

*In the opinion of Bond Counsel (as hereinafter defined), under existing statutes, regulations, published rulings and court decisions, and assuming compliance by the District with the tax covenants described herein and the accuracy of certain representations included in the closing transcript for the Series 2019A Bonds (as hereinafter defined), interest on the Series 2019A Bonds is, under Section 103 of the Code (as hereinafter defined), excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. See "TAX MATTERS" herein.*

**\$16,170,000**  
**THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT**  
**(NASSAU COUNTY, FLORIDA)**  
**SPECIAL ASSESSMENT BONDS,**  
**SERIES 2019A-1**  
**and**  
**\$1,575,000**  
**THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT**  
**(NASSAU COUNTY, FLORIDA)**  
**SPECIAL ASSESSMENT BONDS,**  
**SERIES 2019A-2**

**Dated: Date of Original Issuance**

**Due: May 1, as shown on inside cover**

The \$16,170,000 Three Rivers Community Development District Special Assessment Bonds, Series 2019A-1 (the "Series 2019A-1 Bonds") and the \$1,575,000 Three Rivers Community Development District Special Assessment Bonds, Series 2019A-2 (the "Series 2019A-2 Bonds" and, together with the Series 2019A-1 Bonds, the "Series 2019A Bonds") are being issued by the Three Rivers Community Development District (the "District") pursuant to a Master Trust Indenture, dated as of September 1, 2019 (the "Master Indenture"), as supplemented and amended from time to time, particularly as supplemented by that certain First Supplemental Trust Indenture, dated as of September 1, 2019 (the "First Supplemental Indenture" and, together with the Master Indenture, the "2019A Indenture"), each by and between the District and U.S. Bank National Association, as trustee (the "Trustee"). See "APPENDIX A - FORMS OF THE MASTER INDENTURE AND THE FIRST SUPPLEMENTAL INDENTURE" attached hereto.

The Series 2019A Bonds are being issued only in fully registered form, without coupons, in denominations of \$5,000 and any integral multiple thereof; provided, however that the Series 2019A Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of \$5,000 in excess thereof. All capitalized terms used herein and not otherwise expressly defined herein shall have the respective meanings set forth in the 2019A Indenture. The Series 2019A Bonds will bear interest at the fixed rates as set forth on the inside cover, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on each May 1 and November 1, commencing November 1, 2019. See "DESCRIPTION OF THE SERIES 2019A BONDS" herein. The Series 2019A 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 2019A Bonds will be made only in book-entry form. Accordingly, principal of and interest on the Series 2019A Bonds will be paid from the sources provided below by the Trustee directly to Cede & Co., as the nominee of DTC as the registered owner thereof. Disbursements of such payments to the DTC's Direct Participants (as hereinafter defined) is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC's Direct Participants and the Indirect Participants (as hereinafter defined), as more fully described herein. Any purchaser of a beneficial interest in a Series 2019A 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 2019A Bond. See "BOOK-ENTRY ONLY SYSTEM" herein.

The District is a local unit of special-purpose government of the State of Florida (the "State"), duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") created pursuant to Ordinance No. 2018-47 enacted by the Board of County Commissioners of Nassau County, Florida (the "County") on January 14, 2019, and effective on January 17, 2019. The Series 2019A Bonds are being issued by the District pursuant to the Act, and Resolution No. 2019-26 adopted by the Board of Supervisors of the District (the "Board") on February 8, 2019, as supplemented by Resolution No. 2019-44 adopted by the Board on September 9, 2019 (collectively, the "Resolution").

Proceeds of the Series 2019A Bonds will be applied to: (i) finance the Cost of the acquisition, construction, installation and equipping of the 2019A Project (as hereinafter defined); (ii) pay certain costs associated with the issuance of the Series 2019A Bonds; (iii) pay a portion of the interest accruing on the Series 2019A Bonds, respectively; and (iv) fund the 2019A-1 Reserve Account and 2019A-2 Reserve Account. See "THE 2019A PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Three Rivers (the "Development") encompasses approximately 1,546 acres located in the County and is planned to be developed into multiple residential and commercial tracts linked by a comprehensive network of pedestrian and multi-purpose pathways. The first phase of the Development ("Phase 1A") encompasses approximately 461 gross acres of which approximately fifty-eight (58) acres were conveyed to the County for a County park (the "County Park") on August 22, 2019. The Series 2019A Bonds will be payable from and secured by (i) revenues (the "2019A Pledged Revenues") derived from Special Assessments (as hereinafter defined) imposed, levied and collected by the District (a) on that portion of Phase 1A specially benefitted by the 2019A Project or any portion thereof, which correspond in amount to the debt service on the Series 2019A-1 Bonds (the "Series 2019A-1 Assessments"), and (b) on that portion of Phase 1A specially benefitted by the 2019A Project or any portion thereof, which Special Assessments correspond in amount to the debt service on the Series 2019A-2 Bonds (the "Series 2019A-2 Assessments" and, together with the Series 2019A-1 Assessments, the "Series 2019A Assessments"), with respect to the assessable parcels comprising Units 1 through 7, which are intended to be developed into 676 residential lots and Unit 16, which is intended to be developed into 115 residential lots benefitted by the 2019A Project ("Series 2019A Assessment Area"); and (ii) the Funds and Accounts (except for the 2019A Rebate Account) established under the First Supplemental Indenture (the "2019A Pledged Funds" and, together with the 2019A Pledged Revenues, the "2019A Trust Estate"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS," "THE CAPITAL IMPROVEMENT PROGRAM AND 2019A PROJECT" and "ASSESSMENT METHODOLOGY" herein.

**The Series 2019A-1 Bonds are subject to optional, mandatory and extraordinary mandatory redemption at the times, in the amounts and at the redemption prices as more fully described herein. The Series 2019A-2 Bonds are subject to extraordinary mandatory redemption at the times, in the amounts and at the redemption prices as more fully described herein. The Series 2019A-2 Bonds are not subject to optional redemption. See "DESCRIPTION OF THE SERIES 2019A BONDS - Redemption Provisions" herein.**

THE SERIES 2019A BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE 2019A TRUST ESTATE PLEDGED THEREFOR UNDER THE FIRST SUPPLEMENTAL INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2019A BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE FIRST SUPPLEMENTAL INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2019A ASSESSMENTS TO SECURE AND PAY THE SERIES 2019A BONDS. THE SERIES 2019A BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

**The Series 2019A Bonds involve a degree of risk (see "BONDOWNERS' RISKS" herein) and are not suitable for all investors (see "SUITABILITY FOR INVESTMENT" herein). The Underwriter named below 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 2019A Bonds. The Series 2019A Bonds are not credit enhanced or rated and no application has been made for a rating with respect to the Series 2019A Bonds.**

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

*The sale of the Series 2019A Bonds to the initial purchasers is subject to certain conditions precedent, including, without limitation, receipt of the opinion of Akerman LLP, Jacksonville, Florida, Bond Counsel, as to the validity of the Series 2019A Bonds and the excludability of interest on the Series 2019A Bonds from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams, P.A., Tallahassee, Florida. Certain legal matters will be passed upon by Greenberg Traurig, P.A., Orlando, Florida, as Underwriter's Counsel. It is expected that the Series 2019A Bonds will be delivered in book-entry only form through the facilities of DTC on or about September 30, 2019.*

**MBS Capital Markets, LLC**

Dated: September 20, 2019.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,  
YIELDS, PRICES AND INITIAL CUSIP NUMBERS<sup>†</sup>**

**\$16,170,000**

**THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS,  
SERIES 2019A-1**

\$1,140,000 - 3.875% Series 2019A-1 Term Bond due May 1, 2024,  
Yield 3.960%, Price 99.643, Initial CUSIP No. 88563M AA3<sup>†</sup>

\$1,705,000 - 4.125% Series 2019A-1 Term Bond due May 1, 2029,  
Yield 4.160%, Price 99.722, Initial CUSIP No. 88563M AB1<sup>†</sup>

\$4,775,000 - 4.500% Series 2019A-1 Term Bond due May 1, 2039,  
Yield 4.580%, Price 98.969, Initial CUSIP No. 88563M AC9<sup>†</sup>

\$8,550,000 - 4.750% Series 2019A-1 Term Bond due May 1, 2050,  
Yield 4.760%, Price 99.835, Initial CUSIP No. 88563M AD7<sup>†</sup>

**\$1,575,000**

**THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS,  
SERIES 2019A-2**

\$1,575,000 – 4.750% Series 2019A-2 Term Bond due May 1, 2029,  
Yield 4.750%, Price 100.000 CUSIP No. 88563M AE5<sup>†</sup>

---

<sup>†</sup> CUSIP numbers have been assigned to the Series 2019A Bonds by an organization not affiliated with the District and are included solely for the convenience of the owners of the Series 2019A Bonds. The District is not responsible for the selection, use or accuracy of the CUSIP numbers set forth herein.

**THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT**

**BOARD OF SUPERVISORS**

Liam O'Reilly\*, Chairman  
Michael C. Taylor\*, Vice Chairman  
Blake Weatherly\*, Assistant Secretary  
Rose Bock, Assistant Secretary  
Graydon E. Miars\*, Assistant Secretary

\* Employee of the administrative member of the sole member of the Developer.

**DISTRICT MANAGER/METHODOLOGY CONSULTANT**

Governmental Management Services, LLC  
St. Augustine, Florida

**DISTRICT COUNSEL**

Hopping Green & Sams, P.A.  
Tallahassee, Florida

**BOND COUNSEL**

Akerman LLP  
Jacksonville, Florida

**DISTRICT ENGINEER**

Dominion Engineering Group, LLC  
Jacksonville, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT OR THE UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SERIES 2019A BONDS AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE SERIES 2019A BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN 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 UNITED STATES 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 SET FORTH HEREIN HAS BEEN FURNISHED BY THE DISTRICT AND OBTAINED FROM PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE DISTRICT AND THE UNDERWRITER TO BE RELIABLE. THE UNDERWRITER DOES NOT, HOWEVER, GUARANTY THE ACCURACY OR COMPLETENESS OF THIS INFORMATION AND SUCH INFORMATION IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT, THE DEVELOPMENT OR THE DEVELOPER SINCE THE DATE HEREOF.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2019A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") NOR HAS THE 2019A INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2019A BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THEY MAY BE REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF SUCH JURISDICTIONS, OR ANY OF THEIR AGENCIES, WILL

HAVE PASSED UPON THE MERITS OF THE SERIES 2019A BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "INTENDS," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE DEVELOPER NOR THE DISTRICT PLANS 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, SUBJECT TO ANY CONTRACTUAL OR LEGAL RESPONSIBILITIES TO THE CONTRARY.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS LIMITED OFFERING MEMORANDUM, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS LIMITED OFFERING MEMORANDUM, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS LIMITED OFFERING MEMORANDUM ARE FOR CONVENIENCE OR REFERENCE ONLY AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION OF ANY PROVISIONS OR SECTION IN THIS LIMITED OFFERING MEMORANDUM.

THIS LIMITED OFFERING MEMORANDUM IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: [WWW.MUNIOS.COM](http://WWW.MUNIOS.COM). THIS LIMITED OFFERING MEMORANDUM MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN, INCLUDING THE DISTRICT'S WEBSITE OR ANY OTHER WEBSITE CONTAINING INFORMATION ABOUT THE DISTRICT, ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART

OF, THIS OFFICIAL STATEMENT FOR ANY PURPOSE INCLUDING FOR PURPOSES OF  
RULE 15c2-12 PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION.

## **TABLE OF CONTENTS**

	<b><u>Page</u></b>
INTRODUCTION .....	1
General.....	1
The District .....	1
Authority for Issuance.....	2
Description of the Series 2019A Bonds.....	2
Purpose of the Series 2019A Bonds .....	3
Security and Sources of Payment for the Series 2019A Bonds .....	3
Continuing Disclosure .....	3
Other Information .....	4
DESCRIPTION OF THE SERIES 2019A BONDS .....	4
General Description .....	4
Redemption Provisions – Series 2019A-1 Bonds.....	5
Redemption Provisions – Series 2019A-2 Bonds.....	7
Partial Redemption of Bonds.....	8
Notice of Redemption.....	8
BOOK-ENTRY ONLY SYSTEM.....	8
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS.....	11
General.....	11
Developer Prepayment Waiver .....	13
Additional Covenant Regarding Assessments .....	13
Limitation on Additional Debt.....	13
2019A Reserve Accounts.....	14
2019A Revenue Account .....	16
2019A Prepayment Accounts .....	16
2019A Acquisition and Construction Account.....	17
Collateral Assignment.....	17
Completion Agreement.....	18
True-Up Agreement.....	18
2019A Indenture Provisions Relating to Bankruptcy or Insolvency of Affected Landowner..	18
Events of Default and Remedies.....	19
ENFORCEMENT OF ASSESSMENT COLLECTIONS .....	21
General.....	21
Direct Billing & Foreclosure Procedure .....	22
Uniform Method Procedure .....	23
BONDOWNERS' RISKS .....	26
ESTIMATED SOURCES AND USES OF FUNDS .....	35
DEBT SERVICE REQUIREMENTS.....	36
THE DISTRICT.....	37
General Information.....	37
Legal Powers and Authority .....	37
Board of Supervisors.....	38
The District Manager and Other Consultants .....	39
THE CAPITAL IMPROVEMENT PROGRAM AND 2019A PROJECT .....	39

ASSESSMENT METHODOLOGY .....	41
THE DEVELOPMENT .....	43
Land Acquisition/Development Financing .....	45
Entitlements/Zoning.....	46
Land Use Plan/Phasing .....	49
Development Status .....	49
Permitting.....	50
Environmental.....	50
Utilities.....	50
Land Sales/Contract Activity .....	50
Series 2019A Assessment Area .....	51
Projected Absorption .....	52
Residential Product Offerings in Phase 1A .....	53
Recreational Facilities.....	53
Marketing.....	53
Schools.....	53
Fees and Assessments.....	54
Competition.....	56
THE DEVELOPER .....	57
TAX MATTERS.....	58
Opinion of Bond Counsel .....	58
Internal Revenue Code of 1986 .....	58
Collateral Tax Consequences.....	58
Other Tax Matters .....	59
Tax Treatment of Original Issue Discount.....	59
AGREEMENT BY THE STATE .....	60
LEGALITY FOR INVESTMENT .....	60
SUITABILITY FOR INVESTMENT .....	60
ENFORCEABILITY OF REMEDIES .....	61
LITIGATION.....	61
The District .....	61
The Developer.....	61
CONTINGENT FEES .....	61
NO RATING.....	62
EXPERTS .....	62
FINANCIAL INFORMATION .....	62
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS .....	62
CONTINUING DISCLOSURE.....	62
UNDERWRITING .....	63
VALIDATION.....	63
LEGAL MATTERS.....	63
MISCELLANEOUS .....	64
AUTHORIZATION AND APPROVAL.....	65



APPENDIX A:	FORMS OF THE MASTER INDENTURE AND THE FIRST SUPPLEMENTAL INDENTURE	A-1
APPENDIX B:	FORM OF OPINION OF BOND COUNSEL	B-1
APPENDIX C:	ENGINEER'S REPORTS	C-1
APPENDIX D:	ASSESSMENT METHODOLOGY REPORTS	D-1
APPENDIX E:	FORM OF CONTINUING DISCLOSURE AGREEMENT	E-1

[THIS PAGE INTENTIONALLY LEFT BLANK]

## **LIMITED OFFERING MEMORANDUM**

**\$16,170,000**

### **THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2019A-1**

**and**

**\$1,575,000**

### **THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2019A-2**

## **INTRODUCTION**

### **General**

The purpose of this Limited Offering Memorandum, including the cover page, inside cover page, and appendices attached hereto, is to set forth certain information in connection with the offering for sale by the Three Rivers Community Development District (the "District") of its: (a) \$16,170,000 Special Assessment Bonds, Series 2019A-1 (the "Series 2019A-1 Bonds"); (b) \$1,575,000 Special Assessment Bonds, Series 2019A-2 Bonds (the "Series 2019A-2 Bonds" and, together with the Series 2019A-1 Bonds, the "Series 2019A Bonds").

