2019 Capitalized Interest Account shall be closed.

Section 404. Series 2019 Costs of Issuance Account. The amount deposited in the Series 2019 Costs of Issuance Account shall, at the written direction of an Authorized Officer to the Trustee, be used to pay the costs of issuance relating to the Series 2019 Bonds. On the earlier to occur of: (x) the written direction of an Authorized Officer or (y) six (6) months from the date of issuance of the Series 2019 Bonds, any amounts deposited in the Series 2019 Costs of Issuance Account which have not been requisitioned shall be transferred over and deposited into the Series 2019 Acquisition and Construction Account and used for the purposes permitted therefor, whereupon the Series 2019 Costs of Issuance Account shall be closed.

Section 405. Series 2019 Reserve Account. The Series 2019 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2019 Reserve Account Requirement. Except as otherwise provided herein or in the Master Indenture, amounts on deposit in the Series 2019 Reserve Account shall be used only for the purpose of making payments into the Series 2019 Interest Account and the Series 2019 Sinking Fund Account to pay Debt Service on the Series 2019 Bonds, when due, without distinction as to Series 2019 Bonds and without privilege or priority of one Series 2019 Bond over another, to the extent the moneys on deposit in such Accounts available therefor are insufficient and for no other purpose. Such Account shall consist only of cash and Series 2019 Investment Obligations.

Anything herein or in the Master Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business Day preceding such forty-fifth (45th) day), the Trustee is hereby authorized and directed to recalculate the Series 2019 Reserve Account Requirement and to transfer any excess on deposit in the Series 2019 Reserve Account (resulting only from the redemption of Series 2019 Bonds from moneys on deposit in the Series 2019 Prepayment Subaccount) into the Series 2019 Prepayment Subaccount of the Series 2019 Redemption Account and applied to the extraordinary mandatory redemption of the Series 2019 Bonds.

On the earliest date on which there is on deposit in the Series 2019 Reserve Account sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2019 Bonds, together with accrued interest on such Series 2019 Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2019 Reserve Account into the Series 2019 Prepayment Subaccount in the Series 2019 Redemption Account to pay and redeem all of the Outstanding Series 2019 Bonds on the earliest date permitted for redemption therein and herein.

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Anything in the Master Indenture or herein to the contrary notwithstanding, amounts on deposit in the Series 2019 Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

Section 406. Amortization Installments; Selection of Bonds for Redemption. (a) The Amortization Installments established for the Series 2019 Bonds shall be as set forth in the form of Series 2019 Bonds attached hereto.

(b) Upon any redemption of Series 2019 Bonds (other than Series 2019 Bonds redeemed in accordance with scheduled Amortization Installments and other than Series 2019 Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture), the Trustee shall cause Series 2019 Bonds to be redeemed in such amounts and having such maturities so as to result in Amortization Installments recalculated, and which shall be recalculated by the District, in such manner as shall amortize all the Outstanding Series 2019 Bonds of all of the terms in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining terms of all of the Series 2019 Bonds, commencing, however, no earlier than the May 1, 2022 Amortization Installment.

Section 407. Tax Covenants and Rebate Account. The District shall comply with the Tax Regulatory Covenants set forth as an exhibit to the District's tax certificate issued in connection with the issuance of the Series 2019 Bonds, as amended and supplemented from time to time in accordance with their terms.

Section 408. Series 2019 Revenue Account; Application of Revenues and Investment Earnings. (a) The Trustee is hereby authorized and directed to deposit any and all amounts required to be deposited in the Series 2019 Revenue Account by this Section 408 or by any other provision of the Master Indenture or this Third Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2019 Revenue Account 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.

(b) The Trustee shall deposit into the Series 2019 Revenue Account the Series 2019 Assessment Revenues (other than Series 2019 Prepayment Principal, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2019 Prepayment Subaccount in the Series 2019 Redemption Account) and any other revenues required by other provisions of the Indenture to be deposited therein.

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FOURTH, the balance shall be retained in the Series 2019 Revenue Account.

On or after each November 2, the balance on deposit in the Series 2019 Revenue Account on such November 2 shall be paid over to the District at the written direction of an Authorized Officer of the District and 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 2019 Reserve Account in the Reserve Fund shall be equal to the Series 2019 Reserve Account Requirement, and, provided further, that the Trustee shall not have actual knowledge (as described in Section 606 of the Master Indenture) of an Event of Default under the Master Indenture or hereunder relating to any of the Series 2019 Bonds, including the payment of Trustee's fees and expenses then due.

(e) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2019 Revenue Account to the Series 2019 Rebate Account established for the Series 2019 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid to the United States when due in accordance with such Tax Regulatory Covenants.

(f) Anything herein or in the Master Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2019 Bonds shall be invested only in Series 2019 Investment Obligations, and further, earnings on the Series 2019 Acquisition and Construction Account, the Series 2019 Interest Account and the Series 2019 Capitalized Interest Account shall be retained, as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the Funds and Accounts other than the Series 2019 Reserve Account, and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2019 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2019 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in Section 509 of the Master Indenture) in the Series 2019 Reserve Account as of the most recent date on which amounts on deposit in the Series 2019 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2019 Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2019 Reserve Account shall be deposited into the Series 2019 Capitalized Interest Account through May 1, 2021, and thereafter shall be deposited into the Series 2019 Revenue Account and used for the purpose of such Account; and

(ii) if there was a deficiency (as defined in Section 509 of the Master Indenture) in the Series 2019 Reserve Account as of the most recent date on which

(c) On the forty-fifth (45th) day preceding each Redemption Date with respect to the Series 2019 Bonds (or if such forty-fifth (45th) day is not a Business Day, on the Business Day next preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the Series 2019 Prepayment Subaccount of the Series 2019 Redemption Account, and, if the balance therein is greater than zero, shall transfer from the Series 2019 Revenue Account for deposit into the Series 2019 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000 (provided that there are sufficient funds remaining in the Series 2019 Revenue Account to pay Debt Service coming due on the Series 2019 Bonds on the next succeeding Interest Payment Date), and, shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2019 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2019 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Series 2019 Bonds set forth in the form of Series 2019 Bond attached hereto, Section 301 hereof, and Article III of the Master Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall first transfer from the Series 2019 Capitalized Interest Account to the Series 2019 Interest Account the lesser of (x) the amount of interest coming due on the Series 2019 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (y) the amount remaining in the Series 2019 Capitalized Interest Account. Following the foregoing transfer, on such May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall then transfer amounts on deposit in the Series 2019 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, to the Series 2019 Interest Account, an amount equal to the amount of interest payable on all Series 2019 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2019 Capitalized Interest Account in accordance with Section 403(b) hereof and less any other amount already on deposit in the Series 2019 Interest Account not previously credited;

SECOND, on May 1, 2022 and each May 1 thereafter, to the Series 2019 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2019 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2019 Sinking Fund Account not previously credited;

THIRD, to the Series 2019 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2019 Reserve Account Requirement with respect to the Series 2019 Bonds; and

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amounts on deposit in the Series 2019 Reserve Account were valued by the Trustee, or if after such date withdrawals have been made from the Series 2019 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2019 Reserve Account shall be deposited into the Series 2019 Reserve Account until the amount on deposit therein is equal to the Series 2019 Reserve Account Requirement, and then earnings on investments in the Series 2019 Reserve Account shall be deposited into the Series 2019 Capitalized Interest Account through May 1, 2021, and, thereafter shall be deposited into the Series 2019 Revenue Account and used for the purpose of such Account.

ARTICLE V CONCERNING THE TRUSTEE

Section 501. Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this Third Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth in the Master Indenture.

Section 502. Limitation of Trustee's Responsibility. The Trustee shall not be responsible in any manner for the due execution of this Third Supplemental Indenture by the District or for the recitals contained herein, all of which are made solely by the District.

Section 503. Trustee's Duties. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article VI thereof.

ARTICLE VI ADDITIONAL BONDS

Section 601. No Parity Bonds; Limitation on Parity Assessments. The District covenants and agrees that so long as there are any Series 2019 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2019 Trust Estate. The District further covenants and agrees that so long as the Series 2019 Assessments have not been Substantially Absorbed, it shall not issue Bonds secured by Assessments for capital projects on lands subject to the Series 2019 Assessments. Notwithstanding the foregoing, the District covenants and agrees that it shall not issue any Bonds secured by Assessments for capital projects if there shall have occurred and be continuing any Event of Default with respect to any Series of Bonds issued under the Master Indenture.

**ARTICLE VII
MISCELLANEOUS**

Section 701. Confirmation of Master Indenture. As supplemented by this Third Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this Third Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master Indenture, except insofar as modified herein, shall apply and remain in full force and effect with respect to this Third Supplemental Indenture and to the Series 2019 Bonds issued hereunder.

Section 702. Continuing Disclosure Agreement. Contemporaneously with the execution and delivery hereof, the District has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. The District covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but, instead shall be enforceable by mandamus, injunction or any other means of specific performance.

Section 703. Additional Covenant Regarding Assessments. In addition to, and not in limitation of, the covenants contained elsewhere in this Third Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2019 Assessments, including the Assessment Methodology, and to levy the Series 2019 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 2019 Bonds, when due. The Assessment Methodology shall not be amended without written consent of the Majority Owners.

Section 704. Collection of Assessments. (a) Anything herein or in the Master Indenture to the contrary notwithstanding, Series 2019 Assessments levied on platted lots and pledged hereunder to secure the Series 2019 Bonds shall be collected pursuant to the Uniform Method and Series 2019 Assessments levied on unplatted lots and pledged hereunder to secure the Series 2019 Bonds shall be collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, in each case unless otherwise directed by the Trustee acting at the direction of the Majority Owners.

(b) All Series 2019 Assessments that are collected directly by the District and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date.

Section 705. Foreclosure of Assessment Lien. Notwithstanding Section 814 of the Master Indenture or any other provision of the Indenture to the

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Section 707. Assignment of District's Rights Under Collateral Assignment. Subject to the terms of the Collateral Assignment, the District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2019 Bonds.

Section 708. Enforcement of True-Up Agreement and Completion 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 either or both of such Agreements, the District covenants and agrees that the Trustee, at the direction of the Majority Owners shall act on behalf of, and in the District's stead, to enforce the provisions of such Agreements 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 District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreement and True-Up Agreement upon demand of the Majority Owners, or the Trustee at the direction of the Majority Owners, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

[Remainder of Page Intentionally Left Blank]

contrary, the following provisions shall apply with respect to the Series 2019 Assessments and Series 2019 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2019 Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2019 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 2019 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 2019 Bonds; provided that the Trustee shall have the right, acting at the direction of the Majority Owners, 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 2019 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 listing for sale of property acquired by it as trustee for the benefit of the Owners of the Series 2019 Bonds within thirty (30) days after the receipt of the request therefor signed by the Trustee or the Majority Owners.

Section 706. Owner Direction and Consent with Respect to Series 2019 Acquisition and Construction Account Upon Occurrence of Event of Default. In accordance with the provisions of the Indenture, the Series 2019 Bonds are payable solely from the Series 2019 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 hereby acknowledges that (i) the Series 2019 Pledged Funds includes, without limitation, all amounts on deposit in the Series 2019 Acquisition and Construction Account then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2019 Bonds, the Series 2019 Pledged Funds may not be used by the District (whether to pay Costs of the Series 2019 Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Series 2019 Project and payment is for such work and (iii) upon the occurrence of an Event of Default with respect to the Series 2019 Bonds, the Series 2019 Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Series 2019 Project after the occurrence and during the continuance of an Event of Default unless authorized in writing by the Majority Owners.

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IN WITNESS WHEREOF, Talavera Community Development District has caused these presents to be signed in its name and on its behalf by its Chairperson, and its official seal to be hereunto affixed and attested by its Assistant Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized Vice President.

(SEAL)

Attest:

Assistant Secretary

**TALAVERA COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Chairperson, Board of Supervisors

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

By: _____
Vice President

EXHIBIT A

DESCRIPTION OF SERIES 2019 PROJECT

[See Report of District Engineer Attached Hereto.]

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Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of this Bond. Any payment of principal or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of U.S. Bank National Association, located in Orlando, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"), unless the Bonds are held in the book entry system in which case presentation shall not be required. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the Series 2019 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the hereinafter defined Indenture.

This Bond is one of a duly authorized issue of bonds of the District designated "\$4,705,000 Talavera Community Development District Capital Improvement Revenue Bonds, Series 2019" (the "Series 2019 Bonds") issued under a Master Trust Indenture, dated as of December 1, 2016 (the "Master Indenture"), between the District and U.S. Bank National Association, located in Orlando, Florida, as trustee (the "Trustee"), as amended and supplemented by a Third Supplemental Trust Indenture, dated as of July 1, 2019 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture") (the Series 2019 Bonds, together with any other Bonds issued under and governed by the terms of the Master Indenture are hereinafter collectively referred to as the "Bonds"). The District will apply the proceeds of the Series 2019 Bonds to (i) finance a portion of the Cost of acquiring assessable improvements (as more particularly defined in the Supplemental Indenture, the "Series 2019 Project"), (ii) pay certain costs associated with the issuance of the Series 2019 Bonds, (iii) make a deposit into the Series 2019 Reserve Account for the benefit of all of the Series 2019 Bonds, and (iv) pay a portion of the interest first coming due on the Series 2019 Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN

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EXHIBIT B

FORM OF SERIES 2019 BONDS

No. 2019R-

\$[]

United States of America
State of Florida
TALAVERA COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2019

<u>Maturity Date</u>	<u>Dated Date</u>	<u>Interest Rate</u>	<u>CUSIP</u>
	July 29, 2019		87410P A

Registered Owner: CEDE & CO.

Principal Amount:

TALAVERA COMMUNITY DEVELOPMENT DISTRICT, a community development district duly established and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture hereinafter mentioned) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on November 1, 2019 until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular Record Date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or

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UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2019 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2019 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2019 PLEDGED REVENUES AND THE SERIES 2019 PLEDGED FUNDS PLEDGED TO THE SERIES 2019 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, as amended, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal and Redemption Price of, and the interest on, the Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Assessments, the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Bonds, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2019 Bonds are equally and ratably secured by the Series 2019 Trust Estate, without preference or priority of one Series 2019 Bond over another. The Supplemental Indenture does not authorize the issuance of any Additional Bonds ranking on parity with the Series 2019 Bonds as to the lien and pledge of the Series 2019 Trust Estate.

The Series 2019 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"); provided, however, that the Series 2019 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Orlando, Florida, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer.

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Upon any such transfer a new Bond or Bonds, in the same aggregate principal amount as the Bond or Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Orlando, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The Series 2019 Bonds are subject to redemption prior to maturity at the option of the District in whole, on any date, or in part, on any Redemption Date, on or after May 1, 2029 at the Redemption Price of the principal amount of the Series 2019 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

The Series 2019 Bonds maturing May 1, 2025, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2019 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installment</u>
2022	\$85,000	2024	\$95,000
2023	90,000	2025*	95,000

* Final maturity

The Series 2019 Bonds maturing May 1, 2030, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2019 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installment</u>
2026	\$100,000	2029	\$110,000
2027	105,000	2030*	115,000
2028	110,000		

* Final maturity

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The Series 2019 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Series 2019 Project, by application of moneys transferred from the Series 2019 Acquisition and Construction Account to the Series 2019 Prepayment Subaccount of the Series 2019 Redemption Account in accordance with the terms of the Indenture; or

(b) from amounts, including Series 2019 Prepayment Principal, required by the Indenture to be deposited into the Series 2019 Prepayment Subaccount of the Series 2019 Redemption Account; or

(c) from amounts transferred from the Series 2019 Reserve Account to the Series 2019 Prepayment Subaccount of the Series 2019 Redemption Account resulting from a reduction in the Series 2019 Reserve Account Requirement as provided for in the Indenture; or

(d) on the date on which the amount on deposit in the Series 2019 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2019 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2019 Bonds shall be called for redemption, the particular Series 2019 Bonds or portions of Series 2019 Bonds to be redeemed shall be selected by lot by the Bond Registrar as provided in the Indenture, or as provided or directed by DTC.

Notice of each redemption of Series 2019 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the date of redemption to each registered Owner of Series 2019 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2019 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2019 Bonds or such portions thereof on such date, interest on such Series 2019 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2019 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2019 Bonds or

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The Series 2019 Bonds maturing May 1, 2040, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2019 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installment</u>
2031	\$120,000	2036	\$150,000
2032	125,000	2037	160,000
2033	130,000	2038	165,000
2034	140,000	2039	170,000
2035	145,000	2040*	180,000

* Final maturity

The Series 2019 Bonds maturing May 1, 2050, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2019 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installment</u>
2041	\$190,000	2046	\$235,000
2042	195,000	2047	245,000
2043	205,000	2048	255,000
2044	215,000	2049	270,000
2045	225,000	2050*	280,000

* Final maturity

As more particularly set forth in the Indenture, any Series 2019 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2019 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2019 Bonds so as to reamortize the remaining Outstanding principal balance of the Series 2019 Bonds as set forth in the Supplemental Indenture.

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such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Pursuant to the Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events or upon the later deposit of moneys therefor as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

The Owner of this Bond shall have no right to enforce the provisions of the Master 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.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2019 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

Modifications or alterations of the Master Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Master Indenture.

Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for two (2) years after the date when such Bond has become due and payable, either at its stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee cash or Federal Securities sufficient to pay the principal or Redemption Price of any Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the Series 2019 Bonds as to the Series 2019 Trust Estate shall be discharged, except for the

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rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida.

This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the ordinances and resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture, have happened, exist and have been performed as so required. 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 the execution by the Trustee of the Certificate of Authentication endorsed hereon.

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[FORM OF ABBREVIATIONS FOR SERIES 2019 BONDS]

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 the right of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____ under
Uniform Transfer to Minors Act _____ (Cust.) _____ (Minor)
(State)

Additional abbreviations may also be used though not in the above list.

[FORM OF ASSIGNMENT FOR SERIES 2019 BONDS]

For value received, the undersigned hereby sells, assigns and transfers unto _____ this Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, as attorney to transfer the said Bond on the books of the District, with full power of substitution in the premises.

Dated:

Social Security Number or Employer

Identification Number of Transferee:

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatever.

B-10

IN WITNESS WHEREOF, Talavera Community Development District has caused this Bond to bear the signature of the Chairperson of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of the Assistant Secretary to the Board of Supervisors.

Attest:

**TALAVERA COMMUNITY
DEVELOPMENT DISTRICT**

Assistant Secretary

By: _____
Chairperson, Board of Supervisors

[Official Seal]

CERTIFICATE OF AUTHENTICATION FOR SERIES 2019 BONDS

This Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Date of Authentication:

By: _____
Vice President

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for Pasco County, Florida rendered on February 6, 2007.

Chairperson, Board of Supervisors,
Talavera Community Development District

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EXHIBIT C

FORM OF REQUISITION FOR SERIES 2019 PROJECT

The undersigned, an Authorized Officer of Talavera Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the District to U.S. Bank National Association, Orlando, Florida, as trustee (the "Trustee"), dated as of December 1, 2016 (the "Master Indenture"), as amended and supplemented by the Third Supplemental Trust Indenture from the District to the Trustee, dated as of July 1, 2019 (the Master Indenture as amended and supplemented is hereinafter referred to as 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) Fund or Account from which disbursement is to be made:

The undersigned hereby certifies that:

€ obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the Series 2019 Acquisition and Construction Account, that each disbursement set forth above was incurred in connection with the acquisition and construction of the Series 2019 Project and each represents a Cost of the Series 2019 Project, and has not previously been paid;

OR

€ this requisition is for Costs of Issuance payable from the Costs of Issuance Account that has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the District 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

C-1

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 District 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 services rendered with respect to which disbursement is hereby requested are on file with the District.

**TALAVERA COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Authorized Officer

**CONSULTING ENGINEER'S APPROVAL FOR
NON-COST OF ISSUANCE REQUESTS ONLY**

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If this requisition is for a disbursement from other than the Costs of Issuance Account, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Series 2019 Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the corresponding segment and portion of the Series 2019 Project with respect to which such disbursement is being made; and (iii) the report of the Consulting Engineer attached as an Exhibit to the Third Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

Consulting Engineer

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APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

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**FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A.,
WITH RESPECT TO THE SERIES 2019 BONDS**

Upon delivery of the Series 2019 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to such Series 2019 Bonds in substantially the following form:

(Date of Closing)

Board of Supervisors
Talavera Community Development District

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Talavera Community Development District (the "District"), a community development district established and existing pursuant to Chapter 190, Florida Statutes, as amended (the "Act"), of its \$4,705,000 Talavera Community Development District Capital Improvement Revenue Bonds, Series 2019 (the "Series 2019 Bonds"). The Series 2019 Bonds are being issued under and pursuant to the Constitution and laws of the State of Florida, a Master Trust Indenture dated as of December 1, 2016 (the "Master Indenture") and a Third Supplemental Trust Indenture dated as of June 1, 2019 (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each from the District to U.S. Bank National Association, Orlando, Florida, as trustee (the "Trustee") and resolutions adopted by the Board of Supervisors of the District on November 13, 2006 and June 19, 2019 (collectively, the "Bond Resolution"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed in the Indenture.

The Series 2019 Bonds are issued to: (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements (as more particularly described in the Indenture, the "Series 2019 Project"); (ii) pay certain costs associated with the issuance of the Series 2019 Bonds; (iii) make a deposit to the Series 2019 Reserve Account to be held for the benefit of all of the Series 2019 Bonds, without privilege or priority of one Series 2019 Bond over another; and (iv) pay a portion of the interest first coming due on the Series 2019 Bonds. The Series 2019 Bonds are a portion of the Bonds validated by final judgment of the Circuit Court of Pasco County, Florida on February 6, 2007, the appeal period for which has expired with no appeal having been taken (the "Final Judgment").

The Series 2019 Bonds are payable from and secured by Assessments on property within the District specially benefited by the assessable improvements financed with the proceeds of the Series 2019 Bonds and also by the Series 2019

Pledged Revenues and Series 2019 Pledged Funds comprising the Series 2019 Trust Estate pledged to the Series 2019 Bonds. We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

The Series 2019 Bonds recite that neither the Series 2019 Bonds nor the interest and premium, if any, payable thereon shall constitute a general obligation or general indebtedness of the District within the meaning of the Constitution and laws of the State of Florida. The Series 2019 Bonds and the interest and premium, if any, payable thereon do not constitute either a pledge of the full faith and credit of the District or a lien upon any property of the District other than as provided in the Indenture authorizing the issuance of the Series 2019 Bonds. No Owner or any other person shall ever have the right to compel the exercise of any ad valorem taxing power of the District or any other public authority or governmental body to pay Debt Service or to pay any other amounts required to be paid pursuant to the Indenture or the Series 2019 Bonds. Rather, Debt Service and any other amounts required to be paid pursuant to the Indenture or the Series 2019 Bonds, shall be payable solely from, and shall be secured solely by the Series 2019 Pledged Revenues, together with the Series 2019 Pledged Funds comprising the Series 2019 Trust Estate pledged to the Series 2019 Bonds, all as provided in the Series 2019 Bonds and in the Indenture.

As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Bond Resolution and the Indenture and in the certified proceedings relating thereto and to the issuance of the Series 2019 Bonds and other certifications of public officials furnished to us in connection therewith including, but not limited to, the Final Judgment, without undertaking to verify the same by independent investigation. Furthermore, we have assumed continuing compliance with the covenants and agreements contained in the Indenture. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in any agreements, documents, certificates, representations and opinions relating to the Series 2019 Bonds, and have relied solely on the facts, estimates and circumstances described and set forth therein. In our examination of the foregoing, 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.

Based on the foregoing, under existing law, we are of the opinion that:

1. The District has been duly established and validly exists as a community development district under the Act.
2. The District has the right and power under the Act to authorize, execute and deliver the Indenture, and the Indenture has been duly and lawfully authorized, executed and delivered by the District, is in full force and effect and is valid and binding upon the District and enforceable in accordance with its terms. The Indenture

creates the valid pledge which it purports to create of the Series 2019 Trust Estate to the Series 2019 Bonds, in the manner and to the extent provided in the Indenture.

3. The Series 2019 Bonds are the valid, binding, special obligations of the District, enforceable in accordance with their terms and with the terms of the Indenture and are entitled to the benefits of the Indenture and the Act as amended to the date hereof, and the Series 2019 Bonds have been duly and validly authorized and issued in accordance with the Constitution and laws of the State of Florida and the Indenture.

4. Under existing statutes, regulations, rulings and court decisions, the interest on the Series 2019 Bonds (a) is excluded from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2019 Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 2019 Bonds to be so included in gross income retroactive to the date of issuance of the Series 2019 Bonds. The District has covenanted to comply with all such requirements. Ownership of the Series 2019 Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the Series 2019 Bonds.

5. The Series 2019 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

6. The District has designated the Series 2019 Bonds as "qualified tax-exempt obligations" for purposes of the Code in accordance with Section 265(b)(3)(B) thereof. Based on such designation and the findings and facts set forth in the Bond Resolution and the Indenture and in the certifications of the District delivered at the closing with respect to the Series 2019 Bonds and relating to such designation, the Series 2019 Bonds are "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code. Any change in the findings and facts set forth in the Bond Resolution or Indenture or in the certifications of the District delivered at the closing with respect to the Series 2019 Bonds and relating to such designation could adversely impact the status of the Series 2019 Bonds as "qualified tax-exempt obligations."

Except as stated in paragraphs 4, 5 and 6, we express no opinion as to any other federal, state, local or foreign tax consequences of the ownership or disposition of the Series 2019 Bonds.

It should be noted that, except as may expressly be set forth in an opinion delivered by us to the underwriter (on which opinion only it may rely) for the Series 2019 Bonds on the date hereof, we have not been engaged or undertaken to review (1) the accuracy, completeness or sufficiency of the Limited Offering Memorandum or other offering material relating to the Series 2019 Bonds and we express no opinion relating thereto, or (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2019 Bonds and we express no opinion relating thereto.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that (1) the enforceability of the Indenture and the Series 2019 Bonds, respectively, may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity, and (2) we have assumed the due authorization, execution and delivery of the Indenture by the Trustee.

The opinions set forth herein 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. The only opinions rendered hereby shall be those expressly stated as such herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Series 2019 Bonds and, in our opinion, the form of the Series 2019 Bonds is regular and proper.

Very truly yours,

APPENDIX C
ENGINEER'S REPORT

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**Talavera Community
Development District**

Capital Improvement Revenue
Bonds, Series 2019
Report of the District Engineer



Prepared for:
Board of Supervisors
Talavera Community
Development District

Prepared by:
Stantec Consulting Services Inc.
777 S. Harbour Island Boulevard
Suite 600
Tampa, FL 33602
(813) 223-9500

June 26, 2019



1.0 INTRODUCTION

The Talavera Community Development District ("the District") encompasses approximately 547.338 acres within central in Pasco County, Florida. The District is located within Sections 3 and 4, Township 25 South, Range 18 East, north of State Road ("SR") 52 on the west side of U.S. Highway 41.

See Exhibit A for Vicinity Map, Legal Description of the District, and Phasing Site Plans.

2.0 PURPOSE

The District was established by the Pasco County Board of County Commissioners pursuant to Ordinance 06-33 on October 30, 2006 for the purpose of constructing and/or acquiring, maintaining, and operating all or a portion of the public improvements and community facilities within the District. The purpose of this Report of the District Engineer (the "Report") is to provide a description of the public improvements and community facilities being planned within the entire District and the estimated costs of the portion of the District planned to be constructed or acquired by the District with Series 2019 Bond proceeds.

3.0 THE DEVELOPER AND DEVELOPMENT

On February 27, 2018 Pasco County Commissioners approved an MPUD (Master Planned Unit Development) Non-Substantial Modification Request – M/I Homes of Tampa, LLC – Talavera MPUD – A non-substantial modification to amend the conditions of approval on Rezoning Petition No. 6256. This modification allows up to 840 single family detached residential units. The property owner and land developer, M/I Homes of Tampa LLC (the "Developer"), currently plans to build a total of 800 single-family residential units in Phases, 1A, 1B, 1C, 1D, 1E, 2A, and 2B. There are currently 516 constructed and platted lots within Phases 1A-1, 1A-2, 1A-3, 1B-1, 1B-2 and 1E (completed phases) with 284 units remaining to be constructed and platted within Phases 1C, 1D, 2A-1, 2A-2, and 2B (future phases). As well, the community amenities center is complete.

4.0 PUBLIC IMPROVEMENTS AND COMMUNITY FACILITIES

The Eight Amendment to the Acquisition and Construction Funding Agreement Between Talavera Community Development District and M/I Homes of Tampa, LLC, dated February 20, 2019 identifies the Total Current Amount Owed is \$8,498,623.97 public improvements and community facilities within the completed phases.

Acquisition of Phase 1B-2

For the Phase 1B-2 Improvements the District accepted a general Bill of Sale for the Improvements dated May 8, 2019. Associated with the Bill of Sale, the District also received



certification from the District's Engineer certifying the completion of the Improvements and the actual cost of the Improvements to be \$398,099.37. The amount of \$398,099.37 is owed to the Developer and will be eligible to be paid solely from the District's Bond proceeds, if bonds are subsequently issued in the sole discretion of the Board of Supervisors.

Recapitulation of Sums Owed to Developer

A.	Purchase by District of work/infrastructure (First Amendment)	\$ 682,053.00
B.	Material and Supply Costs associated with Moretrench Agreement (Second Amendment)	\$ 1,005,998.28
C.	SEG Land Development Agreement (Third Amendment)	\$ 203,956.58
D.	CRS Development Agreement (Third Amendment)	\$ 1,058,354.36
E.	Moretrench Agreement (Fourth Amendment)	\$ 4,503,418.41
F.	Payment to Developer (Fourth Amendment)	(\$ 5,813,638.48)
G.	Professional Fees and Costs (Fifth Amendment)	\$ 57,391.62
H.	Kearney Phase 1A-2 (Fifth Amendment)	\$ 2,660,343.75
I.	Acquisition of Phase 1A-3 (Sixth Amendment)	\$ 1,597,901.96
J.	Acquisition of Phase 1B-1 (Seventh Amendment)	\$ 1,168,909.90
K.	Acquisition of Phase 1E (Seventh Amendment)	\$ 988,510.54
L.	Acquisition of Phase 1B-2	\$ 398,099.37
M.	Payment to Developer	\$ 12,675.32

Total Current Amount Owed

\$ 8,498,623.97

The construction and/or acquisition of public improvements and community facilities originally planned for the District was \$30,665,530 as described in the District Engineer's Report dated June 24, 2015. This amount has been updated to approximately \$22,000,000. The total cost for the portion attributed to the Series 2019 Assessment Area is estimated to be \$7,268,000 as described in this Report.

As well, detailed descriptions of the proposed public improvements and community facilities for the future phases are provided as follows:

4.1 WATER MANAGEMENT AND CONTROL

The design criteria for the District's water management and control is regulated by City of Plant City and the Southwest Florida Water Management District (SWFWMD). The water management and control plan for the District focuses on utilizing newly constructed ponds within upland areas and on-site wetlands for stormwater treatment and storage.

Any excavated soil from the ponds is anticipated to remain within the development for use in building public infrastructure including roadways, landscape berming, drainage pond bank fill requirements, utility trench backfill, and filling and grading of public property.



The primary objectives of the water management and control for the District are:

1. To provide stormwater quality treatment.
2. To protect the development within the District from regulatory-defined rainfall events.
3. To maintain natural hydroperiods in the wetlands and connecting flow ways.
4. To ensure that adverse stormwater impacts do not occur upstream or downstream as a result of the development during regulatory-defined rainfall events.
5. To satisfactorily accommodate stormwater runoff from adjacent off-site areas which may naturally drain through the District.
6. To preserve the function of the flood plain storage during the 100-year storm event.

4.2 DISTRICT ROADS

District roads include the roadway asphalt, base, and subgrade, roadway curb and gutter, and sidewalks within rights of way abutting common areas.

District Roads will be designed in accordance with Pasco County's Land Development Code and technical standards and will be owned and maintained by the District.

4.3 SEWER AND WASTEWATER MANAGEMENT

The District is located within the Pasco County Utilities service area which will provide sewer and wastewater management service. The sewer and wastewater management improvements include an 8" gravity sanitary sewer collection system within the road rights of way, as well as pump stations and interconnecting force main. Any improvements required to obtain service outside the boundary of the District will be considered an off-site improvement.

The sanitary sewer and wastewater management systems will be designed in accordance with the Pasco County Utilities technical standards. They will be constructed by the District and transferred to Pasco County Utilities for ownership, operation, and maintenance.

4.4 WATER SUPPLY

The District is located within the Pasco County Utilities service area which will provide water supply for potable water service and fire protection. Any improvements needed to get service outside the boundary of the District will be considered an off-site improvement.

The water supply systems will be designed in accordance with the Pasco County Utilities technical standards, and they will be constructed by the District and then transferred to Pasco County Utilities City for operations and maintenance.



4.5 UNDERGROUNDING OF ELECTRICAL POWER

The District lies within the area served by Tampa Electric Company. There are fees to convert service from overhead to underground within the subdivision for service. The development's internal electrical power system will consist of conduit, underground cable, and streetlights. It is anticipated that the District will enter into a Street Lighting Agreement.

4.6 PROFESSIONAL SERVICES AND PERMITTING FEES

The City of Plant City and SWFWMD impose fees for construction permits and plan reviews for the CDD public improvements and community facilities. These fees vary with the magnitude and size of the development. Additionally, engineering, surveying, and architecture services are needed for the subdivision, landscape and, hardscape. As well, development/construction management services are required for the design, permitting, construction, and maintenance acceptance of the public improvements and community facilities.

5.0 PUBLIC IMPROVEMENTS AND COMMUNITY FACILITIES COSTS

See Exhibit C for the Construction Cost Estimate of the Future Public Improvements and Community Facilities.

6.0 SUMMARY AND CONCLUSION

The District, as outlined above, is responsible for the functional development of the lands within the District.

Items of construction cost in this report are based on estimates provided by the Developer. It is our professional opinion that the improvement plan described herein is feasible and that the estimated infrastructure costs provided herein for the development are fair and reasonable to complete the construction of the Public Improvements and Community Facilities described herein.

The estimate of the construction costs is only an estimate and not a guaranteed maximum cost. The estimated cost is based on historical unit prices or current prices being experienced for on-going and similar items of work in Pasco County. The labor market, future costs of equipment and materials, and the actual construction process are all beyond our control. Due to this inherent possibility for fluctuation in costs, the total final cost may be more or less than this estimate. This report presents the only District's current intentions for a capital improvement plan, and the District reserves the right to change the plan at any time.



Talavera CDD

Special Assessment Bonds, Series 2019, Report of the District Engineer

June 26, 2019

Page 6 of 6

The professional service for establishing the Construction Cost Estimate are consistent with the degree of care and skill exercised by members of the same profession under similar circumstances.

Tonja L. Stewart, P.E.

Florida License No. 47704

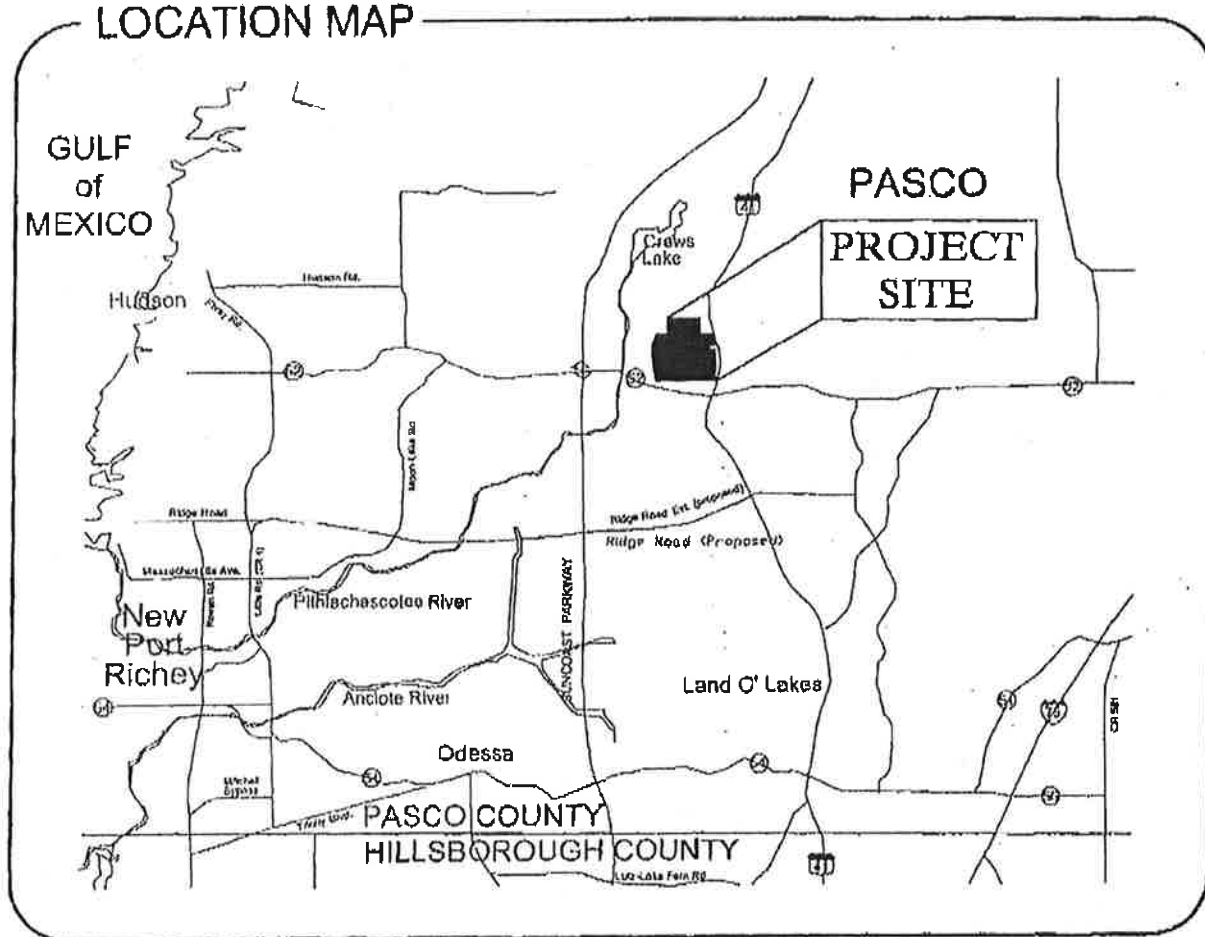


Talavera CDD

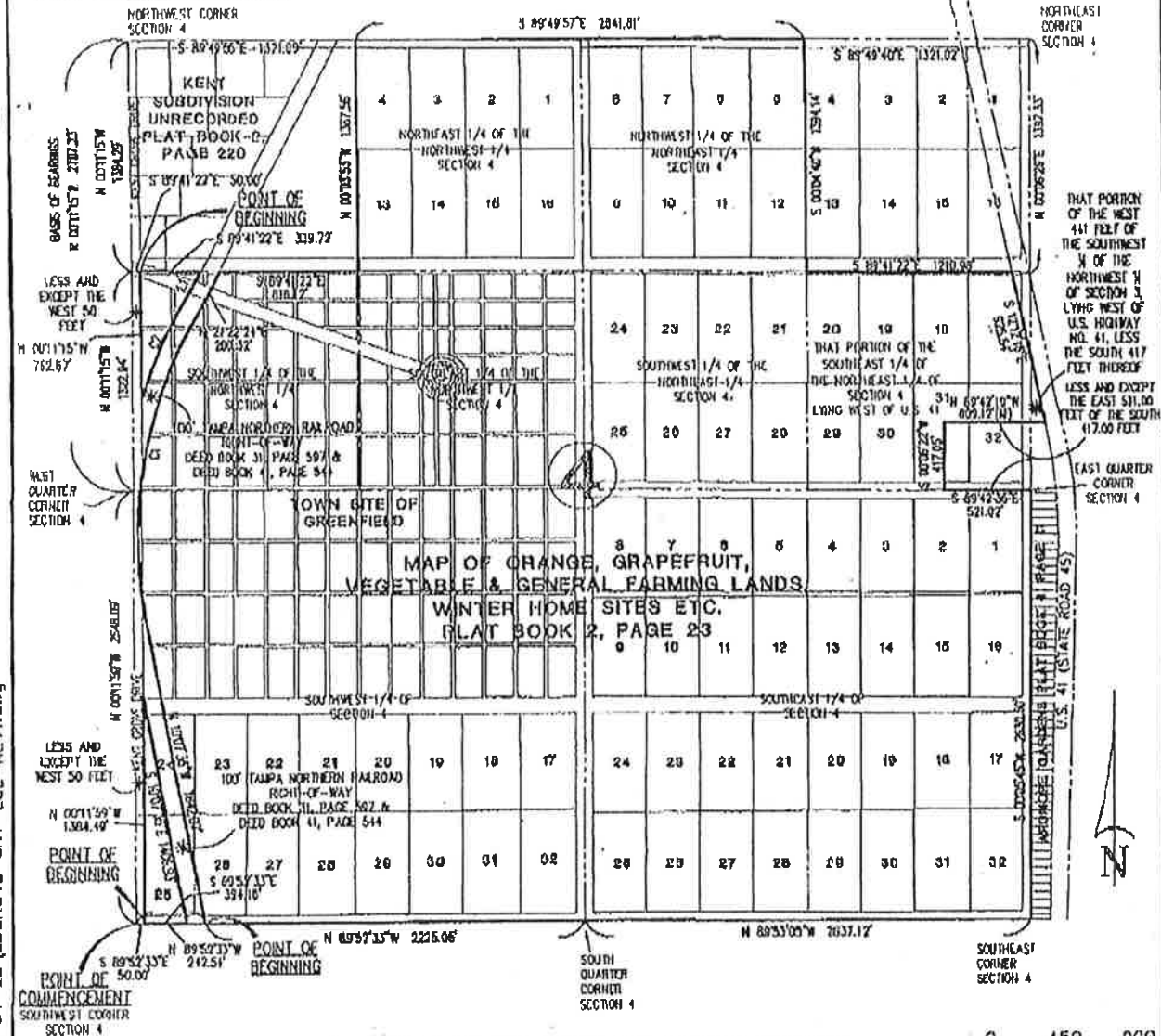
Capital Improvement Revenue Bonds, Series 2019, Report of the District Engineer
June 26, 2019

EXHIBIT A - VICINITY MAP, LEGAL DESCRIPTION OF THE DISTRICT AND PHASING SITE PLANS

LOCATION MAP



THIS IS NOT A SURVEY



REVISIONS
1. 04/26/06 REVISED BOUNDARY ALONG U.S. 41

0 450 900
Scale in Feet

TALAVERA

SKETCH AND LEGAL

SCALE	DATE	DRAWN	CALCUL	CHECKED
1"=900'	8/31/05	CMK	CMK	JDO
JOB No.	SECTION	TOWNSHIP	RANGE	
3950-006-000	3 & 4	25 SOUTH	18 EAST	

CERTIFIED AS TO SKETCH AND LEGAL DESCRIPTION

Sketch and Legal Description not valid without the signature and the original raised seal of a Florida licensed Surveyor and Mapper.

King

ENGINEERING ASSOCIATES, INC.
1931 VERNON HAVENWAY
ONE WINDWARD CENTER, SUITE 300
TALEA, FLORIDA 33834
PHONE 813-890-0881
FAX 813-890-0882
E-MAIL king@kingengineering.com

JAMES DARIN O'NEAL
PROFESSIONAL SURVEYOR AND MAPPER
STATE OF FLORIDA # L.S. 6926
CERTIFICATE OF AUTHORIZATION No. LB 2610

Sheet 1 of 3

SURVEY\3950\006\body\SKT-LGL\2006-04-26\EDGROVE-SKT-LGL.dwg

THIS IS NOT A SURVEY

LINE TABLE

LINE	BEARING	DISTANCE
L1	S 27°22'24"W	238.38'

CURVE TABLE

CURVE	DELTA	RADIUS	ARC	CHORD	TANGENT	CHORD BEARING
C1	39°38'18"	2827.33	1955.97	1917.20	1018.95	N 08°32'21"E (M)
C2	11°30'10"	2927.33	595.47	594.44	298.76	S 22°30'49"W (M)

SURVEYOR'S NOTES:

THIS SKETCH WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT. NO INSTRUMENTS OF RECORD REFLECTING EASEMENTS, RIGHTS-OF-WAY AND/OR OWNERSHIP WERE FURNISHED TO THE UNDERSIGNED SURVEYOR.

UNLESS IT BEARS THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER THIS DRAWING, SKETCH, PLAN OR MAP IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT VALID.

THIS IS A SKETCH AND LEGAL DESCRIPTION ONLY, NOT A FIELD SURVEY.

LEGAL DESCRIPTION

THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA;

THAT PORTION OF THE SOUTHEAST ¼ OF THE NORTHEAST ¼ OF SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA, LYING WEST OF U.S. HIGHWAY NO. 41; LESS AND EXCEPT THE EAST 521.00 FEET OF THE SOUTH 417.00 FEET THEREOF;

THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA;

THE SOUTHEAST ¼ OF SECTION 4 TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA;

THE SOUTHWEST ¼ OF SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA; LESS AND EXCEPT THAT PORTION THEREOF CONVEYED TO TAMPA NORTHERN RAILROAD COMPANY BY DEED RECORDED IN DEED BOOK 31 PAGE 597 AND DEED RECORDED IN DEED BOOK 41 PAGE 544, PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; AND ALSO LESS AND EXCEPT THE WEST 50 FEET THEREOF LYING SOUTH OF THE SAID RAILROAD RIGHT-OF-WAY;

THE NORTHEAST ¼ OF THE NORTHWEST ¼ OF SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA;

THE SOUTHEAST ¼ OF THE NORTHWEST ¼ OF SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA; AND

THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA; LESS AND EXCEPT THAT PORTION THEREOF CONVEYED TO TAMPA NORTHERN RAILROAD COMPANY BY DEED RECORDED IN DEED BOOK 31 PAGE 597 AND DEED RECORDED IN DEED BOOK 41 PAGE 544, PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; AND ALSO LESS AND EXCEPT THE WEST 50 FEET THEREOF LYING NORTH OF THE SAID RAILROAD RIGHT-OF-WAY.

THAT PORTION OF THE WEST 441 FEET OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF SECTION 3, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA, LYING WEST OF U.S. HIGHWAY NO. 41, LESS THE SOUTH 417 FEET THEREOF.

BEING FURTHER DESCRIBED AS FOLLOWS:

TALAVERA

SKETCH AND LEGAL

King

ENGINEERING ASSOCIATES, INC.
11711 US HWY 90, HIGHWAY
ONE, TAMPA, FLORIDA 33634
PHONE: 813-885-8801
FAX: 813-885-8802
E-MAIL: king@kingengineering.com

THIS IS NOT A SURVEY

LEGAL DESCRIPTION (CONTINUED):

A PARCEL OF LAND LYING WITHIN SECTIONS 3 & 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA AND BEING A PORTION OF THE "MAP OF ORANGE, GRAPEFRUIT, VEGETABLE & GENERAL FARMING LANDS, WINTER HOME SITES ETC." PLAT BOOK 2, PAGE 23 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA, DESCRIBED AS:

COMMENCE AT THE SOUTHWEST CORNER OF SECTION 4; THENCE ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF SAID SECTION 4, S89°52'33"E, A DISTANCE OF 394.18 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF TAMPA NORTHERN RAILROAD, AS RECORDED IN DEED BOOK 31, PAGE 697 AND DEED BOOK 41, PAGE 544 OF THE PUBLIC RECORDS OF PASCO COUNTY FLORIDA, AND THE POINT OF BEGINNING; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY THE FOLLOWING THREE (3) COURSES, (1) N10°07'35"W, A DISTANCE OF 1,842.07 FEET TO THE POINT OF INTERSECTION WITH A NON TANGENT CURVE TO THE RIGHT; (2) NORTHERLY 1,955.97 FEET ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 2,827.33 FEET, A CENTRAL ANGLE OF 39°38'16" AND A CHORD BEARING AND DISTANCE OF N08°32'21"E, 1,917.20 FEET; (3) N27°22'24"E, A DISTANCE OF 280.32 FEET TO THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 4; THENCE ALONG SAID NORTH LINE, S89°41'22"E, A DISTANCE OF 810.12 FEET TO THE WEST LINE OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 4; THENCE ALONG SAID WEST LINE, N00°03'53"W, A DISTANCE OF 1,387.58 FEET TO THE NORTH LINE OF SAID SECTION 4; THENCE ALONG SAID NORTH LINE, S89°49'57"E, A DISTANCE OF 2,641.81 FEET TO THE EAST LINE OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 4; THENCE ALONG SAID EAST LINE, S00°04'40"W, A DISTANCE OF 1,394.14 FEET TO THE NORTH LINE OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 4; THENCE ALONG SAID NORTH LINE, S89°41'22"E, A DISTANCE OF 1,210.98 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY 41, (STATE ROAD 45); THENCE ALONG SAID RIGHT-OF-WAY, S12°12'16"E, A DISTANCE OF 825.84 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY, N89°42'19"W, A DISTANCE OF 808.12 FEET; THENCE S00°08'22"W, A DISTANCE OF 417.05 FEET; THENCE S89°42'38"E, A DISTANCE OF 521.02 FEET TO THE EAST LINE OF SAID SECTION 4; THENCE ALONG SAID EAST LINE, S00°05'45"W, A DISTANCE OF 2,830.50 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 4; THENCE ALONG THE SOUTH LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 4, N89°53'05"W, A DISTANCE OF 2,037.12 FEET TO THE SOUTH 1/4 CORNER OF SAID SECTION 4; THENCE ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF SAID SECTION 4, N89°52'33"W, A DISTANCE OF 2,225.05 FEET TO THE POINT OF BEGINNING.