*This introduction is not a summary of this Limited Offering Memorandum and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, the more complete and detailed information contained in the entire Limited Offering Memorandum, including the cover page and the appendices attached hereto, and the documents summarized or described herein. A full review should be made of the entire Limited Offering Memorandum and of the documents summarized or described herein, if necessary. The offering of the Series 2019A Bonds to potential investors is made only by means of the entire Limited Offering Memorandum, including the appendices attached hereto. No person is authorized to detach this Introduction from the Limited Offering Memorandum or to otherwise use it without the entire Limited Offering Memorandum including the appendices attached hereto.*

All capitalized terms used herein and not otherwise expressly defined herein shall have the respective meanings set forth in the hereinafter defined 2019A Indenture. See "APPENDIX A - FORMS OF THE MASTER INDENTURE AND THE FIRST SUPPLEMENTAL INDENTURE" attached hereto.

### **The District**

The District is a local unit of special-purpose government of the State of Florida (the "State"), duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") created

pursuant to Ordinance No. 2018-47 enacted by the County Board of County Commissioners of Nassau County, Florida (the "County") on January 14, 2019, and effective on January 17, 2019. The District was established for the purpose of, among other things, financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure within and without the boundaries of the land to be governed by the District and related professional fees and other costs. For more complete information about the District, the Board and the District Manager (as hereinafter defined), see "THE DISTRICT" herein.

The Development (as hereinafter defined) encompasses approximately 1,546 acres located in the County and all of the Development is contained within the District boundaries. Construction of the 2019A Project (as hereinafter defined) commenced in the third quarter of 2019. See "THE DEVELOPMENT" and "THE CAPITAL IMPROVEMENT PROGRAM AND 2019A PROJECT" herein.

### **Authority for Issuance**

The Series 2019A Bonds are being issued by the District pursuant to the Act, and Resolution No. 2019-26 adopted by the Board of Supervisors of the District (the "Board") on February 8, 2019, as supplemented by Resolution No. 2019-44, adopted by the Board on September 9, 2019 (collectively, the "Resolution"), and a Master Trust Indenture, dated as of September 1, 2019 (the "Master Indenture"), as supplemented and amended from time to time, particularly as supplemented by that certain First Supplemental Trust Indenture, dated as of September 1, 2019 (the "First Supplemental Indenture" and, together with the Master Indenture, the "2019A Indenture") each by and between the District and U.S. Bank National Association, as trustee (the "Trustee").

### **Description of the Series 2019A Bonds**

The Series 2019A Bonds will bear interest at the fixed rates as set forth on the inside cover, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on each May 1 and November 1, commencing November 1, 2019. See "DESCRIPTION OF THE SERIES 2019A BONDS" herein. The Series 2019A 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 2019A Bonds will be made only in book-entry form. Accordingly, principal of and interest on the Series 2019A Bonds will be paid from the sources provided below by the Trustee directly to Cede & Co., as the nominee of DTC as the registered owner thereof. Disbursements of such payments to the DTC's Direct Participants (as hereinafter defined) is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC's Direct Participants and the Indirect Participants (as hereinafter defined), as more fully described herein. Any purchaser of a beneficial interest in a Series 2019A 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 2019A Bond. See "BOOK-ENTRY ONLY SYSTEM" herein.

## **Purpose of the Series 2019A Bonds**

Proceeds of the Series 2019A Bonds will be applied to: (i) finance the Cost of the acquisition, construction, installation and equipping of the 2019A Project; (ii) pay certain costs associated with the issuance of the Series 2019A Bonds; (iii) pay a portion of the interest accruing on the Series 2019A Bonds, respectively; and (iv) fund the 2019A-1 Reserve Account and 2019A-2 Reserve Account. See "ESTIMATED SOURCES AND USES OF FUNDS" and "THE CAPITAL IMPROVEMENT PROGRAM AND 2019A PROJECT" herein.

## **Security and Sources of Payment for the Series 2019A Bonds**

The Series 2019A Bonds will be payable from and secured by (i) revenues (the "2019A Pledged Revenues") derived from Special Assessments (as hereinafter defined) imposed, levied and collected by the District (a) on that portion of Phase 1A specially benefitted by the 2019A Project or any portion thereof, which correspond in amount to the debt service on the Series 2019A-1 Bonds, and (b) on that portion of Phase 1A specially benefitted by the 2019A Project or any portion thereof, which Special Assessments correspond in amount to the debt service on the Series 2019A-2 Bonds, with respect to the assessable parcels comprising Units 1 through 7, which are intended to be developed into 676 residential lots and Unit 16, which is intended to be developed into 115 residential lots benefitted by the 2019A Project; and (ii) the Funds and Accounts (except for the 2019A Rebate Account) established under the First Supplemental Indenture (the "2019A Pledged Funds" and, together with the 2019A Pledged Revenues, the "2019A Trust Estate"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS," "THE CAPITAL IMPROVEMENT PROGRAM AND 2019A PROJECT" and "ASSESSMENT METHODOLOGY" herein.

THE SERIES 2019A BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE 2019A TRUST ESTATE PLEDGED THEREFOR UNDER THE FIRST SUPPLEMENTAL INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2019A BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE FIRST SUPPLEMENTAL INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2019A ASSESSMENTS TO SECURE AND PAY THE SERIES 2019A BONDS. THE SERIES 2019A BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

## **Continuing Disclosure**

In order to assist the Underwriter (as hereinafter defined) in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "SEC") promulgated pursuant to the Securities Exchange Act of 1934, as in effect on the date hereof (the "Rule"), simultaneously with the issuance of the Series 2019A Bonds, the District, and the Developer (as hereinafter defined) will enter into the Continuing Disclosure Agreement (as hereinafter defined)

with Governmental Management Services, LLC, as initial dissemination agent, under which the District and the Developer will provide continuing disclosure with respect to the Series 2019A Bonds. See "THE DISTRICT," "THE DEVELOPER" and "CONTINUING DISCLOSURE" herein and "APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto for more information regarding the District, the Developer and the Continuing Disclosure Agreement and the information to be provided.

### **Other Information**

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

This Limited Offering Memorandum and the appendices attached hereto contain brief descriptions of, among other matters, the Series 2019A Bonds, the security and sources of payment for the Series 2019A Bonds, the District, the Developer, the Development (as hereinafter defined), the 2019A Project, the Series 2019A Assessments, the 2019A Indenture, the Engineer's Reports (as hereinafter defined), the Assessment Methodology Reports (as hereinafter defined), the Continuing Disclosure Agreement, and certain provisions of the Act. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Act, the 2019A Indenture, the Engineer's Reports, the Assessment Methodology Reports, the Continuing Disclosure Agreement and other documents are intended as summaries only and are qualified in their entirety by reference to such documents, and all references to the Series 2019A Bonds are qualified in their entirety to the definitive form thereof included in the 2019A Indenture. A copy of the forms of the 2019A Indenture and the Continuing Disclosure Agreement are attached hereto as Appendix A and Appendix E, respectively. Copies of the Engineer's Reports and the Assessment Methodology Reports are attached hereto as Appendix C and Appendix D, respectively. Other relevant documents and information are available, upon written request and payment of a charge for copying, mailing and handling, from the District Manager, Governmental Management Services, LLC, 475 West Town Place, Suite 114, St. Augustine, Florida 32092, (904) 940-5850.

## **DESCRIPTION OF THE SERIES 2019A BONDS**

### **General Description**

The Series 2019A Bonds will be dated the date of delivery and will bear interest at the rates per annum (computed on the basis of a 360-day year consisting of twelve 30-day months) and, subject to the redemption provisions set forth below, will mature on the dates and in the amounts set forth on the inside cover page of this Limited Offering Memorandum. Interest on the Series 2019A Bonds will be payable semi-annually on each May 1 and November 1, commencing November 1, 2019, until maturity or prior redemption. U.S. Bank National Association is the initial Trustee, Paying Agent and Registrar for the Series 2019A Bonds.