CONTAINING 23,558,833.42 SQUARE FEET OR 540.788 ACRES, MORE OR LESS.

TOGETHER WITH:

A PARCEL OF LAND LYING WITHIN SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA AND BEING A PORTION OF THE "MAP OF ORANGE, GRAPEFRUIT, VEGETABLE & GENERAL FARMING LANDS, WINTER HOME SITES ETC." PLAT BOOK 2, PAGE 23 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA, DESCRIBED AS:

COMMENCE AT THE SOUTHWEST CORNER OF SECTION 4; THENCE ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF SAID SECTION 4, S89°52'33"E, A DISTANCE OF 50.00 FEET TO THE EASTERLY RIGHT-OF-WAY OF KENT GROVE DRIVE AND THE POINT OF BEGINNING; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY, N00°11'09"W, A DISTANCE OF 1,384.49 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF TAMPA NORTHERN RAILROAD, AS RECORDED IN DEED BOOK 31, PAGE 597 AND DEED BOOK 41, PAGE 544 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE ALONG SAID WESTERLY RIGHT-OF-WAY, S10°07'35"E, A DISTANCE OF 1,408.93 FEET TO THE SOUTH LINE OF THE SOUTHWEST 1/4 OF SECTION 4; THENCE ALONG SAID SOUTH LINE, N89°52'33"W, A DISTANCE OF 242.54 FEET TO THE POINT OF BEGINNING.

CONTAINING 187,894 SQUARE FEET OR 3.854 ACRES, MORE OR LESS.

TOGETHER WITH:

A PARCEL OF LAND LYING WITHIN SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA AND BEING A PORTION OF THE "MAP OF ORANGE, GRAPEFRUIT, VEGETABLE & GENERAL FARMING LANDS, WINTER HOME SITES ETC." PLAT BOOK 2, PAGE 23 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA, DESCRIBED AS:

COMMENCE AT THE SOUTHWEST CORNER OF SECTION 4; THENCE ALONG THE WEST LINE OF THE SOUTHWEST 1/4 OF SAID SECTION 4, N00°11'50"W, A DISTANCE OF 2,848.89 FEET TO THE WEST 1/4 CORNER OF SAID SECTION 4; THENCE ALONG THE WEST LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 4, N00°11'15"W, A DISTANCE OF 1,322.94 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 4; THENCE ALONG THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 4, S89°41'22"E, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE ALONG SAID NORTH LINE, S89°41'22"E, A DISTANCE OF 338.72 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF TAMPA NORTHERN RAILROAD, AS RECORDED IN DEED BOOK 31, PAGE 597 AND DEED BOOK 41, PAGE 544 OF THE PUBLIC RECORDS OF PASCO COUNTY FLORIDA; THENCE ALONG SAID WESTERLY LINE THE FOLLOWING TWO (2) COURSES: (1) S27°22'24"W, A DISTANCE OF 238.38 FEET TO THE POINT OF INTERSECTION WITH A NON TANGENT CURVE TO THE LEFT; (2) SOUTHWESTERLY 505.47 FEET ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 2,927.33 FEET, A CENTRAL ANGLE OF 11°39'18" AND A CHORD BEARING AND DISTANCE OF S22°30'49"W, 594.44 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF KENT GROVE DRIVE; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY, N00°11'15"W, A DISTANCE OF 752.67 FEET TO THE POINT OF BEGINNING.

CONTAINING 117,542 SQUARE FEET OR 2.699 ACRES, MORE OR LESS

TALAVERA

SKETCH AND LEGAL

King

ENGINEERING ASSOCIATES, INC.
4921 MEMORIAL PARKWAY
ONE MEMORIAL CENTER, SUITE 200
TAMPA, FLORIDA 33634
PHONE 813-889-8881
FAX 813-889-8883
E-MAIL king@bayside.net

TALavera PHASING PLAN

Talavera is a master-planned community located one mile north of SR 52, on the west side of US 41, Pasco County, Florida. When complete the community will be 800 lots over 3 lot sizes.

Lot Size	Phase 1A-1	Phase 1A-2	Phase 1A-3	Phase 1B-1	Phase 1B-2	Phase 1E	Series 2016 Total		Phase 1C	Phase 1D	Phase 2A1	Phase 2A2	Phase 2B	Series 2020 Total	Total Lots
60' x 120'	0	60	0	46	47	0	153		0	0	0	0	40	40	193
65' x 120'	34	75	78	0	0	35	222		42	60	61	57	0	220	442
75' x 120'	72	7	27	0	0	35	141		24	0	0	0	0	24	165
85' x 120'	0	0	0	0	0	0	0		0	0	0	0	0	0	0
TOTAL:	106	142	105	46	47	70	516		66	60	61	57	40	284	800
STATUS	Platted Sold 2 to Pulte	Platted Sold 12 to Pulte	Platted Sold 105 to Pulte	Platted	Platted	Platted			Design & Permitting	Design & Permitting	Master Permits	Master Permits	Design & Permitting		
Builder	M/I	M/I	Pulte	M/I	M/I	M/I			Avail	Avail	Avail	Avail	Avail		
VDL or Futures 4/15/19	0 (11 holds)	0 (3 holds)	?	8	46	45	99 14 113		66	60	61	57	40	0 284 284	99 298 397

Subject to change, errors, omissions and withdrawal. April 15, 2019.

For more information, contact Mark Spada at 813-918-4048 or Chloe Firebaugh at 813-727-1015



Master Permit Summary
3855-006-000
Revised 6/4/19

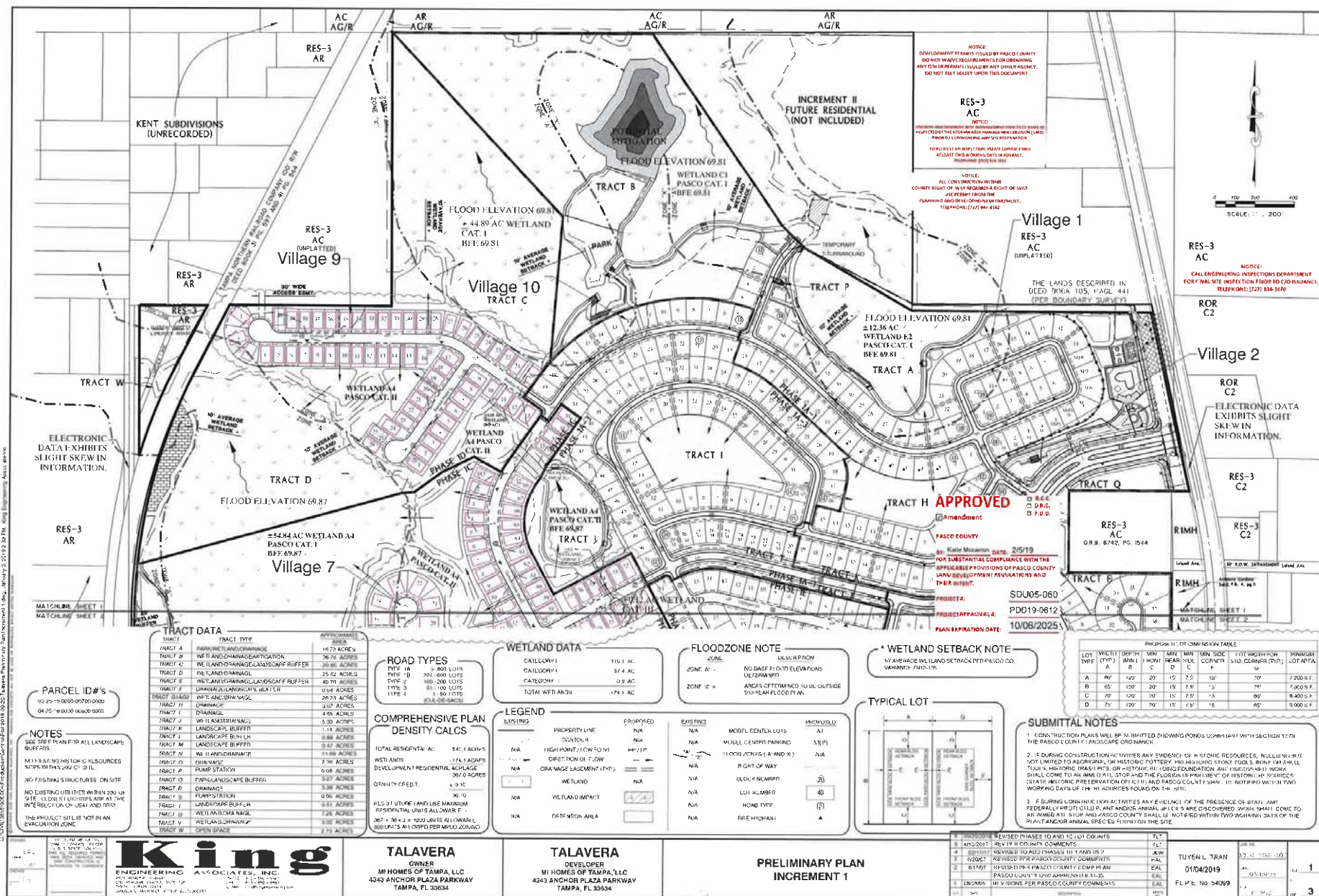
REVISED 6/4/19																	
MASTER APPROVAL & PERMITS		Agency	Original Approval Date	Original Expiration Date	Explanation Extended Normal Agency Request	Extended Expiration date per 98340/1702	Extended Expiration date per HB 7207	Extended by Permit Modification Request	Extended by EO 12-160, 12-192, 12-217 & 12-199	Extended by EO 14-138, 14-150, 14-150 & 14-274	Extended by EO 16-164, 16-183, 16-203, 16-250 & 16-274	Extended by EO 17-120	Extended by EO 18-277	Transfer Ownership Submittal	Expected Date of Transfer Ownership	Permit/Reference	
Master Planned Unit Development	PC BOCC	9/21/2004	* tied to Prelim Plat Exp	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Petition # 6256 / #51-2003-CA-3491-WS/P	
Master Planned Unit Development - Non Sub. Mod	PC BOCC	7/26/2005	* tied to Prelim Plat Exp	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Reasoning Petition No. 6256	
Utility Service Agreement	PC BOCC	4/24/2007	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	PCU No. 03-245-003A 2.1 / UT07-645	
Utility Crossing Agreement	CSX Transportation	4/24/2007	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	CSX-05635	
Unidirectional Determination	ACOE	12/13/2005	12/13/2010	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	SAJ-2005-8561 (IP-TEH)	
Dredge & Fill Permit	ACOE	11/26/2007	12/31/2011	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	SAJ-2005-8561 (IP-TEH)	
Dredge & Fill Permit	ACOE	10/29/2013	10/29/2018	5/3/2024	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	SAJ-2005-8561 (IP-TEH) Mod #1	
Formal Determination of Wetlands & Other Surface Water	SWFWMD	9/19/2005	9/19/2010	4/21/2016	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	SAJ-2006-08561 (SP-TEH)	
Noticed General Permit Construction (NGC)	FDEP	11/20/2006	11/20/2011	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	43028383.000	
Gopher Tortoise Incidental Take Permit	FWC	1/24/2006	Project Life	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	SI-0270669-001, Pasco	
Gopher Tortoise Incidental Take Modification	FWC	7/25/2006	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	PAS-161, PC	
Preliminary Plan Increment I																	
Preliminary Plan - Talavera Increment I	PC DRD	8/11/2005	50% Platted by 8/11/11	NA	NA	8/11/2013	8/13/2014	NA	10/11/2015	P 8/29/17	P 4/28/18	P 12/27/18	P 2/25/20	11/9/2023	7/19/2013	9/19/2013	Talavera Increment I (DR05-2234)
(50% platted date plus 4 years + 100% platted by date)						6yrs from Exp											
Preliminary Plan Amendment - Talavera Increment I	PC DRD	7/16/2007	Tied to Prelim. Plat Exp.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Increment I Amendment-DR07-1962
Preliminary Plan - Talavera Increment I - 1B Phasing	PC	2/21/2017	Tied to Prelim. Plat Exp.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Preliminary Plan - Talavera Increment I - All Std.	PC	4/17/2017	Tied to Prelim. Plat Exp.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Concurrence Extension - ALL FACILITIES	PC DRD	11/9/2010	Tied to Prelim. Plat Exp.	NA	8/11/2011	8/11/2013	6/14/2014	NA	10/11/2015	P 8/29/17	P 4/28/17	P 12/27/18	P 2/25/20		NA	NA	
Preliminary Plan Increment II																	
Preliminary Plan-Talavera Increment II (2A-2B)	PC DRD	12/15/2005	50% Platted by 12/15/11	NA	NA	12/15/2013	10/17/2014	NA	2/13/2016	P 1/6/20	P 9/5/20	P 5/4/21	P 7/3/22	3/12/2026	7/19/2013	9/19/2013	Phase 1A: Pat #256 - DR07-1962
(50% platted date plus 4 years + 100% platted by date)																	
Preliminary Plan - Talavera Increment II All Std.	PC	4/17/2017	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Talavera Increment II-DR06-406
Offsite Wastewater Foreman																	
COMPLETE																	
Wastewater Connection	FDEP	11/20/2006	11/20/2011	M part of CIP out to	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	GS51-000267 010
Utility Permit	FDOT	11/21/2006	11/21/2007	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	2006-H-798-145
Utility Crossing Agreement	CSX Transportation	4/24/2007	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	CSX-05635
Right of Way Use Permit - Shady Hills Rd	PC DRD	12/19/2006	6/19/2007	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	30253
UT Relocation Authorization	PC	4/9/2007	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	PCU #03-245-00 P 5.1
Offsite Water Ph 1A																	
COMPLETE																	
Utility Permit (SR52)	FDOT	3/5/2007	3/5/2008	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	2007-H-798-14
Utility Permit (SR41)	FDOT	3/8/2007	3/8/2008	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	2007-H-798-22
Offsite Roadway Improvements																	
COMPLETE																	
Standard General ERP (Not Required)	SWFWMD	1/13/2007	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Ex 5138
Amenity Center																	
COMPLETE																	
Combined Preliminary/Construction Plan Denial Ltr.	PC BOCC	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	IPR06-112
Phase 1A (553 Lots) 3855-006-000, 3855-006-001, 3855-006-003 COMPLETE																	
Class III Residential Subdivision Construction	PC DRD-Revised	7/19/2007	* tied to Prelim Plat Exp	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Phase 1A - Petition 6256- DR07-1962
FDEP Water Dist/Wastewater Const. Permit	PC Utilities	12/8/2006	12/8/2007	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	PCU No. 03-245-02
Driveway Connection Permit	FDOT	8/2/2006	8/2/2007	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	2006-H-798-61
Drainage Connection Permit	FDOT	1/25/2007	1/25/2008	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	06-D-798-0065
ERP Individual Construction Ph 1A (inc. 1A-3)	SWFWMD	11/30/2006	11/30/2011	NA	11/30/2013	11/30/2015	10/1/2016	10/1/2021	1/30/2023	9/30/2023	5/28/2024	8/25/2025	P 5/24/2026	7/19/2013	9/19/2013	43028383.001/007/014/017/021/	
ERP General Construction Ph 1B	SWFWMD	8/25/2007	8/25/2012	NA	*Exp past 12/6/12	6/26/2014	6/26/2015	4/28/2020	8/27/2021	4/26/2022	12/25/2022	5/6/2024	P 1/5/2025	7/19/2013	9/19/2013	43028383.003/008/016/018/022	
ERP General Construction Ph 1C	SWFWMD	5/9/2007	5/9/2012	NA	*Exp past 12/6/12	5/9/2014	3/11/2015	5/9/2019	9/1/2020	3/6/2021	1/5/2022	5/17/2023	P 1/15/2024	7/19/2013	9/19/2013	43028383.002/006/015/019/023	
General Const. For Incidental Site Activities (ISA)	SWFWMD	11/8/2006	2/7/2006	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	FLR100A30
Notice of Intent (NOI)	FDEP	5/24/2006	5/23/2011	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	43028383.0013
1A PC Site Clearing Placard	PC	8/21/2013	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	FLR100A30
Phase 1A-2 LOMR	FEMA	3/1/2017	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	17-04-250224
FDEP Phase 1A-3 Water Permit	PCU	5/19/2017	5/19/2019	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1146-51CW03-245 14
FDEP Phase 1A-3 Wastewater Permit	PCU	5/19/2017	5/19/2019	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1246-51CW03-245 - 2
Phase 1B-1 & 1B-2 (66) Lots 3855-006-005																	
COMPLETE																	
Class III Residential Subdivision Construction Plans Modification	PC DRD	7/19/2018	RS017-017	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
FDEP Water Permit 1B-1	PCU	8/18/2017	8/18/2018	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1159-51CW03-245 17
FDEP Wastewater Permit 1B-1	PCU	8/18/2017	8/18/2018	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1261-51CW03-245 17
FDEP Water Permit 1B-2	PCU	11/28/2018	11/28/2019	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1250-51CW03-245 18
FDEP Wastewater Permit 1B-2	PCU	11/28/2018	11/28/2019	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1365-51CW03-245 18
ERP Modification	SWFWMD	1/16/2018	1/8/2023	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	43028383.04
Notice of Intent (NOI)	FDEP	8/9/2017	8/28/2018	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	FLR100A30
Phase 1C (66) Lots 3855-006-004																	
COMPLETE																	
Stockpile Permit	PC DRD	n/a		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Stockpile Permit included in Phase 1E Permit	SWFWMD	n/a		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Class III Residential Subdivision Construction Plans	PC DRD	Submitted 4/9/19		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	CPSW-2-19-0000013
FDEP Water Permit	PCU			NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
FDEP Wastewater Permit	PCU			NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
ERP Individual Permit	SWFWMD	Submitted 4/18/19		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Notice of Intent (NOI)	FDEP			NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	#782908

P = Pending Date

S:\Tampa and Decatur\Current Development\Towers Grove - Talavera\JCIT\Talavera Master Permit List 2019 3855-006-000 6-3-19

MASTER APPROVAL & PERMITS	Agency	Original Approval Date	Original Expiration Date	Expiration Extended Normal Agency Request	Extended Expiration date per SB160/1762	Extended Expiration date per HB 7207	Extended SB2168 EO 11-129, 11-173, 11-202	Extended by Permit Modification Request	Extended by EO 13 140, 12-192, 12-217 & 12-199	Extended by EO 16 126	Extended by EO 16 206 & 16-208	Extended by EO 16 16-148, 16-193, 16-220, 16-230 & 16-274	Extended by EO 17-120	Extended by EO 18-277	Transfer Ownership Submittal	Expected Date of Transfer Ownership	Permit#/Reference
Phase 1D (60 Lots)																	
Stockpile Permit	PC DRD																
Stockpile Permit included in Phase 1E Permit	SWFWMD																
Class III U Residential Subdivision Construction Plans	PC DRD																
FDEP Water Permit	PCU																
FDEP Wastewater Permit	PCU																
ERP Individual Permit	SWFWMD																
Notice of Intent (NOI)	FDEP																
Phase 1E (70 lots) 3855-006-006	COMPLETE																
Mesa Grading	PC DRD	1/10/2017	1/10/2023	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	RSD 16-020
Mesa Grading	SWFWMD	11/10/2016	11/10/2021	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	43026383 020
Class III U Residential Subdivision Construction Plans	PC DRD	1/10/2017	1/10/2023														POD17-535/RSD16-020
FDEP Water Permit	PCU	5/23/2018	5/23/2019														1217-511CW03-245-08
FDEP Wastewater Permit	PCU	9/23/2018	5/23/2019														1326-511C-503 245-08
ERP Individual Permit	SWFWMD	10/13/2017	10/23/2022														43026383 03
Notice of Intent (NOI)	FDEP	8/9/2017	8/28/2018														FLR10NC55
FEMA LOBR	FEMA	Submitted															
Phase 2A (118 Lots)																	
Class III U Residential Subdivision Construction Plans	PC DRD																
FDEP Water Permit	PCU																
FDEP Wastewater Permit	PCU																
ERP Individual Permit	SWFWMD																
Notice of Intent (NOI)	FDEP																
Phase 2B (40 Lots) 3855-006-000																	
Class III U Residential Subdivision Construction Plans	PC DRD	Submitted 3/12/19															
FDEP Water Permit	PCU																
FDEP Wastewater Permit	PCU																
ERP Individual Permit	SWFWMD	Submitted 3/5/19															
Notice of Intent (NOI)	FDEP	5/9/2017	8/28/2018														FLR10NC55

P = Pending Date





Talavera CDD

Capital Improvement Revenue Bonds, Series 2019, Report of the District Engineer
June 26, 2019

EXHIBIT B -ACQUISITION AND CONSTRUCTION FUNDING AGREEMENT

**EIGHTH AMENDMENT TO THE
ACQUISITION AND CONSTRUCTION FUNDING
AGREEMENT BETWEEN THE TALAVERA COMMUNITY DEVELOPMENT
DISTRICT
AND M/I HOMES OF TAMPA, LLC**

THIS EIGHTH AMENDMENT (the "Eighth Amendment") is made and entered into this 20th day of February, 2019 by and between:

Talavera Community Development District, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, and located in Pasco County, Florida (hereinafter "District"), and

M/I Homes of Tampa, LLC, a Florida limited liability company and a landowner in the District (hereinafter "Developer") with an address of 4343 Anchor Plaza Parkway, Suite 200, Tampa, Florida 33634.

RECITALS

WHEREAS, the District and Developer entered into the "Acquisition and Construction Funding Agreement between Talavera Community Development District and M/I Homes of Tampa, LLC" dated July 1, 2014 (the "Original Funding Agreement"); and

WHEREAS, the District entered into a first amendment to the Funding Agreement dated June 24, 2015 (the "First Amendment") to document certain funds advanced to the District by the Developer pursuant to the Funding Agreement; and

WHEREAS, the District entered into a second amendment to the Funding Agreement dated May 11, 2016 (the "Second Amendment") to document certain funds advanced to the District by the Developer pursuant to the Funding Agreement; and

WHEREAS, the District entered into a third amendment to the Funding Agreement dated October 17, 2016 (the "Third Amendment") to document certain funds advanced to the District by the Developer pursuant to the Funding Agreement; and

WHEREAS, the District entered into a fourth amendment to the Funding Agreement dated March 1, 2017 (the "Fourth Amendment") to document certain funds advanced to the District by the Developer pursuant to the Funding Agreement; and

WHEREAS, the District entered into a fifth amendment to the Funding Agreement dated July 26, 2017 (the "Fifth Amendment" and collectively, as amended from time to time, the "Funding Agreement") to further address the requirement of the District to acquire District Improvements from the Developer and to document certain funds advanced to the District by the Developer pursuant to the Funding Agreement and monies paid to the Developer from Bond proceeds; and

WHEREAS, the District entered into a sixth amendment to the Funding Agreement dated July 11, 2018 (the "Sixth Amendment") to document certain funds advanced to the District by the Developer pursuant to the Funding Agreement; and

WHEREAS, the District entered into a Seventh Amendment to the Funding Agreement dated February 20, 2019 (the "Seventh Amendment") to document the acquisition of Phases 1B-1 and 1E by the District; and

WHEREAS, this Eighth Amendment updates and/or supplements the Funding Agreement as provided herein; and

WHEREAS, given the District had no funds for the construction of Phase 1B-2, Developer entered into a contract with the Kearney Company, LLC for the construction of Phase 1B-2 and the related District Improvements; and

WHEREAS, the District has acquired the Districts Improvements within Phase 1B-2 as documented herein; and

WHEREAS, pursuant to Quit Claim Deed, recorded in Official Records Book 9910, Page 716, Developer has conveyed all of its interest in the applicable platted tracts and associated property interests to the District for Phase 1B-2; and

WHEREAS, in May 2019 the District disbursed \$12,675.32 to the Developer in payment for the obligations documented herein from Bond Proceeds.

NOW, THEREFORE, in consideration of the recitals, agreements, and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

1. Incorporation of Recitals□ The recitals stated above are true and correct and by this reference are incorporated herein as a material part of this Agreement.