The Series 2019A Bonds will be issued only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof; provided that the Series 2019A Bonds will be delivered to the initial purchasers in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

Upon initial issuance, the ownership of the Series 2019A 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 2019A Bonds will be made in book-entry only form. The Series 2019A Bonds will initially be offered and sold only to "Accredited Investors" within the meaning of Chapter 517, Florida Statutes, as amended, and the rules of the Florida Department of Financial Services promulgated thereunder, although there is no limitation on resales of the Series 2019A Bonds. See "BOOK-ENTRY ONLY SYSTEM" and "SUITABILITY FOR INVESTMENT" herein.

## **Redemption Provisions – Series 2019A-1 Bonds**

*Optional Redemption.* The Series 2019A-1 Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, on any date on or after May 1, 2029 at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

*Mandatory Sinking Fund Redemption.* The Series 2019A-1 Bonds maturing on May 1, 2024 are subject to mandatory sinking fund redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2019A-1 Sinking Fund Account established under the First 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:

<b>May 1 of the Year</b>	<b>Amortization Installment</b>
2021	\$270,000
2022	280,000
2023	290,000
2024*	300,000

\* Final Maturity

The Series 2019A-1 Bonds maturing on May 1, 2029 are subject to mandatory sinking fund redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2019A-1 Sinking Fund Account established under the First 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:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

<b>May 1 of the Year</b>	<b>Amortization Installment</b>
2025	\$315,000
2026	325,000
2027	340,000
2028	355,000
2029*	370,000

\* Final Maturity

The Series 2019A-1 Bonds maturing on May 1, 2039 are subject to mandatory sinking fund redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2019A-1 Sinking Fund Account established under the First 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:

<b>May 1 of the Year</b>	<b>Amortization Installment</b>	<b>May 1 of the Year</b>	<b>Amortization Installment</b>
2030	\$385,000	2035	\$485,000
2031	405,000	2036	505,000
2032	425,000	2037	530,000
2033	440,000	2038	555,000
2034	465,000	2039*	580,000

\* Final Maturity

The Series 2019A-1 Bonds maturing on May 1, 2050 are subject to mandatory sinking fund redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2019A-1 Sinking Fund Account established under the First 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:

<b>May 1 of the Year</b>	<b>Amortization Installment</b>	<b>May 1 of the Year</b>	<b>Amortization Installment</b>
2040	\$605,000	2046	\$805,000
2041	635,000	2047	845,000
2042	665,000	2048	885,000
2043	700,000	2049	930,000
2044	735,000	2050*	975,000
2045	770,000		

\* Final Maturity



Extraordinary Mandatory Redemption. The Series 2019A-1 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Redemption Date, and if in part on a pro rata basis calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the Series 2019A-1 Bonds treating for such purposes each Amortization Installment as a maturity divided by the aggregate principal amount of Outstanding Series 2019A-1 Bonds and as otherwise provided in the 2019A Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Completion Date of the 2019A Project by application of moneys transferred from the 2019A Acquisition and Construction Account to the 2019A-1 Prepayment Account in accordance with the terms of the 2019A Indenture; or

(b) amounts are deposited into the 2019A-1 Prepayment Account from the prepayment of Series 2019A-1 Assessments (as hereinafter defined) and from amounts deposited into the 2019A-1 Prepayment Account from other sources; or

(c) when the amount on deposit in the 2019A-1 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2019A-1 Bonds then Outstanding as provided in the First Supplemental Indenture.

Redemption from Excess Acquisition and Construction Account Proceeds. Moneys in the 2019A Acquisition and Construction Account are to be applied first to the extraordinary mandatory redemption of Series 2019A-2 Bonds until all Series 2019A-2 Bonds have been retired and then to redeem Outstanding Series 2019A-1 Bonds.

### **Redemption Provisions – Series 2019A-2 Bonds**

Optional Redemption. The Series 2019A-2 Bonds are not subject to optional redemption.

Extraordinary Mandatory Redemption. The Series 2019A-2 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Redemption Date, and if in part by lot and as otherwise provided in the 2019A Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Completion Date of the 2019A Project by application of moneys transferred from the 2019A Acquisition and Construction Account to the 2019A-2 Prepayment Account in accordance with the terms of the 2019A Indenture; or

(b) amounts are deposited into the 2019A-2 Prepayment Account from the prepayment of 2019A-2 Assessments and from amounts deposited into the 2019A-2 Prepayment Subaccount from other sources; or

(c) when the amount on deposit in the 2019A-2 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2019A-2 Bonds then Outstanding as provided in the First Supplemental Indenture.

*Redemption from Excess Acquisition and Construction Account Proceeds.* Moneys in the 2019A Acquisition and Construction Account are to be applied first to the extraordinary mandatory redemption of Series 2019A-2 Bonds until all Series 2019A-2 Bonds have been retired and then to redeem Outstanding Series 2019A-1 Bonds.

### **Partial Redemption of Bonds**

Except as otherwise provided in the 2019A Indenture, if less than all of the Series 2019A Bonds of a maturity subject to redemption shall be called for redemption, the particular such Series 2019A Bonds or portions of such Series 2019A Bonds to be redeemed shall be selected by lot by the Registrar as provided in the 2019A Indenture.

### **Notice of Redemption**

Notice of each redemption of Series 2019A Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each registered owner of Series 2019A 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 2019A Indenture, the Series 2019A 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 2019A Bonds or such portions thereof on such date, interest on such Series 2019A Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2019A Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the 2019A Indenture and the Owners thereof shall have no rights in respect of such Series 2019A Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent.

### **BOOK-ENTRY ONLY SYSTEM**

The information in this caption concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book-entry system has been obtained from DTC and neither the District nor the Underwriter makes any representation or warranty or takes any responsibility for the accuracy or completeness of such information. DTC will act as securities depository for the Series 2019A Bonds. The Series 2019A 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 2019A Bond certificate will be issued for each maturity of the Series 2019A 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](http://www.dtcc.com).

Purchases of Series 2019A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019A 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 2019A 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 2019A Bonds, except in the event that use of the book-entry system for the Series 2019A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019A 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 2019A 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 2019A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019A 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 2019A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2019A Bond documents. For example, Beneficial Owners of Series 2019A Bonds may wish to ascertain that the nominee holding the Series 2019A 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 2019A 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 2019A 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 2019A 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 2019A 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 2019A 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 2019A 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 2019A Bond certificates will be printed and delivered to DTC.

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 the District takes no responsibility for the accuracy thereof.

NEITHER THE DISTRICT NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2019A BONDS. THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2019A BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM.

## **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS**

### **General**

THE SERIES 2019A BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE 2019A TRUST ESTATE PLEDGED THEREFOR UNDER THE FIRST SUPPLEMENTAL INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2019A BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE FIRST SUPPLEMENTAL INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2019A ASSESSMENTS TO SECURE AND PAY THE SERIES 2019A BONDS. THE SERIES 2019A BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

The primary source of payment for the Series 2019A Bonds are the revenues derived by the District from the Series 2019A Assessments imposed, levied and collected, pursuant to the assessment proceedings, on each assessable parcel of land within the District that will be specially benefitted by the 2019A Project as provided in the Assessment Methodology Reports attached hereto as Appendix D. See "ASSESSMENT METHODOLOGY" and "THE DEVELOPMENT" herein. The principal of, premium, if any, and interest on the Series 2019A Bonds are equally and ratably secured under the First Supplemental Indenture by a first lien upon and pledge of the 2019A Trust Estate which with respect to the Series 2019A Bonds means the Series 2019A Assessments imposed, levied and collected by the District with respect to the Series 2019A Assessment Area (as hereinafter defined), which, together with the 2019A Pledged Funds, will comprise the 2019A Trust Estate.