2. Acquisition of Phase 1B-2□ For the Phase 1B-2 Improvements the District accepted a general Bill of Sale for the Improvements dated May 8, 2019. Associated with the Bill of Sale, the District also received certification from the District's Engineer certifying the completion of the Improvements and the actual cost of the Improvements to be \$398,099.37. The amount of \$398,099.37 is owed to the Developer and will be eligible to be paid solely from the District's Bond proceeds, if bonds are subsequently issued in the sole discretion of the Board of Supervisors.

3. Recapitulation of Sums Owed to Developer□

A.	Purchase by District of work/infrastructure (First Amendment)	\$682,053.00
B.	Material and Supply Costs associated with Moretrench Agreement (Second Amendment)	\$1,005,998.28

C.	SEG Land Development Agreement (Third Amendment)	\$203,956.58
D.	CRS Development Agreement (Third Amendment)	\$1,058,354.36
E.	Moretrench Agreement (Fourth Amendment)	\$4,503,418.41
F.	Payment to Developer (Fourth Amendment)	(\$5,813,638.48)
G.	Professional Fees and Costs (Fifth Amendment)	\$57,391.62
H.	Kearney Phase 1A-2 (Fifth Amendment)	\$2,660,343.75
I.	Acquisition of Phase 1A-3 (Sixth Amendment)	\$1,597,901.96
J.	Acquisition of Phase 1B-1 (Seventh Amendment)	\$1,168,909.90
K.	Acquisition of Phase 1E (Seventh Amendment)	\$988,510.54
L.	Acquisition of Phase 1B-2	\$398,099.37
M.	Payment to Developer	<u>(\$12,675.32)</u>
	Total Current Amount Owed:	\$8,498,623.97

4. General ☐ All terms and provisions of the Funding Agreement, as previously amended, shall remain in effect as hereby amended and are incorporated herein by reference.

IN WITNESS WHEREOF, the parties execute this Agreement to be effective the day and year first written above.

Attest:

**TALavera COMMUNITY DEVELOPMENT
DISTRICT**

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

Witness:

M/I HOMES OF TAMPA, LLC a Florida limited
liability company

Name:  _____

Name:  _____

Title: Director of Land Acquisition

Title: VICE PRESIDENT



Talavera CDD

Capital Improvement Revenue Bonds, Series 2019, Report of the District Engineer
June 26, 2019

EXHIBIT C – CONSTRUCTION COST ESTIMATE OF THE FUTURE PUBLIC IMPROVEMENTS AND COMMUNITY FACILITIES

Talavera Community Development District
Construction Cost Estimate of Public Improvements and Community Facilities
Future Phases 1C, 1D, 2A-1, 2A-2, and 2B
June 26, 2019

	<u>Total</u>
District Roads	\$1,560,000
Water Management Control	\$1,420,000
Sewer and Wastewater Management	\$2,200,000
Water Supply	\$960,000
Landscape/Hardscape	\$106,000
Undergrounding of Electrical Power	\$142,000
Professional/Permitting Fees	\$480,000
Contingency	\$400,000
<hr/>	
Total Estimated Costs	\$7,268,000

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APPENDIX D
ASSESSMENT METHODOLOGY

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MASTER SPECIAL ASSESSMENT ALLOCATION REPORT

***TALAVERA
COMMUNITY DEVELOPMENT DISTRICT***

Prepared By:

RIZZETTA & COMPANY, INC.

3434 Colwell Ave.
Suite 200
Tampa, Florida 33614

August 12, 2015

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**TALavera
COMMUNITY DEVELOPMENT DISTRICT**

MASTER SPECIAL ASSESSMENT ALLOCATION REPORT

I. INTRODUCTION

This Master Special Assessment Allocation Report is being presented in anticipation of financing a capital infrastructure project by the Talavera Development District ("District"), a local unit of special purpose government established pursuant to Chapter 190, Florida Statutes. Rizzetta & Company, Inc. has been retained to prepare a methodology for allocating the special assessments related to the District's infrastructure project.

II. DEFINED TERMS

"Capital Improvement Program" – (CIP) Construction and/or acquisition of public infrastructure planned for the District. The cost for the Capital Improvement Program is estimated to be \$30,665,530.00 as specified in the Report of the District Engineer dated June 24, 2015.

"District" – Talavera Community Development District.

"Equivalent Assessment Unit" – (EAU) Allocation factor which reflects a quantitative measure of the amount of special benefit conferred by the District's CIP on a particular land use, relative to other land uses.

"Maximum Assessments" – The maximum amount of special assessments to be levied against a parcel in relation to the CIP.

"Platted Units" – Lands configured as their intended end-use and subject to a recorded plat.

"Unplatted Parcels" – Undeveloped lands or parcels not yet subject to a recorded plat in their final end-use configuration.

III. DISTRICT INFORMATION

Talavera Community Development District was established pursuant to Pasco County Ordinance 06-33, which became effective October 24, 2006. The District is located in Pasco County, Florida, and encompasses approximately 547.25 acres. Currently, 751 residential units are planned for development within the District.

Table 1 illustrates the Developer's preliminary development plan for the District.

IV. CAPITAL IMPROVEMENT PROGRAM

The CIP to be constructed and/or acquired by the District includes, but is not limited to, water management and control, water supply, wastewater management, roadways, landscape, hardscape, recreation, and recreational facility, and is estimated to cost \$30,665,530.00 as shown in detail on Table 2. The estimated construction costs of the CIP identified above were provided in the Report of the District Engineer dated June 24, 2015. It is expected that the District will issue special assessment bonds in the immediate future to fund a portion of the CIP, with the balance funded by the developers, future bonds, or other sources.

V. MASTER ASSESSMENT ALLOCATION – MAXIMUM ASSESSMENTS

Unlike property taxes, which are *ad valorem* in nature, a community development district may levy special assessments under Florida Statutes Chapters 170, 190, and 197 only if the parcels to be assessed receive special benefit from the infrastructure improvements acquired and/or constructed by the district. A district must also apportion or allocate its special assessments so that the assessments are fairly and reasonably distributed relative to the special benefit conferred. Generally speaking, this means the amount of special assessment levied on a parcel should not exceed the amount of special benefit enjoyed by that parcel. A district typically may develop and adopt an assessment methodology based on front footage, square footage, or any other reasonable allocation method, so long as the assessment meets the benefit requirement, and so long as the assessments are fairly and reasonably allocated.

A. Benefit Analysis

It is anticipated that the CIP will provide special benefit to lands within the District. This infrastructure project is a District-wide system of improvements and was designed specifically to facilitate the development of District properties into a viable community, from both a legal and socio-economic standpoint. Therefore, special benefits will accrue to the land uses within the District.

Table 3 demonstrates the allocation of the estimated CIP costs among the preliminary development plan. The costs are allocated using EAU factors, which have the effect of stratifying the costs based on lot size. These EAU factors, which utilize a 60'-65' lot frontage as the standard lot size, are provided on Table 3. This method of EAU allocation based on lot front footage meets statutory requirements and is commonly accepted in the industry.

B. Anticipated Bond Issuance

As described above, it is expected that the District will issue special assessment bonds in one or more series to fund a portion of the CIP. Notwithstanding the description of the Maximum Assessments below, landowners will not have a payment obligation until the issuance of bonds, at which time the fixed assessment amounts securing those bonds, as well as a collection protocol, will be determined. Please note that the preceding statement only applies to capital assessments, and shall have no effect on the ability of the District to levy assessments and collect payments related to the operations and maintenance of the District.

A preliminary maximum bond sizing has been provided in Table 4. This maximum bond amount has been calculated using conservative financing assumptions and represents a scenario in which all of the CIP is funded with bond proceeds. Please note that Table 4 represents the District's maximum total issuance for the CIP as defined by the District Engineer. However, the District is not obligated to issue bonds at this time, and similarly may choose to issue bonds in an amount lower than the maximum amount, which is expected. Furthermore, the District may issue bonds in various par amounts, maturities, and structures up to the maximum principal amount. Table 5 represents the Maximum Assessments necessary to support repayment of the maximum bonds.

If the District issues multiple series of bonds, assessments securing repayment of such bonds will be assigned on a "first-platted, first-assessed" basis. In other words, as units become subject to a recorded plat or parcels are sold with unit entitlements, the principal amount of assessments assigned to such units or parcels will secure the bond series with the earliest issuance date. This process will continue until the entire principal amount of such bond series has been secured, at which time assessments will begin securing the next-earliest bond issuance, and so on.

C. Maximum Assessment Methodology

Initially, the District will be imposing a master Maximum Assessment lien based on the maximum benefit conferred on each parcel by the CIP. Accordingly, Table 6 reflects the Maximum Assessments per Platted Unit. Because the District may issue bonds in various par amounts, maturities, and structures, the special assessments necessary to secure repayment of those bonds similarly may vary in size and structure, but will not exceed the amounts on Table 6 in the aggregate. It is expected that the standard long-term special assessments borne by residents will be significantly lower than the amounts in Table 6, and will reflect assessment levels which conform to the current market.

Some of the lands subject to the Maximum Assessments are Unplatted Parcels. Assessments will be initially levied on these Unplatted Parcels on an equal assessment per acre basis. At the time parcels are platted or otherwise subdivided into Platted Units, individual Maximum Assessments will be assigned to those Platted Units at the per-unit amounts described in Table 5, thereby reducing the Maximum Assessments encumbering the Unplatted Parcels by a corresponding amount. Any unassigned amount of Maximum Assessments encumbering the remaining Unplatted Parcels will continue to be calculated and levied on an equal assessment per acre basis.

In the event an Unplatted Parcel is sold to a third party not affiliated with the Developer, Maximum Assessments will be assigned to that Unplatted Parcel based on the maximum total number

of Platted Units assigned by the Developer to that Unplatted Parcel. The owner of that Unplatted Parcel will be responsible for the total assessments applicable to the Unplatted Parcel, regardless of the total number of Platted Units ultimately actually platted. These total assessments are fixed to the Unplatted Parcel at the time of the sale. If the Unplatted Parcel is subsequently sub-divided into smaller parcels, the total assessments initially allocated to the Unplatted Parcel will be re-allocated to the smaller parcels pursuant to the methodology as described herein (i.e. equal assessment per acre until platting).

In the event that developable lands that derive benefit from the CIP are added to the District boundaries, whether by boundary amendment or increase in density, Maximum Assessments will be allocated to such lands, pursuant to the methodology described herein.

VI. ADDITIONAL STIPULATIONS

Certain financing, development, and engineering data was provided by members of District staff and/or the developers. The allocation methodology described herein was based on information provided by those professionals. Rizzetta & Company makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report.

EXHIBIT A:

ALLOCATION METHODOLOGY

**TALAVERA
COMMUNITY DEVELOPMENT DISTRICT
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

TABLE 1: PRELIMINARY DEVELOPMENT PLAN

<u>PRODUCT</u>	<u>TOTAL UNITS</u>	
Single Family 60'/65'	375	Lots
Single Family 75'	230	Lots
Single Family 85'	146	Lots
TOTAL:	751	

**TALAVERA
COMMUNITY DEVELOPMENT DISTRICT
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

TABLE 2: TOTAL CIP COST DETAIL

<u>Infrastructure</u>	TOTAL ESTIMATED COST
District Roads	\$4,935,750.00
Water Management Control	\$4,035,750.00
Sewer and Wastewater Management	\$6,798,100.00
Water Supply	\$2,690,500.00
Off-Site Improvements	\$1,800,000.00
Landscape/Hardscape	\$1,729,000.00
Undergrounding of Electrical Power	\$530,600.00
Professional/Permitting Fees	\$3,032,000.00
Amenity Center and Facilities	\$1,212,800.00
Contingency	\$3,901,030.00
Total Estimated Costs	<u><u>\$30,665,530.00</u></u>
NOTE: Infrastructure cost estimates provided by District Engineer.	

**TALAVERA
COMMUNITY DEVELOPMENT DISTRICT
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

TABLE 3: TOTAL CIP COST ALLOCATION

<u>DESCRIPTION</u>	<u>EAU FACTOR</u>	<u>UNITS</u>	<u>TOTAL COST (1)</u>	<u>PER UNIT COST</u>
Single Family 60'/65'	1.00	375	\$13,833,113.61	\$36,888.30
Single Family 75'	1.15	230	\$9,789,588.09	\$42,563.43
Single Family 85'	1.31	146	\$7,042,828.30	\$48,238.55
		<u>751</u>	<u>\$30,665,530.00</u>	

(1) Total costs shown for illustrative purposes and are not fixed per product type.

**TALAVERA
COMMUNITY DEVELOPMENT DISTRICT
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

TABLE 4: FINANCING INFORMATION - MAXIMUM BONDS		
Maximum Coupon Rate		7.000%
MADS		\$3,008,693.38
SOURCES:		
	MAXIMUM PRINCIPAL AMOUNT	<u>\$37,335,000.00</u> (1)
	Total Net Proceeds	\$37,335,000.00
USES:		
	Construction Account	(\$30,665,530.00)
	Debt Service Reserve Fund	(\$3,008,693.38)
	Capitalized Interest	(\$2,613,450.00)
	Costs of Issuance	(\$300,000.00)
	Underwriter's Discount	(\$746,700.00)
	Rounding	<u>(\$626.62)</u>
	Total Uses	(\$37,335,000.00)
Source: District Underwriter		
(1) The District is not obligated to issue this amount of bonds.		

TABLE 5: FINANCING INFORMATION - MAXIMUM ASSESSMENTS		
Maximum Interest Rate		7.000%
Aggregate Initial Principal Amount		\$37,335,000.00
Aggregate Annual Installment		\$3,008,693.38 (1)
Estimated County Collection Costs	2.00%	\$61,401.91 (2)
Maximum Early Payment Discounts	4.00%	<u>\$127,920.64</u> (2)
Estimated Total Annual Installment		\$3,198,015.92
(1) Based on MADS for the Maximum Bonds.		
(2) May vary as provided by law.		

**TALAVERA
COMMUNITY DEVELOPMENT DISTRICT
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

TABLE 6: ASSESSMENT ALLOCATION - MAXIMUM ASSESSMENTS (1)

<u>PRODUCT</u>	<u>PER UNIT</u>		<u>TOTAL</u>		<u>PERCENTAGE</u>		<u>PRODUCT</u>	<u>PER UNIT</u>	<u>PRODUCT</u>	<u>PER UNIT</u>
	<u>EAUs</u>	<u>UNITS</u>	<u>EAUs</u>	<u>OF EAU</u> s	<u>TOTAL</u>		<u>TOTAL</u>	<u>TOTAL</u>	<u>ANNUAL</u>	<u>ANNUAL</u>
					<u>PRINCIPAL (2)</u>		<u>PRINCIPAL</u>	<u>PRINCIPAL</u>	<u>INSTLMT. (2)(3)</u>	<u>INSTLMT. (3)</u>
Single Family 60'/65'	1.00	375	375.00	45.11%	\$16,841,688.26		\$44,911.17	\$1,442,613.82	\$3,846.97	
Single Family 75'	1.15	230	265.38	31.92%	\$11,918,733.23		\$51,820.58	\$1,020,926.71	\$4,438.81	
Single Family 85'	1.31	146	190.92	22.97%	\$8,574,578.51		\$58,729.99	\$734,475.39	\$5,030.65	
TOTAL		751	831.31		\$37,335,000.00			\$3,198,015.92		

(1) Represents maximum assessments based on total CIP and allocated by EAU. Actual imposed amounts expected to be significantly lower.

(2) Product total shown for illustrative purposes only and are not fixed per product type.

(3) Includes estimated Pasco County collection costs/payment discounts, which may fluctuate.

**TALAVERA COMMUNITY DEVELOPMENT DISTRICT
PROPOSED MAXIMUM ASSESSMENT ROLL**

PARCEL ID	OWNER NAME	Product Type	MAXIMUM PRINCIPAL	MAXIMUM ANNUAL
042518000008000000	M/I HOMES OF TAMPA LLC	Unplatted	\$31,693,525.25	\$2,714,782.33
042518000008000030	M/I HOMES OF TAMPA LLC	Unplatted	\$1,910,393.04	\$163,639.14
0425180000499000020	PASCO COUNTY	0	\$0.00	\$0.00
0425180000499000030	PASCO COUNTY	0	\$0.00	\$0.00
04251800100RW000000	M/I HOMES OF TAMPA LLC	0	\$0.00	\$0.00
042518001000A000000	M/I HOMES OF TAMPA LLC	0	\$0.00	\$0.00
042518001000B000000	M/I HOMES OF TAMPA LLC	0	\$0.00	\$0.00
042518001000C000000	M/I HOMES OF TAMPA LLC	0	\$0.00	\$0.00
042518001000F000000	M/I HOMES OF TAMPA LLC	0	\$0.00	\$0.00
042518001000H000000	M/I HOMES OF TAMPA LLC	0	\$0.00	\$0.00
042518001000K000000	M/I HOMES OF TAMPA LLC	0	\$0.00	\$0.00
042518001000P000000	PASCO COUNTY	0	\$0.00	\$0.00
042518001000Q000000	M/I HOMES OF TAMPA LLC	0	\$0.00	\$0.00
0425180010010000010	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000020	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000030	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000040	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000050	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000060	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000070	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000080	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000090	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000100	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000110	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000120	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000130	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000140	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000150	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000160	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000170	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000180	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010010000190	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010012000010	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010012000020	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010012000030	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010012000040	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010012000050	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010012000060	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010012000070	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010012000080	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010012000090	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010012000100	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010012000110	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010012000120	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010012000130	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010012000140	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010012000150	M/I HOMES OF TAMPA LLC	65	\$44,911.17	\$3,846.97
0425180010013000010	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
0425180010013000020	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
0425180010013000030	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
0425180010013000040	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
0425180010013000050	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
0425180010013000060	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
0425180010013000070	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
0425180010013000080	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81

TALAVERA COMMUNITY DEVELOPMENT DISTRICT PROPOSED MAXIMUM ASSESSMENT ROLL				
PARCEL ID	OWNER NAME	Product Type	MAXIMUM PRINCIPAL	MAXIMUM ANNUAL

[illegible]

**TALAVERA COMMUNITY DEVELOPMENT DISTRICT
PROPOSED MAXIMUM ASSESSMENT ROLL**

PARCEL ID	OWNER NAME	Product Type	MAXIMUM PRINCIPAL	MAXIMUM ANNUAL
0425180010019000040	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
0425180010019000050	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
0425180010019000060	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
0425180010019000070	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
0425180010019000080	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
0425180010019000090	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
0425180010019000100	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
0425180010019000110	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
0425180010019000120	M/I HOMES OF TAMPA LLC	75	\$51,820.58	\$4,438.81
			\$38,861,979.74	\$3,328,812.90

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Rizzetta & Company

Talavera Community Development District

Final Supplemental
Special Assessment Allocation Report

Capital Improvement Revenue Bonds, Series 2019

12750 Citrus Park Lane
Suite 115
Tampa, FL 33625

www.rizzetta.com

July 18, 2019

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I. INTRODUCTION

This Final Supplemental Special Assessment Allocation Report is being presented in anticipation of financing a capital infrastructure project by the Talavera Community Development District ("District"), a local unit of special purpose government established pursuant to Chapter 190, Florida Statutes. The District proposes to issue Capital Improvement Revenue Bonds, Series 2019 (the "Series 2019 Bonds"), and has retained Rizzetta & Company, Inc. to prepare a methodology for allocating the special assessments expected to be levied by the District in connection with the transaction.

II. DEFINED TERMS

"Capital Improvement Program" – (CIP) Construction and/or acquisition of public infrastructure planned for the District is \$30,665,530 as described in the District Engineer's Report dated June 24, 2015. This amount has been updated to approximately \$22,000,000. The total cost for the portion of the CIP attributed to the Series 2019 Assessment Area is estimated to be \$7,268,000, as described in the District Engineer's Report, dated June 19, 2019.

"Developer" – M/I Homes of Tampa LLC, A Florida limited liability company.

"Development" – Shall mean the development known as "Talavera" encompassing 547 acres located entirely within the District, which is anticipated to include 800 residential units.

"District" – Talavera Community Development District.

"End User" – The ultimate purchaser of a fully developed residential unit; typically, a resident homeowner.

"Engineer's Reports" – The Engineer's Report dated June 24, 2015 ("Master Engineer's Report") and the Supplemental Engineer's Report dated June 19, 2019, both prepared by Stantec Consulting Services, Inc.

"Equivalent Assessment Unit" – (EAU) Allocation factor which reflects a quantitative measure of the amount of special benefit conferred by the District's CIP on a particular land use, relative to other land uses.

"Indentures" – The Master Trust Indenture dated October 1, 2016 and Third Supplemental Trust Indenture dated July 1, 2019.

"Master Report" – The Master Special Assessment Allocation Report dated August 12, 2015.

"Platted Units" – Lands configured into their intended end-use and subject to a recorded plat.



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“Series 2019 Assessment Area” – Phases 1C, 1D, 2A and 2B of the Development, which is anticipated to include 284 single-family units.

“Series 2019 Assessments” – Special Assessments, as contemplated by Chapters 190, 170, and 197, Florida Statutes, levied to secure repayment of the District’s Series 2019 Bonds.

“Series 2019 Bonds” - The \$4,705,000 Talavera Community Development District Capital Improvement Revenue Bonds, Series 2019.

“Series 2019 Project” – A portion of the total CIP, benefiting the Series 2019 Assessment Area and financed with proceeds of the Series 2019 Bonds.

“True-Up Agreement” – The Agreement Between the Talavera Community Development District and M/I Homes of Tampa LLC, regarding the True-Up and Payment of Series 2019 Assessments.

“Unplatted Parcels” – Undeveloped lands or parcels not yet subject to a recorded plat in their final end-use configuration.

All capitalized terms not defined herein shall retain the meaning ascribed in the Master Report.

III. DISTRICT INFORMATION

The District was established pursuant to Pasco County Ordinance 06-33 which became effective on October 30, 2006. On February 27, 2018, the Pasco County Board of County Commissioners approved a non-substantial modification request to amend the conditions of approval on Rezoning Petition No. 6256. This modification allows up to 840 single family detached residential units. The District is currently planned for a total of 800 single family detached residential units to be developed in multiple phases. There are currently 516 constructed and platted lots within the completed phases (Phases 1A-1, 1A-2, 1A-3, 1B-1, 1B-2 and 1E) with 284 units remaining to be constructed and platted in the future phases (1C, 1D, 2A-1, 2A-2 and 2B).

The District previously issued its \$3,405,000 Capital Improvement Revenue Bonds, Series 2016A-1, which are secured by special assessments levied on the 248 residential units of Phases 1A-1 and 1A-2. The District also previously issued its \$3,330,000 Capital Improvement Revenue Bonds, Series 2016A-3, which are secured by special assessments levied on the 268 residential units of Phases 1A-3, 1B1, 1B2 and 1E.

The next phase of development will be the 284 residential units in Phases 1C, 1D, 2A-1, 2A-2 and 2B, which are expected to be subject to the Series 2019 Assessments. See Table 1 for the detailed development plan.



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IV. SERIES 2019 PROJECT

The Series 2019 Project is a portion of the District's CIP necessary to support the development of lands within the District. The CIP as documented in the Master Assessments levied pursuant to Resolution 2015-09, provides for a District-wide system of improvements whereby it has been determined that any of the projects within the CIP benefit all the lands within the District. The proceeds of the Series 2019 Bonds will be used entirely to acquire portions of District-wide system improvements constructed by the Developer. Per the Engineer's Report, the estimated costs of the Series 2019 Assessment Area are \$7,268,000. See Table 2. The remaining portion of the CIP will be funded by the Developer, or other sources. See the District Engineer's Report for the Series 2019 Project dated June 19, 2019.

V. SERIES 2019 BONDS AND ASSESSMENTS

In order to provide for the Series 2019 Project funding described in Section IV above, the District expects to issue Series 2019 Bonds in the aggregate principal amount of \$4,705,000. Table 3 reflects the general financing terms of the Series 2019 Bonds. The Series 2019 Bonds will be structured as amortizing current-interest bonds, with repayment occurring in substantially equal annual installments of principal and interest. Interest payments shall occur every May 1 and November 1 from the date of issuance until final maturity on May 1, 2050. The first scheduled payment of coupon interest will be due on November 1, 2019; however, interest will be capitalized through May, 2021, and therefore the first principal payment will be due on May 1, 2022.

The Series 2019 Bonds will be secured by the pledged revenues of the Series 2019 Assessments. The Series 2019 Assessments shall be structured in the same manner as the Series 2019 Bonds, so that revenue from the Series 2019 Assessments are sufficient to fulfill the debt service requirements of the Series 2019 Bonds. Table 4 reflects the general financing terms of the Series 2019 Assessments.

It is expected that the Series 2019 Assessment installments assigned to Platted Units will be collected via the Pasco County property tax bill process (Uniform Method)¹. Accordingly, the Series 2019 Assessments will be adjusted to allow for current County collection costs and the possibility that landowners will avail themselves of early payment discounts. Currently, the aggregate rate for costs and discounts is 6.0%, but this may fluctuate as provided by law.