"Special Assessments" is defined in the Master Indenture as (a) "special assessments," as provided for in Sections 190.011(14) and 190.022 of the Act against District Lands that are subject to assessment as a result of a particular Project or any portion thereof or against one or more identified Assessment Areas, and (b) "benefit special assessments," as provided for in Section

190.021(2) of the Act, against the lands within the District that are subject to assessment as a result of a particular project or any portion thereof, and in the case of both "special assessments" and "benefit special assessments," including the interest and penalties on such assessments, pursuant to all applicable provisions of the Act and Chapter 170, Florida Statutes, and Chapter 197, Florida Statutes (and any successor statutes thereto), including, without limitation, any amount received from any foreclosure proceeding for the enforcement of collection of such assessments or from the issuance and sale of tax certificates with respect to such assessments, less (to the extent applicable) the fees and costs of collection thereof payable to the Tax Collector and less certain administrative costs payable to the Property Appraiser pursuant to the Property Appraiser and Tax Collector Agreement. "Special Assessments" shall not include "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" (also referred to herein as "O&M Assessments") levied and collected by the District under Section 190.021(3) of the Act.

The District has covenanted in its First Supplemental Indenture that it shall levy, impose and collect the Series 2019A Assessments in the amount necessary to pay the Debt Service Requirements on the Series 2019A Bonds and enforce such Series 2019A Assessments pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as applicable.

The District has covenanted that it shall immediately upon receipt deposit with the Trustee all Series 2019A Assessments received by the District for the payment of the Series 2019A Bonds into the 2019A Revenue Account; provided, however, that amounts received as prepayments of Series 2019A Assessments including any amounts received under a "true-up" or similar agreement shall be deposited directly into each respective 2019A Prepayment Account.

The Series 2019A Assessments are immediately subject to the lien and pledge of the First Supplemental Indenture without any physical delivery hereof or further act; provided, however, that the lien and pledge of the First Supplemental Indenture shall not apply to any moneys transferred by the Trustee to the 2019A Rebate Fund.

Non-ad valorem assessments, like the Series 2019A Assessments, are not based on millage and can become a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. Series 2019A Assessments also consist of amounts received from any foreclosure or other court proceeding for the enforcement of collection of the Series 2019A Assessments, as applicable, or from the issuance and sale of tax certificates with respect to such Series 2019A Assessments, less the fees and costs of collection thereof payable to the Tax Collector of the County as applicable, or other collection agent and less certain administrative costs payable to the Property Appraiser of the County.

If any Series 2019A Assessments 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 2019A 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 2019A Assessment when it might have done so, the District shall either (a) take all necessary steps to cause new Series 2019A Assessments to be made for the whole or any part of said improvement or against any property benefited by said improvement, or (b) in its sole discretion, make up the amount of such Series 2019A Assessments from any legally available moneys, which moneys shall be deposited into the 2019A Revenue

Account. In case such Series 2019A Assessments shall be annulled, the District shall obtain and make other Series 2019A Assessments until valid assessments shall be made.

### **Developer Prepayment Waiver**

Pursuant to Florida law, the owner of property subject to the Series 2019A Assessments may pay the entire balance of the Series 2019A Assessments used to finance the 2019A Project remaining due within 30 days after the 2019A Project has been completed and the Board has adopted a resolution accepting the 2019A Project as provided by Section 170.09, Florida Statutes, as amended, without interest. The Developer will waive this right in writing prior to closing.

### **Additional Covenant Regarding Assessments**

In addition, and not in limitation of, the covenants contained elsewhere in the 2019A Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2019A Assessments, including the Assessment Methodology Reports, and to levy the Series 2019A Assessments and required true-up payments set forth in the Assessment Methodology Reports, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2019A Bonds, when due. The District also agrees that it shall not amend the Assessment Methodology Reports in any material manner without the written consent of the Majority Holders, except as may be required by law.

### **Limitation on Additional Debt**

The District covenants not to issue any other Series of Bonds or other debt obligations secured by the Series 2019A Assessments. Such covenant shall not prohibit the District from issuing refunding Bonds or Bonds secured by Special Assessments other than the Series 2019A Assessments. In addition, the District covenants and agrees not to issue Bonds ("Additional Bonds") for capital projects secured by new Special Assessments on assessable lands which are also encumbered by the Series 2019A Assessments without the consent of the Majority Holders; provided, however, such consent shall not be required in the event (i) such Additional Bonds are secured by new Special Assessments on assessable lots that are not encumbered by the Series 2019A-2 Assessments (as hereinafter defined) and the amount of such new Special Assessments is, on a per lot basis, not in excess of Series 2019A-2 Assessments as set forth in the Assessment Methodology Reports, or (ii) the Series 2019A-1 Assessments have been Substantially Absorbed (as hereinafter defined) and the Series 2019A-2 Assessments have been paid off. Notwithstanding the prior sentence, the foregoing shall not preclude the imposition of capital Special Assessments on property subject to the Series 2019A Assessments which are necessary, as determined by the District, for health, safety or welfare reasons or to remediate a natural disaster or maintenance special assessments. The Trustee is entitled to assume that the Series 2019A-1 Assessments have not been Substantially Absorbed absent delivery to the Trustee of a certificate of the District Manager to the contrary on which the Trustee may conclusively rely.

"Substantially Absorbed" is defined in the First Supplemental Indenture with respect to the Series 2019A-1 Bonds to mean when at least ninety percent (90%) of the principal portion of the Series 2019A-1 Assessments have been assigned to residential units within the District that have each received a certificate of occupancy.

Notably, other public entities whose boundaries overlap those of the District may impose taxes or other special assessments on the same properties encumbered by the Series 2019A Assessments without the consent of the Owners of the Series 2019A Bonds. Additionally, the District expects to impose certain non-ad valorem special assessments called maintenance special assessments, which are of equal dignity with the Series 2019A Assessments, on the same lands upon which the Series 2019A Assessments are imposed, to fund the maintenance and operation of the District. See "THE DEVELOPMENT – Fees and Assessments – *District Special Assessments*" and "BONDOWNERS' RISKS" herein.

## **2019A Reserve Accounts**

Amounts on deposit in the 2019A-1 Reserve Account and 2019A-2 Reserve Account, except as provided elsewhere in the 2019A Indenture, shall be used only for the purpose of making payments into the 2019A-1 Interest Account, the 2019A-2 Interest Account, the 2019A-1 Sinking Fund Account and 2019A-2 Principal Account to pay the Series 2019A Bonds, without distinction as to Series 2019A Bonds and without privilege or priority of one Series 2019A Bond over another, when due when the moneys on deposit in such Accounts and available therefor are insufficient.

The Trustee, on or before the forty-fifth day (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2019A Reserve Accounts and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such accounts. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the applicable 2019A Reserve Account, from the first legally available sources of the District. Any surplus in either 2019A Reserve Account (other than any surplus resulting from investment earnings and any surplus resulting from prepayment of Series 2019A Assessments as provided in the immediately following paragraph which shall be applied as provided below) shall be deposited to the applicable 2019A Prepayment Account to be used for the extraordinary mandatory redemption of the applicable Series of 2019A Bonds.

Notwithstanding the foregoing paragraph, so long as no Event of Default has occurred which has not been cured, upon an optional prepayment by the owner of a lot or parcel of land of a Series 2019A-1 Assessment or a Series 2019A-2 Assessment against such lot or parcel, on the date that is forty-five (45) days prior to each Redemption Date (or, if such date is not a Business Day, on the Business Day next preceding such day), the District shall determine the Reserve Account Requirement for the Series 2019A-1 Bonds and the Series 2019A-2 Bonds, respectively, taking into account such optional prepayment and shall direct the Trustee in writing to transfer any amount on deposit (a) in the 2019A-1 Reserve Account in excess of the 2019A-1 Reserve Account Requirement (as hereinafter defined) (except for excess resulting from interest earnings) from the 2019A-1 Reserve Account to the Series 2019A-1 Prepayment Account as a credit against the 2019A-1 Assessment Principal otherwise required to be paid by the owner of such lot or parcel and (b) in the 2019A-2 Reserve Account in excess of the 2019A-2 Reserve Account Requirement (as hereinafter defined) (except for excess resulting from interest earnings) from the 2019A-2 Reserve Account to the Series 2019A-2 Prepayment Account as a credit against the 2019A-2 Assessment Principal otherwise required to be paid by the owner of such lot or parcel. If the District fails to provide such transfer direction as provided in this paragraph, Trustee may assume



any excess in the 2019A-1 Reserve Account and 2019A-2 Reserve Account shall be transferred as provided in the immediately preceding paragraph.