¹ The ultimate collection procedure is subject to District approval. Nothing herein should be construed as mandating collections that conflict with the terms, privileges, and remedies provided in the Indenture, Florida law, assessment resolutions, and/or other applicable agreements.



VI. SERIES 2019 ASSESSMENT ALLOCATION

The District's Master Report contains specific special benefit findings relative to the Maximum Assessments and the District's CIP. As stated therein, the CIP costs per unit and Maximum Assessments were allocated pursuant to an EAU-based methodology.

Per Section IV above, the Series 2019 Bonds will fund approximately \$3,929,882 in completed infrastructure by the Developer. Accordingly, it is expected that the improvements funded by the Series 2019 Bonds will confer benefit on the District's developable parcels in a manner generally proportionate to and consistent with the allocation of benefit found in the Master Report. Therefore, it is proper to impose Series 2019 Assessments on the units specified in Table 1, as well as the District's Preliminary Series 2019 Assessment Roll.

A. Assessment Allocation

Table 5 reflects the Series 2019 Assessments per Platted Unit. The allocation of the Series 2019 Assessments is based on target annual assessment installments provided by the Developer, which conform to the current market. The District will recognize contributions of infrastructure by the Developer in the estimated amount of \$55,198.72 as an assessment credit corresponding to the aggregate difference for certain product types between the target assessments and baseline EAU allocation. See Table 6 for the contribution calculation. It was determined that each platted lot within these product types will receive a similar amount of benefit from the acquisition of infrastructure associated with the Total Project. As allocated, the Series 2019 Assessments fall within the cost/benefit thresholds, as well as the Maximum Assessment levels, established by the Master Report, and are fairly and reasonably allocated among the different product types.

The subsequent allocation to each lot within each product type will be on a pro-rata basis (i.e., total assessment allocated to a product type divided by the number of lots in that product type). This allocation is made because it was determined that there is no material difference in the benefit received, from the acquisition of the Series 2019 Project among the lots within each product type because all the lots are expected to be of generally similar size.

This manner of assessment allocation is consistent with Florida Statutes, 170.02, which states "Special assessments against property deemed to be benefited by local improvements, as provided for in s. 170.01, shall be assessed upon the property specifically benefitted by the improvement in proportion to the benefits to be derived therefrom, said special benefits to be determined and prorated according to the front footage of the respective properties specially benefited by said improvement, or by such other method as the governing body of the municipality may prescribe."

The Series 2019 Assessment Roll is located at page A-5.



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B. Assignment of Assessments

Upon issuance of the Series 2019 Bonds, individual Series 2019 Assessments will be assigned to the 284 Platted Units at the per-unit amounts described in Table 5.

The Series 2019 Bonds and Series 2019 Assessments have been sized based on the expectation that the Series 2019 Assessments will be fully absorbed by Platted Units planned for development in the phases as described above. However, the actual assignment of assessment to Platted Units will be consistent with the assessment methodology found in the Master Report.

All of the lands subject to the Series 2019 Assessments currently consist of Unplatted Parcels. Assessments will be initially levied on these parcels on an equal assessment per acre basis. At the time parcels are platted or otherwise subdivided into Platted Units, individual Series 2019 Assessments will be assigned to those Platted Units at the per-unit amounts described in Table 5, thereby reducing the Series 2019 Assessments encumbering the Unplatted Parcels by a corresponding amount. Any unassigned amount of Series 2019 Assessments encumbering the remaining Unplatted Parcels will continue to be calculated and levied on an equal assessment per acre basis.

In the event an Unplatted Parcel is sold to a third party not affiliated with the Developer, Series 2019 Assessments will be assigned to that Unplatted Parcel based on the maximum total number of Platted Units assigned by the Developer to that Unplatted Parcel. The owner of that Unplatted Parcel will be responsible for the total assessments applicable to the Unplatted Parcel, regardless of the total number of Platted Units ultimately actually platted. These total assessments are fixed to the Unplatted Parcel at the time of the sale. If the Unplatted Parcel is subsequently subdivided into smaller parcels, the total assessments initially allocated to the Unplatted Parcel will be re-allocated to the smaller parcels pursuant to the methodology as described herein (i.e. equal assessment per acre until platting).

In the event that developable lands that derive benefit from the Series 2019 Project are added to the District boundaries, whether by boundary amendment or increase in density, Series 2019 Assessments will be allocated to such lands, pursuant to the methodology described herein.

VII. PREPAYMENT AND TRUE-UP OF SERIES 2016A ASSESSMENTS

The Series 2019 Assessments encumbering a parcel may be prepaid in full at any time, without penalty, together with interest, at the rate on the Series 2019 Bonds to the bond interest payment date that is more than forty-five (45) days next succeeding the date of prepayment. Notwithstanding the preceding provisions, the District does not waive the



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right to assess penalties which would otherwise be permissible if the parcel being prepaid is subject to an assessment delinquency.

Because this methodology assigns defined, fixed assessments to Platted Units, the District's Series 2019 Assessment program is predicated on the development of lots in the manner described in Table 1. However, if a change in development results in net decrease in the overall principal amount of assessments able to be assigned to the lands described in Table 1, then a true-up, or principal reduction payment, will be required to cure the deficiency. At such time as a plat is presented to the District that involves the earliest of at least 50% of residential units or developable acres within these phases, and continuing at each time when a subsequent plat is presented to the District (each such date being a "True-Up Date"), the District shall determine if the debt per acre remaining on the unplatted land is greater than the debt per acre of such land at the time of imposition of the initial assessment, and if it is, a True-Up Payment in the amount of such excess shall become due and payable by the Developer or subsequent landowner in that tax year in accordance with the District's Series 2019 Assessment Report, in addition to the regular assessment installment payable for lands owned by the Developer. The District will ensure collection of such amounts in a timely manner in order to meet its debt services obligations, and in all cases, the Developer agrees that such payments shall be made in order to ensure the District's timely payments of the debt services obligations on the Series 2019 Bonds. The District shall record all True-Up Payments in its Improvement Lien book. For further detail on the true-up process, please refer to the True-Up Agreement.

Similarly, if a reconfiguration of lands would result in the collection of substantial excess assessment revenue in the aggregate, then the District shall undertake a pro rata reduction of assessments for all assessed properties.

VIII. ADDITIONAL STIPULATIONS

Certain financing, development, and engineering data was provided by members of District staff and/or the developers. The allocation methodology described herein was based on information provided by those professionals. Rizzetta & Company makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report.

Rizzetta & Company, Inc. does not represent the Talavera Community Development District as a Municipal Advisor or Securities Broker nor is Rizzetta & Company, Inc., registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Rizzetta & Company, Inc., does not provide the Talavera Community Development District with financial advisory services or offer investment advice in any form.



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EXHIBIT A:

PRELIMINARY ALLOCATION METHODOLOGY



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**TALAVERA
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2019**

TABLE 1: SERIES 2019 DEVELOPMENT PLAN

<u>PRODUCT</u>	<u>PHASE 1C</u>	<u>PHASE 1D</u>	<u>PHASE 2A1</u>	<u>PHASE 2A2</u>	<u>PHASE 2B</u>	<u>TOTAL</u>
Single Family 60'	0	0	0	0	40	40
Single Family 65'	42	60	57	58	0	217
Single Family 75'	24	0	3	0	0	27
TOTAL:	66	60	60	58	40	284

(1) Product totals are for illustrative purposes only and not fixed per product type. Development plan is subject to change.

**TALAVERA
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2019**

TABLE 2: SERIES 2019 PROJECT COST DETAIL

<u>DESCRIPTION</u>	<u>TOTAL ESTIMATED COSTS</u>
Total Capital Improvement Program ("CIP") ⁽¹⁾	\$22,000,000
CIP Completed and Acquired by the District to Date	\$14,312,261
CIP attributable to Series 2019 Assessment Area and Remaining to be Funded by the Developer:	
District Roads	\$1,560,000
Water Management Control	\$1,420,000
Sewer and Wastewater	\$2,200,000
Water Supply	\$960,000
Landscape/Hardscape	\$106,000
Undergrounding of Electrical	\$142,000
Professional/Permitting Fees	\$480,000
Contingency	\$400,000
Series 2019 Sub-total	\$7,268,000 ⁽²⁾
Remaining CIP to be Funded by the Developer	\$419,739
Total CIP	\$22,000,000
Series 2019 Project Costs Funded by Series 2019 Bonds	\$3,929,881.53
Recognized Contribution of Infrastructure for Target Assessment Levels	\$55,198.72
Remaining Series 2019 Project Costs to be Funded by the Developer	\$3,282,919.75

(1) The original estimated overall CIP cost was projected to be \$30.6 million. A CIP estimated cost of approximately \$22 million shall be used herein, which reflects the amount documented to be owed to the Developer for certain District Improvements which were acquired from the Developer and also includes the cost of the District's Improvements that remain to be built within the Series 2019 Assessment Area.

(2) As identified in the District Engineer's Report

NOTE: Cost estimates per District Engineer's Report of June 20, 2019.

**TALAVERA
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2019**

TABLE 3: FINANCING INFORMATION - SERIES 2019 BONDS

ISSUE DATE	July 29, 2019
MATURITY DATE	May 1, 2050
AVERAGE COUPON RATE	4.410%
MADS	\$290,057.50
SOURCES:	
PAR AMOUNT OF BONDS	\$4,705,000.00 (1)
Total Net Proceeds	\$4,705,000.00
USES:	
Project Fund	(\$3,929,881.53)
Debt Service Reserve Fund	(\$145,028.75) (2)
Capitalized Interest	(\$355,214.72) (3)
Costs of Issuance	(\$180,775.00)
Underwriter's Discount	(\$94,100.00)
Total Uses	(\$4,705,000.00)

Source: District Underwriter

(1) The District is not obligated to issue this amount of bonds.

(2) 50% of MADS

(3) Capitalized interest through 5/1/2021

TABLE 4: FINANCING INFORMATION - SERIES 2019 ASSESSMENTS

Aggregate Initial Principal Amount		\$4,705,000.00
Aggregate Annual Installment		\$290,057.50
County Collection Costs	2.00%	\$5,919.54 (1)
Early Payment Discount	4.00%	\$12,332.38 (1)
Estimated Total Annual Installment		\$308,309.42

(1) Ultimate collection schedule at the District's discretion.

(1) May vary as provided by law.

TALavera
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2019

TABLE 5: ASSESSMENT ALLOCATION - SERIES 2019 ASSESSMENTS (1)

<u>PRODUCT</u>	<u>UNITS</u>	<u>PRODUCT TOTAL</u>	<u>PER UNIT</u>	<u>PRODUCT</u>	<u>PER PRODUCT</u>
		<u>PRINCIPAL (2)</u>	<u>TOTAL</u>	<u>ANNUAL</u>	<u>TYPE ANNUAL</u>
			<u>PRINCIPAL</u>	<u>INSTLMT. (2)(3)</u>	<u>INSTLMT. (3)</u>
Single Family 60'	40	\$609,532.94	\$15,238.32	\$39,941.50	\$1,000.00
Single Family 65'	217	\$3,581,173.64	\$16,503.10	\$234,667.28	\$1,082.98
Single Family 75'	27	\$514,293.42	\$19,047.90	\$33,700.64	\$1,250.00
TOTAL	284	\$4,705,000.00		\$308,309.42	

(1) Allocation of Series 2019 assessments to be levied. There will be a recognized contribution of infrastructure to achieve these target assessment levels. See Table 6 for the contribution calculation

(2) Product total shown for illustrative purposes only and are not fixed per product type.

(3) Includes estimated Pasco County collection costs/payment discounts, which may fluctuate.

**TALAVERA
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2019**

TABLE 6: CONTRIBUTION CALCULATION ⁽¹⁾

PRODUCT	UNITS	EAU	TOTAL COSTS FUNDED	TARGET COSTS PER UNIT ⁽³⁾	COSTS PER UNIT BY EAU	CONTRIBUTION PER UNIT	TOTAL CONTRIBUTION ⁽⁴⁾
Single Family 60'	40	1.00	\$509,116.31	\$12,727.91	\$13,834.68	\$1,107	\$44,270.98
Single Family 65'	217	1.00	\$2,991,198.33	\$13,784.32	\$13,834.68	\$50	\$10,927.74
Single Family 75'	27	1.15	\$429,566.89	\$15,909.88	\$15,909.88	\$0	\$0.00
	284		\$3,929,881.53 ⁽²⁾				\$55,198.72

(1) All numbers are based on construction costs, and thus, are net of financing costs.

(2) Total Series 2019 Project costs to be funded with Series 2019 Bonds. See Table 2.

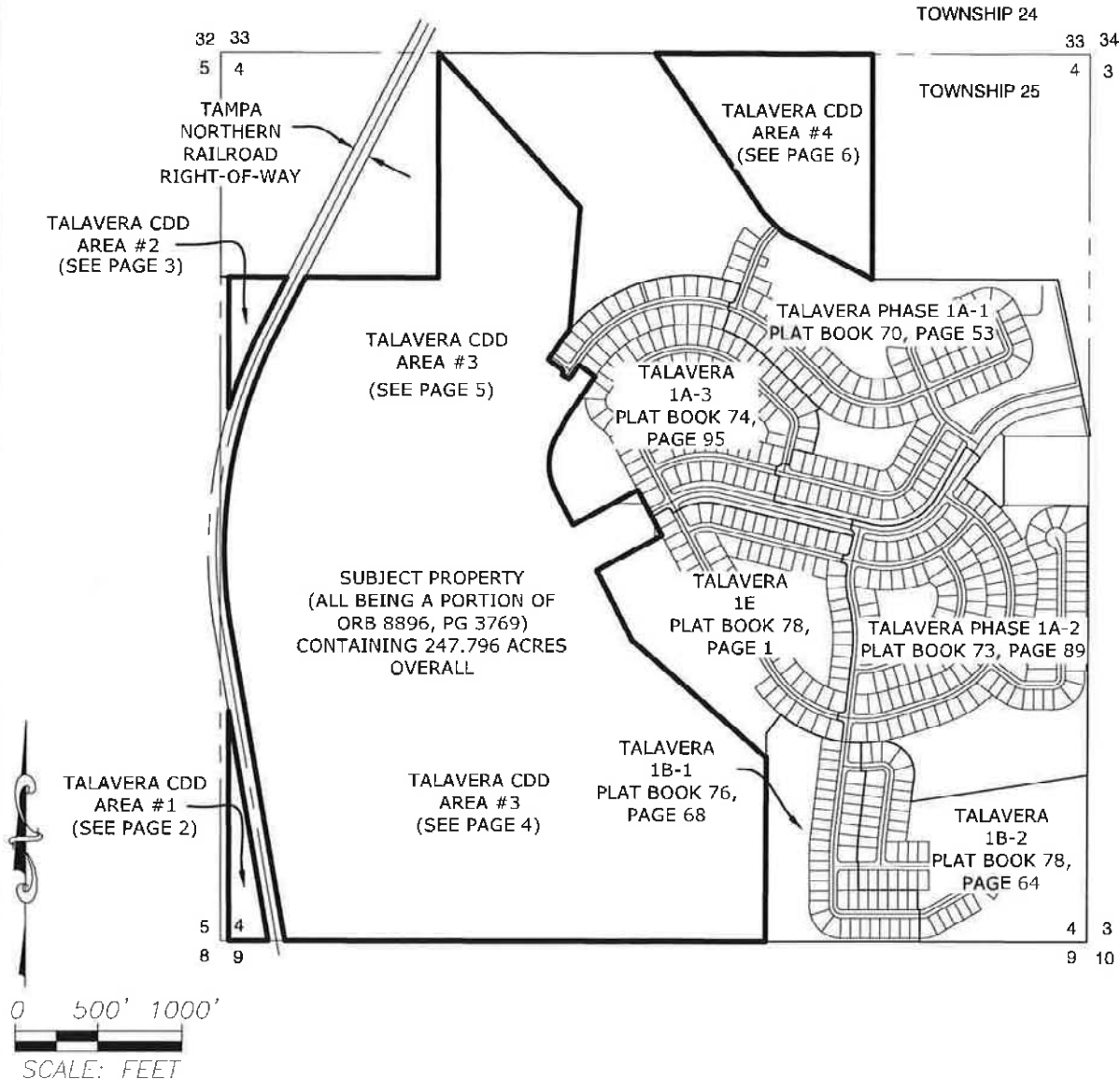
(3) Per unit costs funded with Series 2019 Bonds.

(4) Total contribution of infrastructure due to the difference between the target and the EAU allocation. See Table 2 for the application of the contribution.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT ASSESSMENT ROLL			
Parcel		Series 2019 Principal	Series 2019 Annual Installment (1)
See attached legal description		\$4,705,000.00	\$308,309.42

THIS IS NOT A SURVEY

**SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST
PASCO COUNTY, FLORIDA**



UNPLATTED LANDS

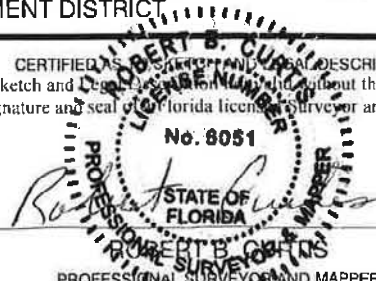
TALAVERA COMMUNITY DEVELOPMENT DISTRICT

SCALE AS SHOWN	DATE 6/12/2019	JOB No. 2013-0104-00
DRAWN RBC	CHECKED RBC	SECTION 4
		TOWNSHIP 25 S
		RANGE 18 E



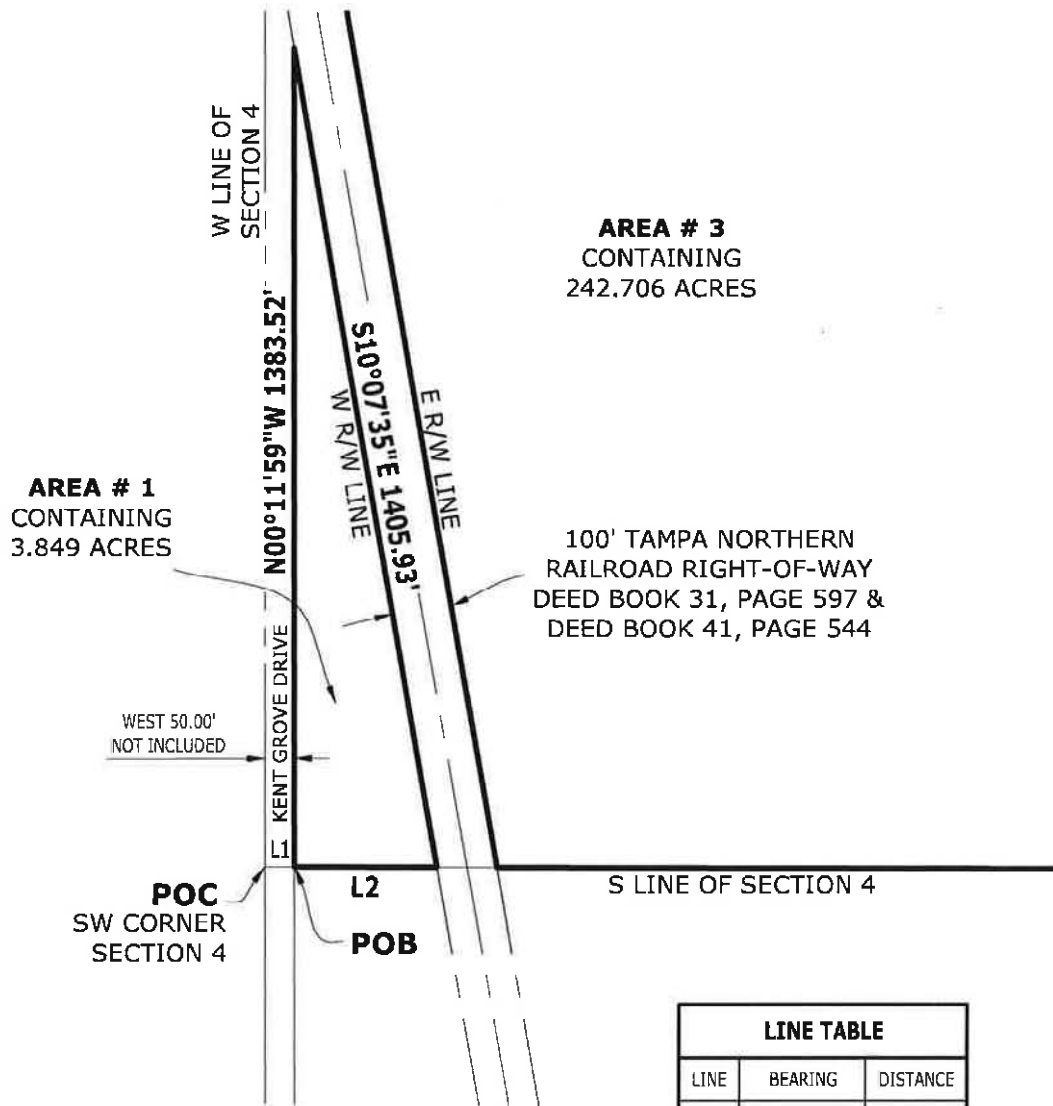
4921 Memorial Highway
One Memorial Center, Suite 30C
Tampa, Florida 33634
Phone: (813) 880-8881
www.Ardurra.com
License #2610

CERTIFIED AS ACCURATE AND CORRECT DESCRIPTION
Sketch and Description of the land shown without the original
signature and seal of a Florida licensed Surveyor and Mapper.