"Reserve Account Release Conditions" means (i) all of the Series 2019A-1 Assessments have been allocated to single-family or multifamily residential lots which are developed and platted as certified in writing by the District Engineer; (ii) all of the platted single-family residential lots subject to the Series 2019A-1 Assessments have closed with homebuilders; and (iii) no Event of Default has occurred and is continuing with respect to any outstanding Series 2019A Bonds.

"2019A-1 Reserve Account Requirement" means (i) initially, an amount equal to the maximum annual Debt Service Requirements for the Series 2019A-1 Bonds and (ii) upon satisfaction of the Reserve Account Release Conditions, an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirement for the Series 2019A-1 Bonds. Such maximum annual Debt Service Requirement shall be re-determined by the Trustee upon any optional prepayment by the owner of a lot or parcel of land of a 2019A-1 Special Assessment against such lot or parcel as provided in the 2019A Indenture. Any excess in the 2019A-1 Reserve Account as a result of satisfaction of the Reserve Account Release Conditions shall be deposited into the 2019 Master Infrastructure Subaccount of the 2019A Acquisition and Construction Account. The District or the District Manager, on behalf of the District, shall provide written notice to the Trustee when the Reserve Account Release Conditions have been satisfied, upon which notice the Trustee may conclusively rely.

"2019A-2 Reserve Account Requirement" means the maximum annual interest due on the Series 2019A-2 Bonds as calculated by the Issuer as of the time of any such calculation.

All earnings on investments in either 2019A Reserve Account shall be deposited to the 2019A Revenue Account provided no deficiency exists in a 2019A Reserve Account and if a deficiency does exist earnings shall remain on deposit in such 2019A Reserve Account until the deficiency is cured. Such Accounts shall consist only of cash and Investment Securities.

Notwithstanding the foregoing on the earliest date on which there is on deposit in the 2019A-1 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2019A-1 Bonds, together with accrued interest on such Series 2019A-1 Bonds to the earliest date of redemption, then the Trustee shall transfer to the 2019A-1 Prepayment Account the amount on deposit in the 2019A-1 Reserve Account to pay and redeem all of the Outstanding Series 2019A-1 Bonds on the earliest such date.

Notwithstanding the foregoing on the earliest date on which there is on deposit in the 2019A-2 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2019A-2 Bonds, together with accrued interest on such Series 2019A-2 Bonds to the earliest date of redemption, then the Trustee shall transfer to the 2019A-2 Prepayment Account the amount on deposit in the 2019A-2 Reserve Account to pay and redeem all of the Outstanding 2019A-2 Bonds on the earliest such date.

## **2019A Revenue Account**

On each May 1 (or if such May 1 is not a Business Day, on the Business Day preceding such May 1), the Trustee shall transfer from amounts on deposit in the 2019A Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, to the 2019A-1 Interest Account and 2019A-2 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2019A-1 Bonds and Series 2019A-2 Bonds then Outstanding on such May 1 and the next successive November 1, less any other amount already on deposit in such 2019A-1 Interest Account or 2019A-2 Interest Account not previously credited;

SECOND, beginning on May 1, 2021, and no later than the Business Day next preceding each May 1 thereafter while Series 2019A-1 Bonds remain Outstanding, to the 2019A-1 Sinking Fund Account an amount equal to the Amortization Installment on the Series 2019A-1 Bonds due on such May 1 or the principal maturing on the Series 2019A-1 Bonds on such May 1, less any amount on deposit in the Series 2019A-1 Sinking Fund Account not previously credited, and on May 1, 2029, to the 2019A-2 Principal Account the principal maturing on May 1, 2029 less any amount on deposit in such 2019A-2 Principal Account not previously credited;

THIRD, to the 2019A-1 Reserve Account and the 2019A-2 Reserve Account and the amount, if any, which is necessary to make the amount on deposit therein equal to the applicable 2019A Reserve Account Requirement; and

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

Anything in the 2019A Indenture to the contrary notwithstanding, it shall not constitute an Event of Default under the First Supplemental Indenture if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor; provided, however, that nothing in this paragraph is meant to change what are otherwise Events of Default as provided for in the 2019A Indenture.

## **2019A Prepayment Accounts**

2019A-1 Prepayment Account. All Series 2019A-1 Prepayment Principal shall upon receipt by the Trustee be deposited to the 2019A-1 Prepayment Account of the Bond Redemption Fund. At the time the District deposits Series 2019A-1 Prepayment Principal with the Trustee it shall notify the Trustee in writing as to the amount of Series 2019A-1 Prepayment Principal. Amounts on deposit in the 2019A-1 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2019A-1 Bonds as provided in the First Supplemental Indenture. See "DESCRIPTION OF THE SERIES 2019A BONDS - Redemption Provisions" herein.

2019A-2 Prepayment Account. All Series 2019A-2 Prepayment Principal shall upon receipt by the Trustee be deposited to the 2019A-2 Prepayment Account of the Bond Redemption Fund. At the time the District deposits Series 2019A-2 Prepayment Principal with the Trustee it shall notify the Trustee in writing as to the amount of 2019A-2 Prepayment Principal. Amounts

on deposit in the 2019A-2 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2019A-2 Bonds as provided in the First Supplemental Indenture. See "DESCRIPTION OF THE SERIES 2019A BONDS - Redemption Provisions" herein.

### **2019A Acquisition and Construction Account**

Amounts on deposit in the 2019A Acquisition and Construction Account shall be applied to pay the Costs of the 2019A Project upon compliance with the requirements of the requisition provisions set forth in the 2019A Indenture. Amounts in the 2019 Master Infrastructure Subaccount shall be used only to pay costs of the Master Infrastructure (as hereinafter defined). Amounts in the 2019 Neighborhood Infrastructure Subaccount shall be used only to pay costs of the Neighborhood Infrastructure (as hereinafter defined). Any balance remaining in the subaccounts of the 2019A Acquisition and Construction Account after the Completion Date of the 2019A Project and after retaining the amount, if any, of all remaining unpaid Costs of the 2019A Project set forth in the Engineer's Certificate establishing such Completion Date, shall be transferred to and deposited in the 2019A-2 Prepayment Account in the Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2019A-2 Bonds, and if all Series 2019A-2 Bonds have been retired, into the Series 2019A-1 Prepayment Account in the Bond Redemption Fund and applied to the extraordinary mandatory redemption of Series 2019A-1 Bonds; provided, however, that if on the date of such proposed transfer an Event of Default exists, such amounts shall remain on deposit in the 2019A Acquisition and Construction Account. When no monies remain in the 2019A Acquisition and Construction Account or a subaccount thereof, the 2019A Acquisition and Construction Account or such subaccount, as applicable, shall be closed.

### **Collateral Assignment**

In connection with the issuance of the Series 2019A Bonds, the District and the Developer will enter into a Collateral Assignment and Assumption of Development Rights (the "Collateral Assignment"). Pursuant to the Collateral Assignment, the Developer will represent, among other matters, that it controls or will control certain permits and entitlements specific to the Phase 1A and Unit 16, which together constitutes the assessment area for the allocation of the Series 2019A Assessments (as hereinafter defined). See "ASSESSMENT METHODOLOGY" herein. Upon the occurrence of an Event of Default, as defined in the Collateral Assignment, the District shall have the right but not the obligation to exercise all of the Developer's permit rights and contract rights related to the development of the Series 2019A Assessment Area now or hereafter existing (the "Development & Contract Rights"). The Collateral Assignment shall not apply to the extent that such Development & Contract Rights have been assigned, transferred, or otherwise conveyed to the County, the District, any governmental or quasi-governmental entity, any applicable homeowner's association or other governing entity, as may be required by applicable permits, approvals, plats, entitlements or regulations or to the extent a Unit is conveyed to a homebuilder or an end user. Subject to the foregoing sentence, the Collateral Assignment runs with the land in the Series 2019A Assessment Area. Pursuant to the 2019A Indenture, the District will assign its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2019A Bonds. The Trustee shall not be deemed to have accepted any obligation under the Collateral Assignment by virtue of such assignment. A complete copy of the Collateral Assignment may be obtained as described under "SUITABILITY FOR INVESTMENT" herein.

## **Completion Agreement**

In connection with the issuance of the Series 2019A Bonds, the District and the Developer will enter into an agreement (the "Completion Agreement") pursuant to which the Developer will agree to provide funds to be used to complete that portion of the Phase 1A Project not funded with proceeds of the Series 2019A Bonds. See "THE CAPITAL IMPROVEMENT PROGRAM AND 2019A PROJECT" herein. Remedies for a default under the Completion Agreement include damages and/or specific performance. A complete copy of the Completion Agreement may be obtained as described under "SUITABILITY FOR INVESTMENT" herein.

## **True-Up Agreement**

In connection with the issuance of the Series 2019A Bonds, the District and the Developer will enter into an agreement (the "True-Up Agreement") pursuant to which the Developer will agree to pay when requested by the District an amount of the Series 2019A Assessments equal to the net difference resulting from a density reduction due to the Developer, or its successors in interest finalizing a plat of all or a portion of the Series 2019A Assessment Area in a manner which reduces, or will have the effect of reducing, the number and type of development units within all or a portion of the Series 2019A Assessment Area than are contemplated by, and in accordance with, the Assessment Methodology Reports. A complete copy of the True-Up Agreement may be obtained as described under "SUITABILITY FOR INVESTMENT" herein.

## **2019A Indenture Provisions Relating to Bankruptcy or Insolvency of Affected Landowner**

The 2019A Indenture contains the following provisions which, pursuant to the 2019A 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 "obligated person" (as defined in the Continuing Disclosure Agreement) (herein, the "Affected Landowner") 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"). For as long as any Bonds remain Outstanding, in any Proceeding involving the District, any Affected Landowner, or the related Special Assessments, the District shall be obligated to act in accordance with direction from the Trustee, and the Trustee shall be obligated to act in accordance with direction from the Beneficial Owners of at least twenty-five percent (25%) of the aggregate principal amount of all Outstanding Bonds, with regard to all matters directly or indirectly affecting the Bonds.

The District acknowledges and agrees that, although the Bonds will be issued by the District, the Beneficial Owners of such Bonds are categorically the party with a financial stake in the repayment of the Bonds and, consequently, the party with a vested interest in a Proceeding. In the event of any Proceeding involving any Affected Landowner: (a) the District agrees that it shall follow the direction of the Trustee in 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 Special Assessments, the Bonds or any rights of the Trustee under the 2019A Indenture; (b) 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 Special Assessments, the Bonds or any rights of the Trustee with respect to the 2019A Indenture or Bondholders (as defined in the Master Indenture) under the 2019A Indenture that is inconsistent with any direction from the Trustee; (c) the Trustee shall have the right, but is not obligated to, vote in any such Proceeding any and all claims of the District relating to the Special Assessment or the Bonds, and, if the Trustee chooses to exercise such right, the District shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Affected Landowner, including without limitation, the right to file and/or prosecute any claims, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the Bankruptcy Code; and (d) 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 any lands submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the District's claim with respect to the Special Assessments 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 Special Assessments, (ii) to deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim. Notwithstanding the provisions of the immediately preceding paragraphs, nothing in the 2019A Indenture shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance assessments, or claims for moneys or performance under a contract, and the District shall be free to pursue such 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 Special Assessments relating to the Bonds Outstanding whether such claim is pursued by the District or the Trustee.

### **Events of Default and Remedies**

The 2019A Indenture provides that each of the following shall be an "Event of Default" under the 2019A Indenture, with respect to the Series 2019A Bonds:

- (a) if payment of any installment of interest on any Series 2019A Bond is not made when it becomes due and payable; or
- (b) if payment of the principal or Redemption Price of any Series 2019A Bond is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or
- (c) if the District, for any reason, fails in, or is rendered incapable of, fulfilling its obligations under the 2019A Indenture or under the Act, as determined by the Majority Holders of such Series 2019A Bonds; or
- (d) if the District proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the District or any of its assets or revenues, or there is commenced any

proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the District and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or

(e) if the District defaults in the due and punctual performance of any other covenant in the 2019A Indenture or in any Series 2019A Bond issued pursuant to the 2019A Indenture and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the District by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Majority Holders of the Series 2019A Bonds; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the District shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

(f) written notice shall have been received by the Trustee from a Credit Facility District securing Series 2019A Bonds that an event of default has occurred under the Credit Facility Agreement, or there shall have been a failure by said Credit Facility District to make said Credit Facility available or to reinstate the interest component of said Credit Facility in accordance with the terms of said Credit Facility, to the extent said notice or failure is established as an event of default under the terms of the First Supplemental Indenture; or

(g) if at any time the amount in the Debt Service Reserve Fund or any account therein is less than the Debt Service Reserve Requirement as a result of the Trustee withdrawing an amount therefrom to satisfy the Debt Service Requirement on the Series 2019A Bonds and such amount has not been restored within ninety (90) days of such withdrawal; or

(h) if on an Interest Payment Date the amount in the related Series Interest Account, the related Series Principal Account or the related Series Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on the Series 2019A Bonds on such Interest Payment Date (without regard to any amount available for such purpose in the applicable Debt Service Reserve Account); and

(i) if, at any time after eighteen months following issuance of the related series of Series 2019A Bonds, more than twenty percent (20%) of the "maintenance special assessments" levied by the District on the District Lands upon which the Special Assessments are levied to secure one or more Series of Series 2019A Bonds pursuant to Section 190.021(3), Florida Statutes, as amended, and collected directly by the District have become due and payable and have not been paid within ninety (90) days of the date when due.

No Series 2019A Bonds shall be subject to acceleration. Upon occurrence and continuance of an Event of Default, no optional redemption or extraordinary mandatory redemption of the Series 2019A Bonds, as applicable, pursuant to the Master Indenture shall occur unless all of the Series 2019A Bonds where an Event of Default has occurred will be redeemed or if 100% of the Holders of such Series 2019A Bonds agree to such redemption. Provided however nothing shall prevent a pro rata default distribution pursuant to the Master Indenture.

The District acknowledges and agrees that (i) upon failure of any property owner to pay when due any installment of Series 2019A Assessments that are billed directly by the District, that the entire Series 2019A Assessments levied on the property for which such installment of Series 2019A Assessments is due and unpaid, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and, with the written consent of the Trustee, acting at the direction of the Majority Holders of the Series 2019A Bonds Outstanding, the District shall promptly, but in any event within one hundred twenty (120) days of the receipt of such consent, cause to be brought the necessary legal proceedings for the foreclosure of liens of the delinquent Series 2019A Assessments, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages. See "APPENDIX A - FORMS OF THE MASTER INDENTURE AND THE FIRST 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 2019A Bonds is the collection of Series 2019A Assessments imposed on the Series 2019A Assessment Area specially benefited by the 2019A Project pursuant to the Assessment Proceedings. See "ASSESSMENT METHODOLOGY" herein and "APPENDIX D - ASSESSMENT METHODOLOGY REPORTS" attached hereto.

The imposition, levy, and collection of Assessments must be done in compliance with the provisions of Florida law. Failure by the District, the Nassau County Tax Collector ("Tax Collector") or the Nassau County Property Appraiser ("Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2019A Assessments, as applicable, during any year. Such delays in the collection of Series 2019A Assessments, or complete inability to collect any Series 2019A 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 2019A Bonds. See "BONDOWNERS' RISKS" herein. To the extent that landowners fail to pay the Series 2019A Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to the payment of principal of and interest on the Series 2019A Bonds.