PROFESSIONAL SURVEYOR AND MAPPER
STATE OF FLORIDA # LS6051
CERTIFICATE OF AUTHORIZATION No. LB 2610

THIS IS NOT A SURVEY



0 150 300'
SCALE: FEET

LINE TABLE		
LINE	BEARING	DISTANCE
L1	S89°52'42"E	50.00'
L2	N89°52'42"W	242.37'

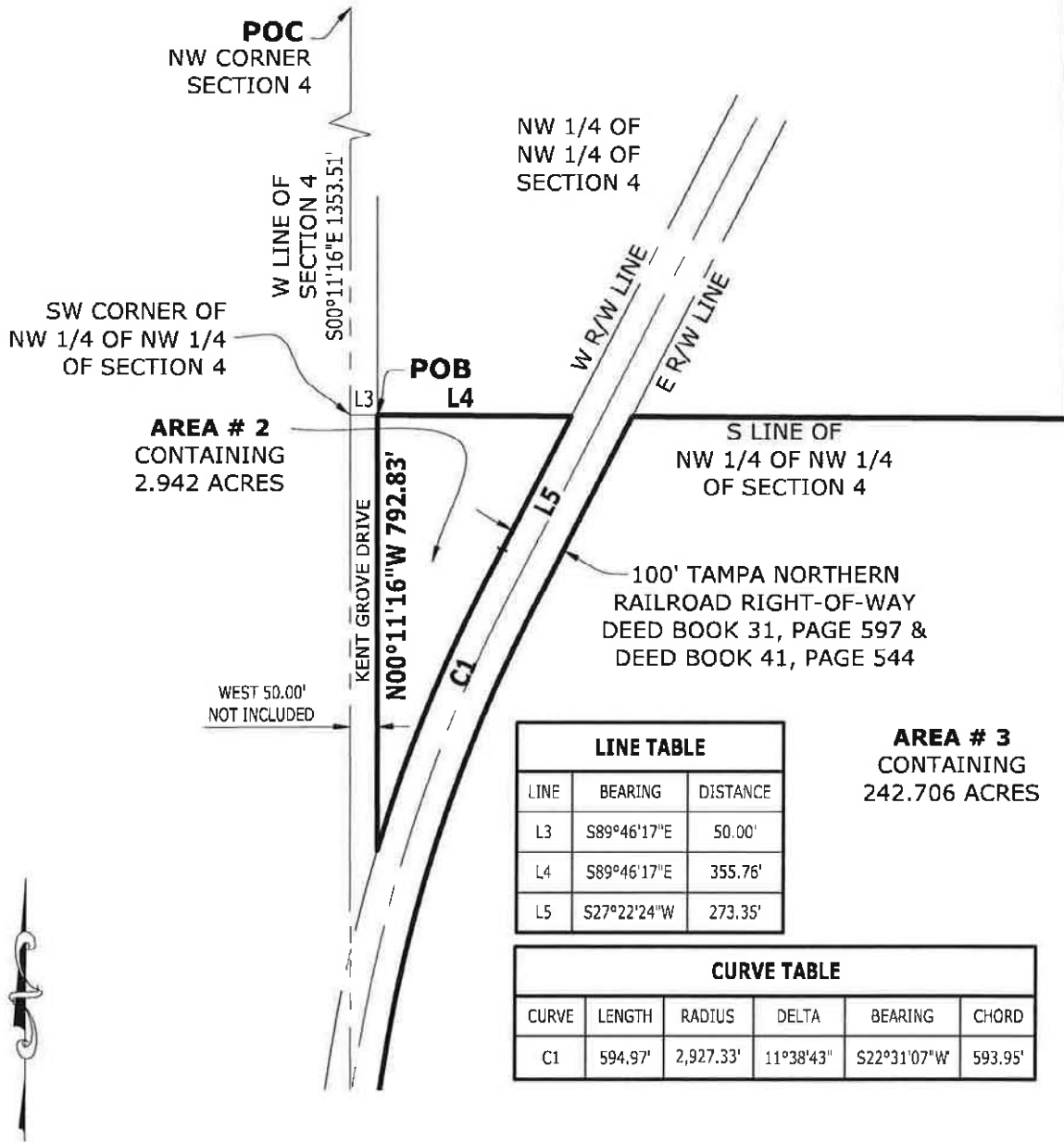
UNPLATTED LANDS

TALAVERA COMMUNITY DEVELOPMENT DISTRICT



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0 150' 300'
SCALE: FEET

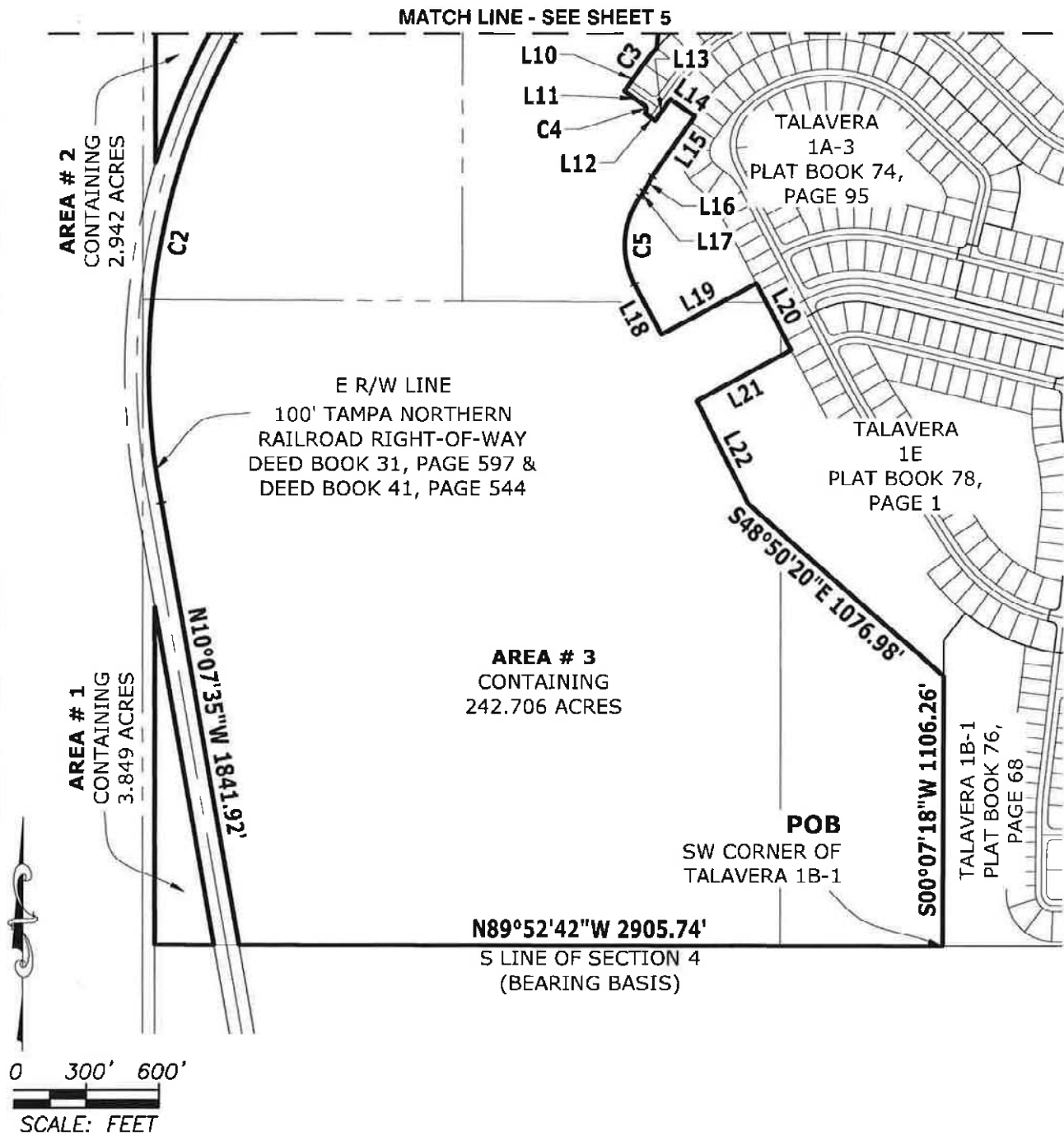
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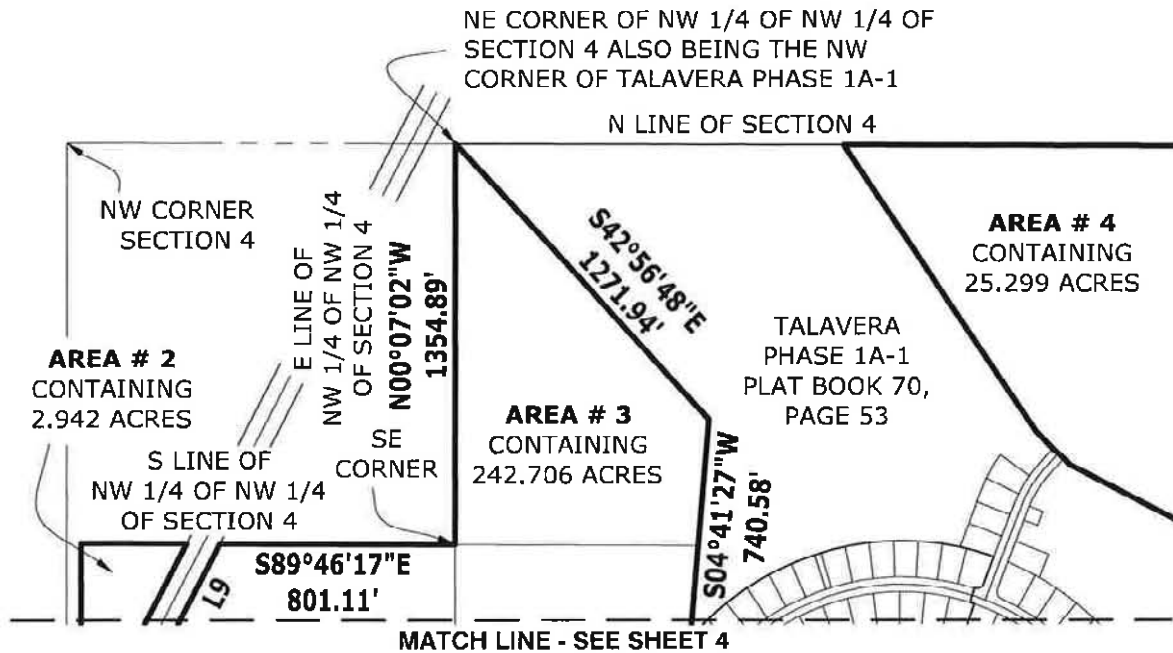
UNPLATTED LANDS

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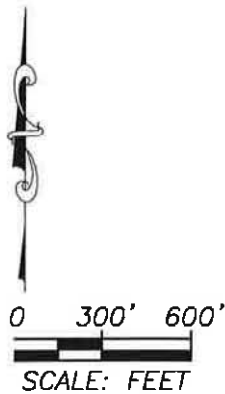
THIS IS NOT A SURVEY



LINE TABLE		
LINE	BEARING	DISTANCE
L9	N27°22'24\"E	325.47'
L10	S35°05'08\"W	126.74'
L11	S54°54'52\"E	97.00'
L12	S55°00'41\"E	50.09'
L13	N35°05'08\"E	105.93'
L14	S54°54'52\"E	122.00'
L15	S35°06'10\"W	300.08'

LINE TABLE		
LINE	BEARING	DISTANCE
L16	S27°04'11\"W	71.59'
L17	S35°03'01\"W	26.77'
L18	S27°58'43\"E	232.81'
L19	N62°01'17\"E	445.30'
L20	S27°58'43\"E	310.00'
L21	S62°01'17\"W	445.00'
L22	S27°00'07\"E	473.07'

CURVE TABLE					
CURVE	LENGTH	RADIUS	DELTA	BEARING	CHORD
C2	1,955.97'	2,827.33'	39°38'16\"	N08°32'21\"E	1,917.20'
C3	95.92'	947.00'	5°48'12\"	S37°59'14\"W	95.88'
C4	39.27'	25.00'	90°00'00\"	S09°54'52\"E	35.36'
C5	377.32'	343.00'	63°01'43\"	S03°32'09\"W	358.58'



UNPLATTED LANDS

TALAVERA COMMUNITY DEVELOPMENT DISTRICT



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THIS IS NOT A SURVEY

N LINE OF SECTION 4
S89°49'54"E 1320.91'

POB
NW CORNER
NW 1/4 OF
NE 1/4 OF
SECTION 4
ALSO BEING
THE NW
CORNER OF
TALAVERA
PHASE 1A-1

NE CORNER
NW 1/4 OF
NE 1/4 OF
SECTION 4

AREA # 4
CONTAINING
25.299 ACRES

S00°01'50"W 1357.65'
E LINE OF NW 1/4 OF THE
NE 1/4 OF SECTION 4

NE 1/4 OF
NE 1/4 OF
SECTION 4

TALAVERA PHASE 1A-1
PLAT BOOK 70, PAGE 53

LINE TABLE		
LINE	BEARING	DISTANCE
L6	N43°17'11"W	26.62'
L7	N47°39'51"W	50.00'
L8	N44°43'03"W	81.88'

L8

L7

L6

N62°48'49"W 616.33'

TALAVERA 1A-3
PLAT BOOK 74, PAGE 95

TALAVERA PHASE 1A-1
PLAT BOOK 70, PAGE 53

0 150' 300'

UNPLATTED LANDS

TALAVERA COMMUNITY DEVELOPMENT DISTRICT



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License #2610

THIS IS NOT A SURVEY

LEGAL DESCRIPTION: (BY ARDURRA)

TALAVERA AREA # 1

A PORTION OF THOSE LANDS DESCRIBED IN OFFICIAL RECORD BOOK 8896, PAGE 3769 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA, BEING A TRACT OF LAND LYING IN SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA;; THENCE SOUTH 89°52'42" EAST, ALONG THE SOUTH LINE OF SAID SECTION 4, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00°11'59" WEST, ALONG A LINE 50.00 FEET WEST OF AND PARALLEL WITH THE WEST LINE OF SAID SECTION 4, A DISTANCE OF 1,383.52 FEET TO THE WEST RIGHT-OF-WAY LINE OF TAMPA NORTHERN RAILROAD ACCORDING TO DEED BOOK 31, PAGE 597 AND DEED BOOK 41, PAGE 544, BOTH OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE SOUTH 10°07'35" EAST, ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 1,405.93 FEET TO THE SAID SOUTH LINE OF SECTION 4; THENCE NORTH 89°52'42" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 242.37 FEET TO THE POINT OF BEGINNING.

CONTAINING 3.849 ACRES.

TALAVERA AREA # 2

A PORTION OF THOSE LANDS DESCRIBED IN OFFICIAL RECORD BOOK 8896, PAGE 3769 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA, BEING A TRACT OF LAND LYING IN SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA;; THENCE SOUTH 00°11'16" EAST, ALONG THE WEST LINE OF SAID SECTION 4, A DISTANCE OF 1,353.51 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 4; THENCE SOUTH 89°46'17" EAST, ALONG THE SOUTH LINE OF SAID NORTHWEST 1/4 OF THE NORTHWEST 1/4, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE ALONG SAID SOUTH LINE, SOUTH 89°46'17" EAST A DISTANCE OF 355.76 FEET TO THE WEST RIGHT-OF-WAY LINE OF TAMPA NORTHERN RAILROAD ACCORDING TO DEED BOOK 31, PAGE 597 AND DEED BOOK 41, PAGE 544, BOTH OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE SOUTH 27°22'24" WEST, ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 273.35 FEET TO A POINT ON A NON-TANGENT CURVE TO THE LEFT; THENCE SOUTHWESTERLY 594.97 FEET ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 2,927.33 FEET, A CENTRAL ANGLE OF 11°38'43", AND A CHORD BEARING AND DISTANCE OF SOUTH 22°31'07" WEST 593.95 FEET; THENCE, LEAVING SAID WEST RIGHT-OF-WAY LINE, NORTH 00°11'16" WEST, ALONG A LINE 50.00 FEET WEST AND PARALLEL WITH THE SAID WEST LINE OF SECTION 4, A DISTANCE OF 792.83 FEET TO THE POINT OF BEGINNING.

CONTAINING 2.942 ACRES.

(CONTINUED ON NEXT PAGE)

UNPLATTED LANDS

TALAVERA COMMUNITY DEVELOPMENT DISTRICT



4921 Memorial Highway
One Memorial Center, Suite 300
Tampa, Florida 33634
Phone: (813) 880-8881
www.Ardurra.com
License #2610

THIS IS NOT A SURVEY

LEGAL DESCRIPTION: (BY ARDURRA)

(CONTINUED FROM LAST PAGE)

TALAVERA AREA # 3

A PORTION OF THOSE LANDS DESCRIBED IN OFFICIAL RECORD BOOK 8896, PAGE 3769 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA, BEING A TRACT OF LAND LYING IN SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF TALAVERA PHASE 1B-1 ACCORDING TO PLAT BOOK 76, PAGES 68 THROUGH 71, OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE NORTH 89°52'42" WEST, ALONG THE SOUTH LINE OF SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA, A DISTANCE OF 2,905.74 FEET TO THE EAST RIGHT-OF-WAY LINE OF TAMPA NORTHERN RAILROAD ACCORDING TO DEED BOOK 31, PAGE 597 AND DEED BOOK 41, PAGE 544, BOTH OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE ALONG SAID EAST RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES, (1) NORTH 10°07'35" WEST, A DISTANCE OF 1,841.92 FEET TO A POINT ON A NON-TANGENT CURVE TO THE RIGHT; (2) NORTHERLY 1,955.97 FEET ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 2,827.33 FEET, A CENTRAL ANGLE OF 39°38'16", AND A CHORD BEARING AND DISTANCE OF NORTH 08°32'21" EAST 1,917.20 FEET; (3) NORTH 27°22'24" EAST, A DISTANCE OF 325.47 FEET TO THE SOUTH LINE OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 4; THENCE SOUTH 89°46'17" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 801.11 FEET TO THE SOUTHEAST CORNER OF SAID NORTHWEST 1/4 OF NORTHWEST 1/4; THENCE NORTH 00°07'02" WEST, ALONG THE EAST LINE OF SAID NORTHWEST 1/4 OF NORTHWEST 1/4, A DISTANCE OF 1,354.89 FEET TO THE NORTHEAST CORNER OF SAID NORTHWEST 1/4 OF NORTHWEST 1/4, SAME BEING THE NORTHWEST CORNER OF TALAVERA 1A-1, ACCORDING TO PLAT BOOK 70, PAGES 53 THROUGH 59, OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE ALONG THE BOUNDARY OF SAID TALAVERA 1A-1, TALAVERA PHASE 1A-3 ACCORDING TO PLAT BOOK 74, PAGES 95 THROUGH 100, TALAVERA PHASE 1E ACCORDING TO PLAT BOOK 78, PAGES 1 THROUGH 5, AND AFORESAID TALAVERA PHASE 1B-1, ALL BEING OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA, RESPECTIVELY, THE FOLLOWING NINETEEN (19) COURSES, (1) SOUTH 42°56'48" EAST, A DISTANCE OF 1,271.94 FEET; (2) SOUTH 04°41'27" WEST, A DISTANCE OF 740.58 FEET TO A POINT ON A NON-TANGENT CURVE TO THE LEFT; (3) SOUTHWESTERLY 95.92 FEET ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 947.00 FEET, A CENTRAL ANGLE OF 05°48'12", AND A CHORD BEARING AND DISTANCE OF SOUTH 37°59'14" WEST 95.88 FEET; (4) SOUTH 35°05'08" WEST, A DISTANCE OF 126.74 FEET; (5) SOUTH 54°54'52" EAST, A DISTANCE OF 97.00 FEET TO A POINT ON A CURVE TO THE RIGHT; (6) SOUTHERLY 39.27 FEET ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 90°00'00", AND A CHORD BEARING AND DISTANCE OF SOUTH 09°54'52" EAST 35.36 FEET; (7) SOUTH 55°00'41" EAST, A DISTANCE OF 50.09 FEET; THENCE NORTH 35°05'08" EAST, A DISTANCE OF 105.93 FEET; (8) SOUTH 54°54'52" EAST, A DISTANCE OF 122.00 FEET; (9) SOUTH 35°06'10" WEST, A DISTANCE OF 300.08 FEET; (10) SOUTH 27°04'11" WEST, A DISTANCE OF 71.59 FEET; (11) SOUTH 35°03'01" WEST, A DISTANCE OF 26.77 FEET TO A POINT ON A CURVE TO THE LEFT; (12) SOUTHERLY 377.32 FEET ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 343.00 FEET, A CENTRAL ANGLE OF 63°01'43", AND A CHORD BEARING AND DISTANCE OF SOUTH 03°32'09" WEST 358.58 FEET;

(CONTINUED ON NEXT PAGE)

UNPLATTED LANDS

TALAVERA COMMUNITY DEVELOPMENT DISTRICT



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(CONTINUED FROM LAST PAGE)

(13) SOUTH 27°58'43" EAST, A DISTANCE OF 232.81 FEET; (14) NORTH 62°01'17" EAST, A DISTANCE OF 445.30 FEET; (15) SOUTH 27°58'43" EAST, A DISTANCE OF 310.00 FEET; (16) SOUTH 62°01'17" WEST, A DISTANCE OF 445.00 FEET; (17) SOUTH 27°00'07" EAST, A DISTANCE OF 473.07 FEET; (18) SOUTH 48°50'20" EAST, A DISTANCE OF 1,076.98 FEET; (19) SOUTH 00°07'18" WEST, A DISTANCE OF 1,106.26 FEET TO THE POINT OF BEGINNING.

CONTAINING 242.706 ACRES

TALAVERA AREA # 4

A PORTION OF THOSE LANDS DESCRIBED IN OFFICIAL RECORD BOOK 8896, PAGE 3769 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA, BEING A TRACT OF LAND LYING IN SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 4, TOWNSHIP 25 SOUTH, RANGE 18 EAST, PASCO COUNTY, FLORIDA, SAME BEING THE NORTHWEST CORNER OF TALAVERA PHASE 1A-1 ACCORDING TO PLAT BOOK 70, PAGES 53 THROUGH 59, OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE SOUTH 89°49'54" EAST, ALONG THE NORTH LINE OF SAID SECTION 4, A DISTANCE OF 1,320.91 FEET TO THE NORTHEAST CORNER OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 4; THENCE SOUTH 00°01'50" WEST, ALONG THE EAST LINE OF SAID NORTHWEST 1/4 OF THE NORTHEAST 1/4, A DISTANCE OF 1,357.65 FEET TO THE BOUNDARY OF SAID TALAVERA PHASE 1A-1; THENCE ALONG SAID BOUNDARY THE FOLLOWING FIVE (5) COURSES (1) NORTH 62°48'49" WEST, A DISTANCE OF 616.33 FEET; (2) NORTH 43°17'11" WEST, A DISTANCE OF 26.62 FEET; (3) NORTH 47°39'51" WEST, A DISTANCE OF 50.00 FEET; (4) NORTH 44°43'03" WEST, A DISTANCE OF 81.88 FEET; (5) NORTH 34°13'54" WEST, A DISTANCE OF 1,171.67 FEET TO THE POINT OF BEGINNING.

CONTAINING 25.299 ACRES.

LEGEND:

POB = POINT OF BEGINNING
POC = POINT OF COMMENCEMENT
R/W = RIGHT-OF-WAY

SURVEYOR'S NOTES:

1. NO INSTRUMENTS OF RECORD REFLECTING EASEMENTS, RIGHTS-OF-WAY, AND OR OWNERSHIP WERE FURNISHED TO OR PURSUED BY THE UNDERSIGNED.
2. UNLESS IT BEARS THE ORIGINAL SIGNATURE AND SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER THIS DRAWING, SKETCH, PLAT OR MAP IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT VALID.
3. THIS IS A SKETCH AND LEGAL DESCRIPTION ONLY, NOT A FIELD SURVEY.
4. BEARINGS ARE BASED ON SOUTH LINE OF SECTION 4, BEING NORTH 89°52'42" WEST, AS SHOWN ON SHEET 4 HEREON.
5. DISTANCES SHOWN HEREON ARE IN U.S. FEET.

UNPLATTED LANDS

TALAVERA COMMUNITY DEVELOPMENT DISTRICT



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APPENDIX E
DISTRICT'S FINANCIAL STATEMENTS

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Financial Report

September 30, 2018

Talavera Community Development District

TALAVERA COMMUNITY DEVELOPMENT DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Talavera Community Development District

We have audited the accompanying financial statements of the governmental activities and each major fund of *Talavera Community Development District* (the "District"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the District as of September 30, 2018, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis starting on page 3, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 18, 2019, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

McDiernit Davis & Company, LLC

Orlando, Florida
June 18, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the *Talavera Community Development District's* (the "District") financial accomplishments provide an overview of the District's financial activities for the year ended September 30, 2018. Please read it in conjunction with the District's Independent Auditor's Report, financial statements and accompanying notes.

This information is being presented to provide additional information regarding the activities of the District and to meet the disclosure requirements of Government Accounting Standards Board Statement (GASB) No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999.

Financial Highlights

- The liabilities of the District exceeded its assets at September 30, 2018 by \$1,668,290, a decrease of \$380,096 in comparison with the prior year.
- At September 30, 2018, the District's governmental funds reported a combined fund balance of \$483,909, an increase of \$27,031 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the *Talavera Community Development District's* financial statements. The District's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner like a private-sector business.

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include general government, physical environment, roads and streets, and culture and recreation related functions.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: Governmental Funds.

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

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

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

Statement of Net Position - The District's net position was (\$1,668,290) at September 30, 2018. The following analysis focuses on the net position of the District's governmental activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-Wide Financial Analysis (Continued):

Talavera Community Development District Statement of Net Position

	September 30, 2018	September 30, 2017
Assets, excluding capital assets	\$ 543,350	\$ 486,227
Capital Assets, net of depreciation	9,571,983	10,025,167
Total assets	10,115,333	10,511,394
Liabilities, excluding long-term liabilities	230,222	201,187
Long-term Liabilities	11,553,401	11,598,401
Total liabilities	11,783,623	11,799,588
Net Position:		
Net investment in capital assets	(1,729,084)	(1,320,900)
Restricted for:		
Debt service	45,961	35,468
Capital projects	16,475	4,529
Unrestricted	(1,642)	(7,291)
Total net position	\$ (1,668,290)	\$ (1,288,194)

The following is a summary of the District's governmental activities for the fiscal years ended September 30, 2018 and 2017.

Changes in Net Position Year ended September 30,

	2018	2017
Revenues:		
Program revenues	\$ 965,972	\$ 350,751
General revenues	12,316	-
Total revenues	978,288	350,751
Expenses:		
General government	92,296	84,634
Physical environment	803,820	698,361
Culture and recreation	51,312	-
Interest on long-term debt	410,956	318,330
Bond issue costs	-	313,175
Total expenses	1,358,384	1,414,500
Change in net position	(380,096)	(1,063,749)
Net position - beginning	(1,288,194)	(224,445)
Net position - ending	\$ (1,668,290)	\$ (1,288,194)

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-Wide Financial Analysis (Continued):

As noted above and in the statement of activities, the cost of all governmental activities during the year ended September 30, 2018 was \$1,358,384. Most of these costs are comprised of physical environment expense and interest on long-term debt.

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2018, the District's governmental funds reported combined ending fund balances of \$483,909. Of this total, \$4,915 is nonspendable, \$485,487 is restricted, and the remainder deficit of (\$6,493) is unassigned.

The fund balance of the general fund increased by \$5,650 in the current year, this was primarily due to increased assessments in the current year. The debt service fund balance increased by \$9,435, due to assessment revenues exceeding debt payments. The capital projects fund balance increased by \$11,946 due to a prior year credit.

General Fund Budgetary Highlights

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. There were no amendments to the September 30, 2018 general fund budget. The legal level of budgetary control is at the fund level.

Capital Asset and Debt Administration

Capital Assets - At September 30, 2018, the District had \$9,571,983 invested in infrastructure, net of accumulated depreciation. More detailed information about the District's capital assets is presented in the notes to financial statements.

Capital Debt - At September 30, 2018, the District had advances due to the developer of \$4,863,401 and had \$6,690,000 in bonds outstanding. More detailed information about the District's capital debt is presented in the notes to financial statements.

Requests for Information

If you have questions about this report or need additional financial information, contact the *Talavera Community Development District's* Finance Department at 12750 Citrus Park Lane, Suite 115, Tampa, Florida 33625.

FINANCIAL STATEMENTS

TALAVERA COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF NET POSITION

September 30, 2018

	<u>Governmental Activities</u>
Assets:	
Cash	\$ 22,723
Due from developer	42,900
Prepaid Costs	3,475
Deposits	1,440
Restricted assets:	
Temporarily restricted investments	472,812
Capital assets:	
Capital assets being depreciated, net	<u>9,571,983</u>
Total assets	<u>10,115,333</u>
Liabilities:	
Accounts payable and accrued expenses	59,441
Accrued interest payable	170,781
Noncurrent liabilities:	
Due within one year	50,000
Due in more than one year	<u>11,503,401</u>
Total liabilities	<u>11,783,623</u>
Net Position:	
Net investment in capital assets	(1,729,084)
Restricted for:	
Debt service	45,961
Capital projects	16,475
Unrestricted	<u>(1,642)</u>
Total Net Position	<u><u>\$ (1,668,290)</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF ACTIVITIES

Year Ended September 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
General government	92,296	\$ 43,277	\$ 42,900	\$ -	\$ (6,119)
Physical environment	803,820	389,248	-	-	(414,572)
Culture and recreation	51,312	24,060	-	-	(27,252)
Interest on long-term debt	410,956	461,425	5,023	39	55,531
Total governmental activities	<u>\$ 1,358,384</u>	<u>\$ 918,010</u>	<u>\$ 47,923</u>	<u>\$ 39</u>	<u>(392,412)</u>
General Revenues:					
Investment income					175
Miscellaneous					12,141
Total general revenues					<u>12,316</u>
Change in net position					(380,096)
Net Assets (deficit) - beginning					<u>(1,288,194)</u>
Net Assets (deficit) - ending					<u>\$ (1,668,290)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets:				
Cash	\$ 10,048	\$ -	\$ 12,675	\$ 22,723
Investments	-	469,076	3,736	472,812
Due from developer	42,900			42,900
Prepaid costs	3,475	-	-	3,475
Deposits	1,440	-	-	1,440
Total assets	<u>\$ 57,863</u>	<u>\$ 469,076</u>	<u>\$ 16,411</u>	<u>\$ 543,350</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenses	\$ 59,441	\$ -	\$ -	\$ 59,441
Total liabilities	<u>59,441</u>	<u>-</u>	<u>-</u>	<u>59,441</u>
Fund Balance:				
Nonspendable	4,915	-	-	4,915
Restricted for:				
Debt service	-	469,076	-	469,076
Capital projects	-	-	16,411	16,411
Unassigned	<u>(6,493)</u>	<u>-</u>	<u>-</u>	<u>(6,493)</u>
Total fund balances	<u>(1,578)</u>	<u>469,076</u>	<u>16,411</u>	<u>483,909</u>
Total liabilities and fund balances	<u>\$ 57,863</u>	<u>\$ 469,076</u>	<u>\$ 16,411</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

9,571,983

Liabilities not due and payable from current available resources are not reported in governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.

Accrued interest payable (170,781)

Bonds payable (11,553,401)

(11,724,182)

Net Position of Governmental Activities

\$ (1,668,290)

The accompanying Notes to Financial Statements are an integral part of this statement.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended September 30, 2018

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues:				
Special assessments	\$ 456,585	\$ 461,425	\$ -	\$ 918,010
Developer contributions	42,900	-	-	42,900
Investment and other income	409	5,023	11,946	17,378
Total revenues	<u>499,894</u>	<u>466,448</u>	<u>11,946</u>	<u>978,288</u>
Expenditures:				
Current:				
General government	92,296	-	-	92,296
Physical environment	323,684	-	-	323,684
Culture and recreation	51,312	-	-	51,312
Debt Service:				
Interest	-	412,013	-	412,013
Principal	-	45,000	-	45,000
Capital Outlay	26,952	-	-	26,952
Total expenditures	<u>494,244</u>	<u>457,013</u>	<u>-</u>	<u>951,257</u>
Excess (Deficit) of Revenues Over Expenditures	<u>5,650</u>	<u>9,435</u>	<u>11,946</u>	<u>27,031</u>
Net change in fund balances	5,650	9,435	11,946	27,031
Fund Balances - beginning of year	<u>(7,228)</u>	<u>459,641</u>	<u>4,465</u>	<u>456,878</u>
Fund Balances - end of year	<u><u>\$ (1,578)</u></u>	<u><u>\$ 469,076</u></u>	<u><u>\$ 16,411</u></u>	<u><u>\$ 483,909</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

Year Ended September 30, 2018

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balances - total governmental funds	\$	27,031
--	----	--------

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources; however, in the statement of net position the cost of those assets is recorded as capital assets. Depreciation of capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities.

Capital outlay	26,952	
Depreciation expense	<u>(480,136)</u>	(453,184)

Repayments of long-term liabilities are reported as expenditures in governmental funds, while repayments reduce long-term liabilities in the statement of net position.		45,000
---	--	--------

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

Change in accrued interest		<u>1,057</u>
Change in Net Position of Governmental Activities	\$	<u><u>(380,096)</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 456,125	\$ 456,125	\$ 456,585	\$ 460
Developer contributions	-	-	42,900	42,900
Investment Income	-	-	409	409
Total revenues	<u>456,125</u>	<u>456,125</u>	<u>499,894</u>	<u>43,769</u>
Expenditures:				
Current:				
General government	98,682	98,682	92,296	6,386
Physical environment	301,100	301,100	323,684	(22,584)
Culture and recreation	59,000	59,000	51,312	7,688
Capital Outlay	<u>-</u>	<u>-</u>	<u>26,952</u>	<u>(26,952)</u>
Total expenditures	<u>458,782</u>	<u>458,782</u>	<u>494,244</u>	<u>(35,462)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(2,657)</u>	<u>(2,657)</u>	<u>5,650</u>	<u>8,307</u>
Net change in fund balance	(2,657)	(2,657)	5,650	8,307
Fund Balance - beginning of year	<u>(7,228)</u>	<u>(7,228)</u>	<u>(7,228)</u>	<u>-</u>
Fund Balance - end of year	<u>\$ (9,885)</u>	<u>\$ (9,885)</u>	<u>\$ (1,578)</u>	<u>\$ 8,307</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

TALAVERA COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2018

Note 1 - Summary of Significant Accounting Policies:

Reporting Entity

The *Talavera Community Development District*, (the "District") was established by the Board of County Commissioners of Pasco County Ordinance 06-33 enacted on October 24, 2006, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides, among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and the power to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure. The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors (the "Board"), which is composed of five members. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes. At September 30, 2018, all Board members are affiliated with M/I Homes ("Developer").

The Board has the final responsibility for, among other things:

1. Allocating and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements 14, 39 and 61. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued):

Government-Wide and Fund Financial Statements

The financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants, contributions and investment income that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) operating-type special assessments that are treated as charges for services (including assessments for maintenance and debt service). Other items not included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments, including debt service assessments and operation and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefited by the District's activities. Operation and maintenance assessments are typically levied by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. Operation and maintenance special assessments are imposed upon all benefited lands located in the District. Debt service special assessments are imposed upon certain lots and lands as described in each resolution imposing the special assessment for each series of bonds issued by the District.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued):

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued):

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The general fund, debt service fund and capital projects fund are considered to be major funds. The District reports the following governmental funds:

General Fund - is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund - accounts for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund - accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Restricted Assets - These assets represent cash and investments set aside pursuant to bond covenants.

Deposits and Investments - The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

Investments of the District are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The District's investments consist of investments authorized in accordance with Section 218.415, Florida Statutes.

Receivables - All receivables are shown net of allowance for uncollectible accounts.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued):

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued):

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., stormwater facilities, sidewalks and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Roadways	30
Recreational facilities	20
Landscape and hardscape	15
Sewer/wastewater system	20
Stormwater system	20
Furniture, fixtures, and equipment	7

Long Term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as expenses. Bonds payable are reported net of premiums or discounts.

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

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2018.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued):

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued):

Deferred Outflows/Inflows of Resources (Continued):

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2018.

Net Position Flow Assumption - Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions - Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies - Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes fund balance amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the government that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken to remove or revise the limitation.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued):

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued):

Fund Balance Policies (Continued) - Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors has authorized the District Manager to assign amounts for specific purposes. The Board of Supervisors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above and additional action is essential to either remove or revise a commitment.

Other Disclosures

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Stewardship, Compliance and Accountability:

Budgetary Information

The District is required to establish a budgetary system and an approved annual budget for the General Fund. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at the fiscal year end. The legal level of budgetary control is at the fund level. Any budget amendments that increase the aggregate budgeted appropriations, at the fund level, must be approved by the Board of Supervisors.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
2. A public hearing is conducted to obtain comments.
3. Prior to October 1, the budget is legally adopted by the District Board.
4. All budget changes must be approved by the District Board.
5. The budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The appropriation resolution authorizes District staff to initiate budget reclassifications.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2018

Note 2 - Stewardship, Compliance and Accountability (Continued):

Excess Expenditures Over Appropriations

Actual expenditures exceeded appropriations in the general fund for the year ended September 30, 2018.

Excess Appropriations Over Anticipated Revenues and Available Fund Balance

Appropriations exceeded anticipated revenues and available fund balance in the general fund for the year ended September 30, 2018 due to a beginning fund balance deficit.

Note 3 - Deposits and Investments:

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable, and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

The District has the following recurring fair value measurements as of September 30, 2018:

- Money market mutual funds of \$472,812 are valued using Level 2 inputs.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2018

Note 3 - Deposits and Investments (Continued):

Investments (Continued)

The District's investment policies are governed by State Statutes and the District Trust Indentures. The District investment policy allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the Florida Statutes. Authorized District investments include, but are not limited to:

1. The Local Government Surplus Funds Trust Fund (SBA);
2. Securities and Exchange Commission Registered Money Market Funds with the highest credit quality rating from a nationally recognized rating agency;
3. Interest-bearing time deposits or savings accounts in qualified public depositories;
4. Direct obligations of the U.S. Treasury.

Investments made by the District at September 30, 2018 are summarized below. In accordance with GASB 31, investments are reported at fair value.

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity
First American Government Obligations Fund Y	<u>\$ 472,812</u>	AAAm	26 days

Credit Risk:

The District's investment policy limits credit risk by restricting authorized investments to those described. Investments in U.S. Government securities and agencies must be backed by the full faith and credit of the United States Government. Short term bond funds shall be rated by a nationally recognized ratings agency and shall maintain the highest credit quality rating.

Custodial Credit Risk:

In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2018, all of the District's bank deposits were in qualified public depositories.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2018

Note 3 - Deposits and Investments (Continued):

Investments (Continued):

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2018, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk:

The District's investment policy does not specify limits on the amount the District may invest in any one issuer.

Interest Rate Risk:

The District's investment policy does not specifically address interest rate risk; however, the general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. The District manages its exposure to declines in fair values by investing primarily in pooled investments that have a weighted average maturity of less than three months.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2018

Note 4 - Capital Assets:

Capital asset activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities:				
Capital Assets Being Depreciated:				
Roadways	\$ 4,243,718	\$ -	\$ -	\$ 4,243,718
Recreational facilities	1,258,790	-	-	1,258,790
Landscape and hardscape	898,044	-	-	898,044
Sewer/wastewater systems	675,247	-	-	675,247
Stormwater system	3,392,603	-	-	3,392,603
Water supply	192,118	-	-	192,118
Furniture, fixtures, and equipment	15,609	26,952	-	42,561
Total capital assets being depreciated	10,676,129	26,952	-	10,703,081
Less Accumulated Depreciation for:				
Roadways	(224,592)	(141,457)		(366,049)
Recreational facilities	(73,430)	(62,939)		(136,369)
Landscape and hardscape	(119,740)	(59,870)		(179,610)
Sewer/wastewater systems	(25,149)	(33,762)		(58,911)
Stormwater system	(202,076)	(169,630)		(371,706)
Water supply	(5,603)	(9,606)		(15,209)
Furniture, fixtures, and equipment	(372)	(2,872)		(3,244)
Total accumulated depreciation	(650,962)	(480,136)	-	(1,131,098)
Total capital assets being depreciated, net	10,025,167	(453,184)	-	9,571,983
Governmental activities capital assets, net	<u>\$ 10,025,167</u>	<u>\$ (453,184)</u>	<u>\$ -</u>	<u>\$ 9,571,983</u>

The infrastructure intended to serve the District has been estimated at a total cost of approximately \$30,665,530. The infrastructure will include road base and paving, storm sewer, force main, water distribution system, signalization, and engineering design/survey/permitting. In addition, the project includes infrastructure that will be operated by others. A portion of the project costs is expected to be financed with the proceeds from future bond proceeds and the remainder to be funded by the Developer. Upon completion, certain infrastructure is expected to be conveyed to others for ownership and maintenance responsibilities.

Depreciation expense for 2018 was charged to physical environment.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2018

Note 5 - Long-Term Liabilities:

Special Assessment Revenue Bonds Series 2016

In December 2016, the District issued \$3,405,000 of Capital Improvement Revenue Bonds Series 2016A-1 and \$3,330,000 of Capital Improvement Revenue Bonds, Series 2016A-3 (collectively referred to as the "Series 2016 Bonds"). The Series 2016 Bonds consist of multiple term Bonds with maturity dates ranging from May 1, 2018 – May 1, 2047 and interest rates ranging from 4.75% - 6.5%. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially, commencing May 1, 2018. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District.

The Series 2016 Bonds are subject to redemption at the option of the District prior to their maturity. Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occur as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District is in compliance with those requirements of the Bond Indenture at September 30, 2018.

The principal and interest remaining on the Series 2016 Bonds as of September 30, 2018 is \$14,659,826. For the year ended September 30, 2018, principal and interest paid was \$457,013 and total special assessment revenue pledged was \$461,425.

Developer Advances

The Developer has advanced to the District a total of \$10,677,039 to fund infrastructure project that is ongoing in the District. In prior years the Developer was reimbursed \$5,813,638 from the Series 2016 Bonds thereby reducing the amounts owed. Accordingly, the total owed to the Developer is \$4,863,401 at September 30, 2018. The balance owed to the Developer is not include in the maturity schedule on the following page, since there are no specified repayment terms.

Long-term debt activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Developer advances	\$ 4,863,401	\$ -	\$ -	4,863,401	\$ -
Bonds Payable:					
Series 2016A-1	3,405,000	-	(45,000)	3,360,000	50,000
Series 2016A-3	3,330,000	-	-	3,330,000	-
Governmental activity long-term liabilities	<u>\$ 11,598,401</u>	<u>\$ -</u>	<u>\$ (45,000)</u>	<u>\$ 11,553,401</u>	<u>\$ 50,000</u>

TALAVERA COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2018

Note 5 - Long-Term Liabilities (Continued):

At September 30, 2018, the scheduled debt service requirements on the bonds payable were as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2019	\$ 50,000	\$ 409,875
2020	95,000	407,500
2021	100,000	402,200
2022	105,000	396,663
2023	110,000	390,800
2024-2028	670,000	1,852,875
2029-2033	890,000	1,626,588
2034-2038	1,220,000	1,315,550
2039-2043	1,680,000	882,125
2044-2047	1,770,000	285,650
	<u>\$ 6,690,000</u>	<u>\$ 7,969,826</u>

Note 6 - Concentration:

The Developer owns a portion of land within the District; therefore, assessment revenues in the general and debt service funds include the assessments levied on those lots owned by the developer.

The District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

Note 7 - Management Company:

The District has contracted with a management company to perform management services, which include financial and accounting services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

Note 8 - Risk Management:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance from independent third parties. The District has not filed any claims under this commercial coverage during the last three years.

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Talavera Community Development District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the *Talavera Community Development District* (the "District") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's financial statements and have issued our report thereon dated June 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McDiarmid Davis & Company, LLC

Orlando, Florida
June 18, 2019

MANAGEMENT COMMENTS

Board of Supervisors
Talavera Community Development District

We have audited the financial statements of the *Talavera Community Development District* (the “District”), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 18, 2019.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditor’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 18, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i).1., Rules of the Auditor General, require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted below:

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2016-17 FY Finding #	2015-16 FY Finding #
2018-01	2017-01	N/A

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we noted one recommendation. See Appendix A.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McDiarmid Davis & Company, LLC

Orlando, Florida
June 18, 2019

TALAVERA COMMUNITY DEVELOPMENT DISTRICT

APPENDIX A - OTHER COMMENTS

Year Ended September 30, 2018

2018-01 - Budget

Criteria

Governments are required to amend their budgets within 60 days of year end.

Condition

Actual expenditures exceeded appropriations for the general fund for the fiscal year ended September 30, 2018.

Cause

The District did not amend the budget within the required 60-day timeframe.

Effect

The General fund has overspent revenues and available fund balance, resulting in a general fund balance deficit

Recommendation

The District should amend the budget during the fiscal year or within statutory guidelines to ensure that all expenditures are properly budgeted.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

Board of Supervisors
Talavera Community Development District

We have examined *Talavera Community Development District's* (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2018. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

McDirmit Davis & Company, LLC

Orlando, Florida
June 18, 2019

TALavera COMMUNITY DEVELOPMENT DISTRICT

DISTRICT OFFICE · 5844 OLD PASCO ROAD · SUITE 100 · WESLEY CHAPEL, FLORIDA 33544

June 18, 2019

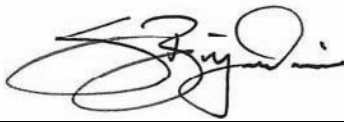
Response to the Management Letter for the fiscal year ended September 30, 2018

Management Letter finding 2018-01:

The auditor noted that the District's actual expenditures exceeded appropriations in the general fund for the fiscal year ended September 30, 2018.

District response to the finding:

The District's Board of Supervisors were unable to amend the budget for the fiscal year ended September 30, 2018 prior to the statutory deadline. The District will amend its budget for any future years in which actual expenditures exceed appropriations in the general fund.



Scott Brizendine
Treasurer
Talavera Community Development District



Rizzetta & Company

Talavera Community Development District

**Financial Statements
(Unaudited)**

April 30, 2019

Prepared by: Rizzetta & Company, Inc.

talaveracdd.org
rizzetta.com

Talavera Community Development District

Balance Sheet

As of 4/30/2019

(In Whole Numbers)

	General Fund	Reserve Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	General Fixed Assets Account Group	General Long-Term Debt Account Group
Assets							
Cash In Bank	74,637	0	0	0	74,637	0	0
Cash On Hand	987	0	0	0	987	0	0
Investments	181,173	20,294	703,819	3,777	909,063	0	0
Accounts Receivable	42,590	0	27,701	0	70,291	0	0
Allowance for Uncollectible Accounts	0	0	0	0	0	0	0
Prepaid Expenses	1,725	0	0	0	1,725	0	0
Deposits	1,440	0	0	0	1,440	0	0
Due From Other Funds	0	0	0	0	0	0	0
Amount Available in Debt Service	0	0	0	0	0	0	731,520
Amount To Be Provided Debt Service	0	0	0	0	0	0	5,958,480
Fixed Assets	0	0	0	0	0	10,676,129	0
Total Assets	<u>302,552</u>	<u>20,294</u>	<u>731,520</u>	<u>3,777</u>	<u>1,058,142</u>	<u>10,676,129</u>	<u>6,690,000</u>
Liabilities							
Accounts Payable	11,674	0	0	0	11,674	0	0
Sales Tax Payable	7	0	0	0	7	0	0
Accrued Expenses Payable	3,772	0	0	0	3,772	0	0
Retainage Payable	0	0	0	0	0	0	0
Deferred Revenue	0	0	0	0	0	0	0
Due To Other Funds	0	0	0	0	0	0	0
Revenue Bonds Payable--Long Term	0	0	0	0	0	0	6,690,000
Total Liabilities	<u>15,453</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,453</u>	<u>0</u>	<u>6,690,000</u>
Fund Equity & Other Credits							
Beginning Fund Balance	(1,751)	170	469,076	16,411	483,907	10,676,129	0
Net Change in Fund Balance	<u>288,850</u>	<u>20,123</u>	<u>262,444</u>	<u>(12,635)</u>	<u>558,783</u>	<u>0</u>	<u>0</u>
Total Fund Equity & Other Credits	<u>287,099</u>	<u>20,294</u>	<u>731,520</u>	<u>3,777</u>	<u>1,042,689</u>	<u>10,676,129</u>	<u>0</u>
Total Liabilities & Fund Equity	<u>302,552</u>	<u>20,294</u>	<u>731,520</u>	<u>3,777</u>	<u>1,058,142</u>	<u>10,676,129</u>	<u>6,690,000</u>

See Notes to Unaudited Financial Statements

Talavera Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2018 Through 4/30/2019

(In Whole Numbers)

	<u>Annual Budget</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>YTD Variance</u>	<u>Percent Annual Budget Remaining</u>
Revenues					
Interest Earnings					
Interest Earnings	0	0	184	184	0.00%
Special Assessments					
Tax Roll	446,178	446,178	447,310	1,131	(0.25)%
Off Roll	119,644	119,644	119,644	0	0.00%
Miscellaneous Revenue					
Miscellaneous	<u>0</u>	<u>0</u>	<u>117</u>	<u>117</u>	<u>0.00%</u>
Total Revenues	<u>565,822</u>	<u>565,822</u>	<u>567,254</u>	<u>1,432</u>	<u>(0.25)%</u>
Expenditures					
Legislative					
Supervisor Fees	2,657	1,550	1,307	243	50.81%
Financial & Administrative					
Administrative Services	4,200	2,450	2,450	0	41.66%
District Management	16,200	9,450	9,450	0	41.66%
District Engineer	15,000	8,750	3,428	5,323	77.15%
Disclosure Report	5,000	5,000	5,000	0	0.00%
Trustees Fees	5,000	5,000	6,925	(1,925)	(38.50)%
Tax Collector/Property Appraiser Fees	150	0	0	0	100.00%
Assessment Roll	5,000	5,000	5,000	0	0.00%
Financial & Revenue Collections	3,600	2,100	2,100	0	41.66%
Accounting Services	17,340	10,115	10,115	0	41.66%
Auditing Services	4,800	0	0	0	100.00%
Arbitrage Rebate Calculation	500	0	450	(450)	10.00%
Public Officials Liability Insurance	3,000	3,000	2,250	750	25.00%
Legal Advertising	2,000	1,167	1,005	162	49.76%
Dues, Licenses & Fees	175	175	175	0	0.00%
Website Hosting, Maintenance, Backup (and Email)	1,200	700	700	0	41.66%
Legal Counsel					
District Counsel	15,000	8,750	9,418	(668)	37.21%
Security Operations					
Security Monitoring Services	6,500	3,792	4,869	(1,077)	25.09%
Electric Utility Services					
Utility Services	17,000	9,917	15,258	(5,341)	10.24%
Street Lights	55,000	32,083	23,982	8,101	56.39%
Water-Sewer Combination Services					
Utility Services	2,500	1,458	1,473	(14)	41.09%
Stormwater Control					
Lake/Pond Bank Maintenance	30,000	17,500	0	17,500	100.00%
Aquatic Maintenance	13,200	7,700	4,842	2,858	63.31%
Mitigation Area Monitoring & Maintenance	5,200	3,033	0	3,033	100.00%
Aquatic Plant Replacement	10,000	5,833	0	5,833	100.00%
Stormwater System Maintenance	3,000	1,750	0	1,750	100.00%
Other Physical Environment					
General Liability Insurance	3,500	3,500	2,725	775	22.14%
Property Insurance	7,500	7,500	6,830	670	8.93%

See Notes to Unaudited Financial Statements

Talavera Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2018 Through 4/30/2019

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Entry & Walls Maintenance	5,000	2,917	0	2,917	100.00%
Landscape Maintenance	130,000	75,833	77,965	(2,132)	40.02%
Irrigation Repairs	5,000	2,917	3,121	(204)	37.58%
Holiday Decorations	4,000	4,000	3,500	500	12.50%
Landscape - Mulch	20,000	11,667	10,903	764	45.48%
Landscape Replacement Plants, Shrubs, Trees	12,500	7,292	2,740	4,551	78.07%
Rust Prevention	4,000	2,333	0	2,333	100.00%
Field Services	7,200	4,200	4,200	0	41.66%
Parks & Recreation					
Management Contract	50,000	29,167	25,635	3,532	48.73%
Pool Service Contract	12,600	7,350	7,350	0	41.66%
Pool Permits	500	0	0	0	100.00%
Pest Control	900	525	490	35	45.55%
Clubhouse Repairs & Maintenance	2,000	1,167	2,675	(1,508)	(33.75)%
Telephone, Fax, Internet	2,500	1,458	1,397	61	44.10%
Clubhouse - Facility Janitorial Service	8,400	4,900	5,925	(1,025)	29.46%
Playground Equipment and Maintenance	2,000	1,167	0	1,167	100.00%
Facility A/C & Heating Maintenance & Repair	1,000	583	0	583	100.00%
Pool Repairs	2,000	1,167	0	1,167	100.00%
Furniture Repair/Replacement	1,000	583	895	(312)	10.50%
Maintenance & Repairs	5,000	2,917	3,894	(977)	22.11%
Athletic/Park Court/Field Repairs	500	292	35	256	92.93%
Access Control Maintenance & Repair	1,500	875	0	875	100.00%
Dog Waste Station Supplies	2,500	1,458	1,378	80	44.88%
Office Supplies	6,500	3,792	3,325	467	48.84%
Contingency					
Miscellaneous Contingency	10,000	5,833	3,226	2,607	67.73%
Capital Outlay	15,000	8,750	0	8,750	100.00%
Total Expenditures	<u>565,822</u>	<u>340,415</u>	<u>278,404</u>	<u>62,011</u>	<u>50.80%</u>
Excess Revenues Over/(Under) Expenditures	<u>0</u>	<u>225,407</u>	<u>288,850</u>	<u>63,443</u>	<u>0.00%</u>
Fund Balance, Beginning of Period	0	0	(1,751)	(1,751)	0.00%
Fund Balance, End of Period	<u>0</u>	<u>225,407</u>	<u>287,099</u>	<u>61,692</u>	<u>0.00%</u>

See Notes to Unaudited Financial Statements

Talavera Community Development District

Statement of Revenues and Expenditures

005 - Reserve Fund

From 10/1/2018 Through 4/30/2019

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	123	123	0.00%
Special Assessments				
Tax Roll	20,000	20,000	0	0.00%
Total Revenues	20,000	20,123	123	0.62%
Expenditures				
Contingency				
Capital Reserves	20,000	0	20,000	100.00%
Total Expenditures	20,000	0	20,000	100.00%
Excess of Revenues Over/(Under) Expenditures	0	20,123	20,123	0.00%
Exc. Of Rev./Other Sources Over/(Under) Expend./Other Uses	0	20,123	20,123	0.00%
Fund Balance, Beginning of Period	0	170	170	0.00%
Fund Balance, End of Period	0	20,294	20,294	0.00%

See Notes to Unaudited Financial Statements

Talavera Community Development District

Statement of Revenues and Expenditures

200 - Debt Service Fund

From 10/1/2018 Through 4/30/2019

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	5,577	5,577	0.00%
Special Assessments				
Tax Roll	365,493	366,381	888	0.24%
Off Roll	95,424	95,424	(0)	0.00%
Total Revenues	<u>460,917</u>	<u>467,382</u>	<u>6,465</u>	<u>1.40%</u>
Expenditures				
Debt Service				
Interest	410,917	204,938	205,979	50.12%
Principal	50,000	0	50,000	100.00%
Total Expenditures	<u>460,917</u>	<u>204,938</u>	<u>255,979</u>	<u>55.54%</u>
Excess of Revenues Over/(Under) Expenditures	<u>0</u>	<u>262,444</u>	<u>262,444</u>	<u>0.00%</u>
Exc. Of Rev./Other Sources Over/(Under) Expend./Other Uses	<u>0</u>	<u>262,444</u>	<u>262,444</u>	<u>0.00%</u>
Fund Balance, Beginning of Period	0	469,076	469,076	0.00%
Fund Balance, End of Period	<u><u>0</u></u>	<u><u>731,520</u></u>	<u><u>731,520</u></u>	<u><u>0.00%</u></u>

See Notes to Unaudited Financial Statements

Talavera Community Development District

Statement of Revenues and Expenditures

300 - Capital Projects Fund

From 10/1/2018 Through 4/30/2019

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	41	41	0.00%
Total Revenues	0	41	41	0.00%
Excess of Revenues Over/(Under) Expenditures	0	41	41	0.00%
Other Financing Sources (Uses)				
Developer Refund	0	(12,675)	(12,675)	0.00%
Exc. Of Rev./Other Sources Over/(Under) Expend./Other Uses	0	(12,635)	(12,635)	0.00%
Fund Balance, Beginning of Period	0	16,411	16,411	0.00%
Fund Balance, End of Period	0	3,777	3,777	0.00%

See Notes to Unaudited Financial Statements

**Talavera CDD
Investment Summary
April 30, 2019**

<u>Account</u>	<u>Investment</u>	<u>Balance as of April 30, 2019</u>
The Bank of Tampa	Money Market	\$ 181,173
	Total General Fund Investments	<u>\$ 181,173</u>
The Bank of Tampa ICS Capital Reserve: Great Western Bank	Money Market	\$ 20,294
	Total Reserve Fund Investments	<u>\$ 20,294</u>
US Bank Series 2016 A1 Reserve	Money Market Account - Managed	\$ 122,091
US Bank Series 2016 A3 Reserve	Money Market Account - Managed	130,244
US Bank Series 2016 A1 Revenue	Money Market Account - Managed	254,314
US Bank Series 2016 A3 Revenue	Money Market Account - Managed	197,170
	Total Debt Service Fund Investments	<u>\$ 703,819</u>
US Bank Series 2016 A1 Construction	Money Market Account - Managed	\$ 2,033
US Bank Series 2016 A3 Construction	Money Market Account - Managed	1,744
	Total Capital Project Fund Investments	<u>\$ 3,777</u>

Talavera Community Development District

Summary A/R Ledger

001 - General Fund

From 4/1/2019 Through 4/30/2019

<u>Invoice Date</u>	<u>Customer Name</u>	<u>Invoice Number</u>	<u>Current Balance</u>
10/1/2018	MI Homes of Tampa LLC	240-19-01	29,910.92
10/1/2018	Pasco County Tax Collector	FY18-19	4,904.55
3/31/2019	MI Homes of Tampa LLC	OMR0319-2	5,899.28
4/30/2019	Talavera HOA	OMR0419-1	<u>1,875.00</u>
	Total 001 - General Fund		42,589.75

See Notes to Unaudited Financial Statements

Talavera Community Development District

Summary A/R Ledger

200 - Debt Service Fund

From 4/1/2019 Through 4/30/2019

Invoice Date	Customer Name	Invoice Number	Current Balance
10/1/2018	MI Homes of Tampa LLC	240-19-01	23,855.94
10/1/2018	Pasco County Tax Collector	FY18-19	3,845.28
	Total 200 - Debt Service Fund		27,701.22
Report Balance			70,290.97

See Notes to Unaudited Financial Statements

Talavera Community Development District

Aged Payables by Invoice Date

Aging Date - 4/1/2019

001 - General Fund

From 4/1/2019 Through 4/30/2019

Vendor Name	Invoice Date	Invoice Number	Invoice Description	Current Balance
Yellowstone Landscape	4/15/2019	TM 16587	Monthly Landscape Maintenance 04/19	11,205.50
Conley's Drinking Fountains LLC	4/17/2019	1308	Fountain Repair 04/19	200.00
Robert Saliva	4/19/2019	6065	Cellular Usage Billing Cycle 04/19	28.95
Spectrum Business	4/23/2019	077974101042319	18955 Rococo Rd 04/19	159.96
Yellowstone Landscape	4/30/2019	TM 17823	Irrigation Repairs 04/19	79.56
Total 001 - General Fund				11,673.97
Report Total				11,673.97

Talavera Community Development District
Notes to Unaudited Financial Statements
April 30, 2019

Balance Sheet

1. Trust statement activity has been recorded through 04/30/19.
2. See EMMA (Electronic Municipal Market Access) at <http://emma.msrb.org> for Municipal Disclosures and Market Data.
3. For presentation purposes, the Reserves are shown in a separate fund titled Reserve Fund.

Summary A/R Ledger – Payment Terms

4. Payment terms for landowner assessments are (a) defined in the FY18-19 Assessment Resolution adopted by the Board of Supervisors, (b) pursuant to Florida Statutes, Chapter 197 for assessments levied via the county tax roll.

APPENDIX F

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") dated as of July 29, 2019 is executed and delivered by the Talavera Community Development District (the "Issuer" or the "District"), M/I Homes of Tampa LLC, a Florida limited liability company (the "Developer"), and Rizzetta & Company, Incorporated, as dissemination agent (the "Dissemination Agent") in connection with the Issuer's Capital Improvement Revenue Bonds, Series 2019 (the "Bonds"). The Bonds are secured pursuant to a Master Trust Indenture dated as of December 1, 2016 (the "Master Indenture") and a Third Supplemental Trust Indenture dated as of July 1, 2019 (the "Third Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each entered into by and between the Issuer and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Orlando, Florida, as trustee (the "Trustee"). The Issuer, the Developer and the Dissemination Agent covenant and agree as follows:

1. **Purpose of this Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Issuer, the Developer and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the Bonds and to assist the Participating Underwriter (as defined herein) of the Bonds in complying with the Rule (as defined herein). The Issuer has 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, a governmental regulatory agency, or an attorney specializing in federal securities law, that the Rule requires the Issuer or other Obligated Person (as defined herein) to provide additional information, the Issuer and each Obligated Person 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 Issuer, 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 Issuer, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

2. **Definitions.** Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Indenture. The following capitalized terms as used in this Disclosure Agreement shall have the following meanings:

"Annual Filing Date" means the date set forth in Section 3(a) hereof by which the Annual Report is to be filed with each Repository.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i)(A) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Assessment Area" shall mean that portion of the District lands subject to Assessments.

"Assessments" shall mean the non-ad valorem Series 2019 Assessments pledged to the payment of the Bonds pursuant to the Indenture.

"Audited Financial Statements" means the financial statements (if any) of the Issuer 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) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Audited Financial Statements Filing Date" means the date set forth in Section 3(a) hereof by which the Audited Financial Statements are to be filed with each Repository if the same are not included as part of the Annual Report.

"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.

"Business Day" means any day other than (a) a Saturday, Sunday or a day on which banks located in the city in which the designated corporate trust office of the Trustee is located are required or authorized by law or executive order to close for business, and (b) a day on which the New York Stock Exchange is closed.

"Disclosure Representative" shall mean (i) as to the Issuer, the District Manager or its designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent; and (ii) as to each entity comprising an Obligated Person (other than the Issuer), the individuals executing this Disclosure Agreement on behalf of such entity or such person(s) as such entity shall designate in writing to the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

"Dissemination Agent" shall mean the Issuer or an entity appointed by the Issuer to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer pursuant to Section 8 hereof. Rizzetta & Company, Incorporated has been designated as the initial Dissemination Agent hereunder.

"District Manager" shall mean Rizzetta & Company, Incorporated, and its successors and assigns.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures located at <http://emma.msrb.org/>.

"EMMA Compliant Format" shall mean a format for any document provided to the MSRB (as hereinafter defined) which is in an electronic format and is accompanied by identifying information, all as prescribed by the MSRB.

"Financial Obligation" means a (a) debt obligation, (b) 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) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall 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 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.

"Limited Offering Memorandum" shall mean that Limited Offering Memorandum dated July 18, 2019, prepared in connection with the issuance of the Bonds.

"Listed Events" shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board.

"Obligated Person(s)" shall mean, with respect to the Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the Issuer, and for the purposes of this Disclosure Agreement, the Developer and its affiliates for so long as the Developer or its affiliates, successors or assigns (excluding residential homebuyers who are end users) are the owners of District Lands responsible for payment of at least 20% of the Assessments.

"Participating Underwriter" shall mean MBS Capital Markets, LLC.

"Quarterly Filing Date" shall mean for the quarter ending: (i) March 31, each May 1; (ii) June 30, each August 1; (iii) September 30, each November 1; and (iv) December 31, each February 1 of the following year. The first Quarterly Filing Date shall be February 1, 2020.

"Quarterly Report" shall mean any Quarterly Report provided by any Obligated Person (other than the Issuer) pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Repository" shall mean each entity authorized and approved by the SEC (as hereinafter defined) from time to time to act as a repository for purposes of complying with the Rule. The Repositories 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 its EMMA web portal. As used herein, "Repository" shall include the State Repository, if any.

"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 has and may be amended from time to time.

"SEC" means the Securities and Exchange Commission.

"State" shall mean the State of Florida.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purposes of the Rule.

3. **Provision of Annual Reports.**

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than one hundred eighty (180) days after the close of the Issuer's Fiscal Year (the "Annual Filing Date"), commencing with the Annual Report for the Fiscal Year ending September 30, 2019. 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 of this Disclosure Agreement; *provided that* the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such Audited Financial Statements to be provided up to, but no later than, nine (9) months after the close of the Issuer's Fiscal Year (the "Audited Financial Statements Filing Date"). The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, as applicable. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.

(b) If on the fifteenth (15th) day prior to each Annual Filing Date or Audited Financial Statements Filing Date, as applicable, 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 by telephone and in writing (which may be via email) to remind the Issuer of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 3(a). Upon such reminder, the Disclosure Representative 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) advise the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the times required under this Disclosure Agreement, state the date by which the Annual Report or the Audited Financial Statements for such year, as applicable, will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 6(a)(xvii) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

(c) If the Dissemination Agent has not received an Annual Report by 12:00 noon on the first (1st) Business Day following the Annual Filing Date for the Annual Report or

the Audited Financial Statements by 12:00 noon on the first (1st) Business Day following the Audited Financial Statements Filing Date for the Audited Financial Statements, then a Listed Event as described in Section 6(a)(xvii) shall have occurred and the Dissemination Agent shall immediately send a notice to the Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the Annual Filing Date the name, address and filing requirements of the Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Issuer stating that the Annual Report or Audited Financial Statement has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing all Repositories with which it was filed.

(e) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an EMMA Compliant Format.

4. **Content of Annual Reports.**

(a) Each Annual Report shall contain the following Annual Financial Information with respect to the Issuer:

(i) The amount of Assessments levied in the Assessment Area for the most recent prior Fiscal Year.

(ii) The amount of Assessments collected in the Assessment Area from the property owners during the most recent prior Fiscal Year.

(iii) If available, the amount of delinquencies in the Assessment Area greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of the Assessments due in any year, a list of delinquent property owners.

(iv) If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year.

(v) All fund balances in all Funds and Accounts for the Bonds.

(vi) The total amount of Bonds Outstanding.

(vii) The amount of principal and interest to be paid on the Bonds in the current Fiscal Year.

(viii) The most recent Audited Financial Statements of the Issuer.

(ix) In the event of any amendment or waiver of a provision of this Disclosure Agreement, a description of such amendment or waiver in the next Annual Report, and in each case 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 in accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(b); and (ii) the Annual Report 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.

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 (unless Audited Financial Statements are being delivered more than 180 days after the close of the Issuer's Fiscal Year pursuant to Section 3(a) hereof). Any or all of the items listed above may be incorporated by reference from other documents, including limited offering memorandums and official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final limited offering memorandum or official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(b) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

5. Quarterly Reports.

(a) Each Obligated Person (other than the Issuer) shall provide an electronic copy of the Quarterly Report to the Dissemination Agent no later than fifteen (15) days prior to the Quarterly Filing Date. Promptly upon receipt of an electronic copy of the Quarterly Report, but in any event no later than the applicable Quarterly Filing Date, the Dissemination Agent shall provide a Quarterly Report to the Repository.

(b) Each Quarterly Report shall contain an update of the following information to the extent available:

(i) The number and type of lots in the Assessment Area subject to the Assessments.

(ii) The number and type of lots owned in the Assessment Area by the Obligated Person.

(iii) The number and type of lots platted in the Assessment Area.

(iv) The number and type of lots in the Assessment Area owned by the Obligated Person under contract with a homebuilder and the name of such builder, if any.

(v) The number and type of lots in the Assessment Area owned by the Obligated Person closed with a homebuilder and the name of such builder, if any.

(vi) The number of homes constructed in the Assessment Area by the Obligated Person.

(vii) The number and type of homes under contract with homebuyers in the Assessment Area by the Obligated Person.

(viii) The number and type of homes closed with homebuyers (delivered to end users) in the Assessment Area by the Obligated Person.

(ix) Any change to the number or type of lots planned to be developed in the Assessment Area by the Obligated Person.

(x) Materially adverse changes or determinations to permits/approvals for the development of the Assessment Area which necessitate changes to the land use plans of any Obligated Person.

(xi) The occurrence of any new or modified mortgage debt on the land owned by the Obligated Person in the Assessment Area, including the amount and interest rate.

(c) If an Obligated Person sells, assigns or otherwise transfers ownership of real property in the Assessment Area (a "Transferor Obligated Person") to a third party (a "Transferee"), which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "Transfer"), the Transferor Obligated Person hereby agrees to use its best efforts to contractually obligate such Transferee to agree to comply with the disclosure obligations of an Obligated Person hereunder for so long as such Transferee is an Obligated Person hereunder, to the same extent as if such Transferee were a party to this Disclosure Agreement (an "Assignment"). The Transferor Obligated Person shall notify the District and the Dissemination Agent in writing of any Transfer within five (5) Business Days of the occurrence thereof. Nothing herein shall be construed to relieve the Developer from its obligations hereunder except to the extent a written Assignment from a Transferee is obtained and delivered to the Dissemination Agent and then only to the extent of such Assignment.

(d) If the Dissemination Agent has not received a Quarterly Report from each Obligated Person that contains, at a minimum, the information in Section 5(b) of this Disclosure Agreement by 12:00 noon on the first (1st) Business Day following each Quarterly Filing Date, a Listed Event described in Section 6(a)(xvii) shall have occurred and the District and each Obligated Person hereby direct the Dissemination Agent to send a notice to the Repository in substantially the form attached as Exhibit A, with a copy to the District. The Dissemination Agent shall file such notice no later than thirty (30) days following the applicable Quarterly Filing Date.

6. Reporting of Significant Events.

(a) This Section 6 shall govern the giving of notices of the occurrence of any of the following Listed Events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on the Series 2019 Reserve Account reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;*
- (v) Substitution of credit or liquidity providers, or their failure to perform;*
- (vi) 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;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;*
- (xii) Bankruptcy, insolvency, receivership or similar event of the Issuer or any Obligated Person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer or any 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 Issuer or any Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person);
- (xiii) Consummation of a merger, consolidation, or acquisition involving the Issuer or any Obligated Person or the sale of all or substantially all of the assets of the Issuer or any 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;

* Not applicable to the Bonds at their date of issuance.

(xiv) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material;

(xv) Incurrence of a Financial Obligation of the Issuer 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 Issuer or Obligated Person, any of which affect security holders, if material;

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties; and

(xvii) Failure to provide (A) any Annual Report or Audited Financial Statements as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 4(a) of this Disclosure Agreement, or (B) any Quarterly Report that contains, in all material respects, the information required to be included therein under Section 5(b) of this Disclosure Agreement, which failure shall, in all cases, be deemed material under federal securities laws.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the above subsection (a) Listed 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 ten (10) Business Days after its occurrence, with the exception of the Listed Event described in Section 6(a)(xvii), which notice will be given in a timely manner. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below. Such notice by the Issuer to the Dissemination Agent shall identify the Listed Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is in compliance within the filing dates provided within this Section 6(b)).

(c) Notwithstanding anything contained in Section 6(b) above, each Obligated Person other than the Issuer shall notify the Issuer and the Dissemination Agent of the occurrence of a Listed Event described in subsections (a)(x), (xii), (xiii), (xv) or (xvi) that has occurred with respect to such Obligated Person in compliance with the notification and filing requirements provided in Section 6(b).

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with each Repository.

7. **Termination of Disclosure Agreement.** This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

8. **Dissemination Agent.** Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the Issuer or the Dissemination Agent, the Issuer agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all

responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. The initial Dissemination Agent shall be Rizzetta & Company, Incorporated. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Rizzetta & Company, Incorporated. Rizzetta & Company, Incorporated, may terminate its role as Dissemination Agent at any time upon delivery of sixty (60) days prior written notice to the District and each Obligated Person. The District may terminate the agreement hereunder with the Dissemination Agent at any time upon delivery of sixty (60) days prior written notice to the Dissemination Agent and each Obligated Person.

9. **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Notwithstanding the above provisions of this Section 9, no amendment to the provisions of Section 5(b) hereof may be made without the consent of each Obligated Person, if any.

10. **Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer 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 Issuer 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 Issuer 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.

11. **Default.** In the event of a failure of the Issuer, the Disclosure Representative, any Obligated Person or the 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 at least twenty-five percent (25%) 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 mandamus or specific performance by court order, to cause the Issuer, the Disclosure Representative, any Obligated Person or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement by any Obligated Person shall not be deemed a default by the Issuer hereunder and 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 Issuer, the Disclosure Representative, any Obligated Person, or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

12. **Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District, the Developer and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative covenant that they 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 District, the Developer and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, Obligated Person(s), the Disclosure Representative 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, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA compliant format.

13. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Developer, the Dissemination Agent, the Trustee, the Participating Underwriter and the Beneficial Owners of the Bonds (the Dissemination Agent, the Trustee, 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.

14. **Tax Roll and Budget.** Upon the request of the Dissemination Agent, the Trustee or any Bondholder, the Issuer, through its District Manager, if applicable, agrees to provide such party with a certified copy of its most recent tax roll provided to the Pasco County Tax Collector and the Issuer's most recent adopted budget.

15. **Governing Law.** The laws of the State of Florida and Federal law shall govern this Disclosure Agreement and venue shall be any state or federal court having jurisdiction in Pasco County, Florida.

16. **Counterparts.** This Disclosure Agreement may be executed in several counterparts and by PDF signature and all of which shall constitute but one and the same instrument.

17. **Trustee Cooperation.** The District represents that the Dissemination Agent is a bona fide agent of the District and the District instructs the Trustee to deliver to the Dissemination Agent at the expense of the Issuer, any information or reports readily available to and in the possession of the Trustee that the Dissemination Agent requests in writing.

18. **Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to the Developer or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successor

or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

19. **Additional Disclosure.** Rizzetta & Company, Incorporated, does not represent the District as a Municipal Advisor or Securities Broker nor is Rizzetta & Company, Incorporated, registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Rizzetta & Company, Incorporated, does not provide the District with financial advisory services or offer investment advice in any form.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

**TALAVERA COMMUNITY DEVELOPMENT
DISTRICT, AS ISSUER**

[SEAL]

By: _____
Betty Valenti, Chairperson
Board of Supervisors

ATTEST:

By: _____
_____, Assistant Secretary

**M/I HOMES OF TAMPA LLC, AS
DEVELOPER**

By: _____
_____, Manager

**RIZZETTA & COMPANY,
INCORPORATED, and its successors and
assigns, AS DISSEMINATION AGENT**

By: _____
Name: _____
Title: _____

CONSENTED TO AND AGREED TO BY:

DISTRICT MANAGER

**RIZZETTA & COMPANY,
INCORPORATED, AS DISTRICT
MANAGER**

By: _____
Name: _____
Title: _____

Acknowledged and agreed to for purposes of
Sections 11, 13 and 17 only:

**U.S. BANK NATIONAL ASSOCIATION, AS
TRUSTEE**

By: _____

Name: _____

Title: _____

EXHIBIT A

**FORM OF NOTICE TO REPOSITORIES OF FAILURE
TO FILE [ANNUAL REPORT]
[AUDITED FINANCIAL STATEMENTS][QUARTERLY REPORT]**

Name of Issuer: Talavera Community Development District

Name of Bond Issue: \$4,705,000 Capital Improvement Revenue Bonds, Series 2019

Obligated Person(s): Talavera Community Development District;
M/I Homes of Tampa LLC

Original Date of Issuance: July 29, 2019

CUSIP Numbers: 87410P AE5; 87410P AF2; 87410P AG0; 87410P AH8

NOTICE IS HEREBY GIVEN that the [Issuer][Obligated Person] has not provided an [Annual Report] [Audited Financial Statements] [Quarterly Report] with respect to the above-named Bonds as required by [Section 3] [Section 5] of the Continuing Disclosure Agreement dated July 29, 2019, by and between the Issuer, the Developer and the Dissemination Agent named therein. The [Issuer][Obligated Person] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by _____, 20____.

Dated: _____

_____, as Dissemination Agent

By: _____

Name: _____

Title: _____

cc: Issuer
Trustee
[Obligated Person]

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