For the Series 2019A Assessments to be valid, they must meet two requirements: (a) the benefit from the 2019A Project to the lands subject to the Series 2019A Assessments must exceed or equal the amount of the Series 2019A Assessments, and (b) the Series 2019A Assessments must be fairly and reasonably allocated across all such benefitted properties. The Certificate of the Methodology Consultant certifies that these requirements have been met with respect to the Series 2019A Assessments. In the event that the Series 2019A Assessments are levied based on the assumptions that future contributions will be made, or that future assessments may be levied to secure future bond issuances, the Series 2019A Assessments may need to be reallocated in the

event such contributions are not made and/or future assessments and bonds are not levied and issued.

Pursuant to the Act, and the Assessment Proceedings, the District may collect the Series 2019A Assessments through a variety of methods. See "BONDOWNERS' RISKS" herein. Initially, and for undeveloped properties owned by the Developer and subsequent landowners, the District is expected to directly issue annual bills to landowners requiring payment of the Series 2019A Assessments, and is expected to enforce that bill through foreclosure proceedings. The Developer currently anticipates prepaying (i) a portion of the Series 2019A-1 Assessments specific to the age-restricted neighborhoods, Units 4, 5 and 16, prior to the stated maturity of the Series 2019A-1 Bonds if such Units are sold to a third-party developer/homebuilder and (ii) all of the Series 2019A-2 Assessments prior to the stated maturity of the Series 2019A-2 Bonds. See "ASSESSMENT METHODOLOGY" herein and "APPENDIX D - ASSESSMENT METHODOLOGY REPORTS" attached hereto. As lands are developed, the Series 2019A Assessments will be added to the County tax roll and collected pursuant to the Uniform Method, unless the District determines that it is in its best interests to collect directly. The Series 2019A-1 Assessments levied on unplatted lots or lands and the Series 2019A-2 Assessments shall be billed and collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, unless the District determines that it is in its best interests not to do so.

Prior to an Event of Default, the election to collect and enforce Series 2019A Assessments in any year pursuant to any one method shall not, to the extent permitted by law, preclude the District from electing to collect and enforce Series 2019A Assessments pursuant to any other method permitted by law in any subsequent year. Following an Event of Default, Series 2019A-1 Assessments levied on platted lots shall be collected pursuant to the Uniform Method and Series 2019A-1 Assessments levied on unplatted lots and Series 2019A-2 Assessments shall be billed and 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 the Trustee, acting at the direction of the Majority Holders of the Series 2019A Bonds Outstanding, provides written direction to use a different method of collection. All Series 2019A Assessments that are billed and 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; provided, however, that such Series 2019A Assessments shall not be deemed to be delinquent Series 2019A Assessments unless and until same are not paid by the applicable Interest Payment Date with respect to which they have been billed. The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

### **Direct Billing & Foreclosure Procedure**

As noted above, and pursuant to Chapters 170 and 190 of the Florida Statutes, the District may directly levy, collect and enforce the Series 2019A Assessments. In this context, Section 170.10 of the Florida Statutes provides that upon the failure of any property owner to timely pay all or any part of the annual installment of principal and/or interest of a special assessment due, including the Series 2019A Assessments, the whole assessment, with the interest and penalties thereon, shall immediately become due and payable and subject to foreclosure.



Generally stated, the governing body of the entity levying the special assessment, in this case the District, may foreclose by commencing a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or, alternatively, by commencing an action under Chapter 173, Florida Statutes, which relates to foreclosure of municipal tax and special assessment liens. Such proceedings are in rem, meaning that the action would be brought against the land, and not against the landowner. In light of the one year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay Series 2019A Assessments and the ability to foreclose the lien of such Assessments upon the failure to pay such Series 2019A Assessments may not be readily available or may be limited because enforcement is dependent upon judicial action which is often subject to discretion and delay. Additionally, there is no guarantee that there will be demand for any foreclosed lands sufficient to repay the Series 2019A Assessments. The District expects to direct bill the Series 2019A-2 Assessments. See "BONDOWNERS' RISKS" herein.

Certain mortgage lenders have, in recent foreclosure suits brought under Chapter 170, Florida Statutes, by community development districts, plead a defense stating that a foreclosing district must abide by the same one (1) year period as Chapter 173, Florida Statutes, in order to begin foreclosure proceedings. The defense is, apparently, based upon recent amendments to Section 190.026, Florida Statutes, where, in an apparent attempt to clarify that not only Chapter 173, Florida Statutes, was available to districts for foreclosure, but that also Chapter 170, Florida Statutes, was available, that statute's language became less clear regarding the inapplicability of the one (1) year waiting period for districts employing Chapter 170, Florida Statutes. To the extent that community development districts have taken a position on this, they have generally asserted that the one (1) year waiting period does not apply to Chapter 170, and at least one (1) Circuit Court has agreed.

### **Uniform Method Procedure**

Subject to certain conditions, and for developed lands (as described above), the District may alternatively elect to collect the Series 2019A Assessments using the Uniform Method. 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 2019A Assessments to be levied and then collected in this manner.

If the Uniform Method of collection is used, the Series 2019A Assessments will be collected together with County, school, special district, and other ad valorem taxes and non-ad valorem assessments (together, "Taxes and Assessments"), all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of Taxes and Assessments provide that such Taxes and Assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes and assessments - including the Series 2019A Assessments - are to be billed, and landowners in the District are required to pay, all Taxes

and Assessments without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2019A Assessments.

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by Florida law such as Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Therefore, in the event the Series 2019A Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Series 2019A 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 2019A Bonds.

Under the Uniform Method, if the Series 2019A Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. All unpaid Taxes and Assessments become delinquent on April 1 of the year following assessment.

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to the holders of the Series 2019A Bonds (a) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2019A Assessments, (b) that future landowners and taxpayers in the District will pay such Series 2019A Assessments, (c) 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 (d) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Assessment Proceedings to discharge the lien of the Series 2019A Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2019A 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 2019A Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax certificate process by paying the total amount of delinquent Taxes and Assessments plus 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 by public bid 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%).

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

public at any time after issuance, but before a tax deed application is made, at the face amount thereof plus interest at the rate of not more than 18% per annum, costs and a fee. Proceeds from the sale of tax certificates are required to be used to pay Taxes and Assessments (including the Series 2019A Assessments), interest, costs and charges on the real property described in the certificate.

Any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued (unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees), at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, and charges due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 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 above.

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

There can be no guarantee that the Uniform Method will result in the payment of the Series 2019A Assessments. For example, the demand for tax certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful collection of the Series 2019A Assessments, which are the primary source of payment of the Series 2019A Bonds. Additionally, legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates. The District expects to collect the Series 2019A-1 Assessments via the Uniform Method. See "BONDOWNERS' RISKS" herein.

## **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 2019A Bonds offered hereby and are set forth below. Prospective investors in the Series 2019A 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 2019A 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 2019A 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 2019A Bonds.

1. Payment of the debt service on the Series 2019A Bonds is primarily dependent upon timely payment by the Developer and subsequent landowners in the District of the Series

2019A Assessments. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS" and "THE DEVELOPER" herein. 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 2019A Bonds as such bankruptcy could negatively impact the ability of: (a) the Developer and any other landowner being able to pay the Series 2019A Assessments; (b) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2019A Assessments being collected pursuant to the Uniform Method; and (c) the District to foreclose the lien of the Series 2019A Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2019A Bonds under the 2019A 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 2019A Indenture and the Series 2019A Bonds, including, without limitation, enforcement of the obligation to pay the Series 2019A Assessments and the ability of the District to foreclose the lien of the Series 2019A 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 2019A 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 2019A Bonds could have a material adverse impact on the interest of the Owners thereof.

2. The principal security for the payment of the principal and interest on the Series 2019A Bonds is the timely collection of the Series 2019A Assessments. The Series 2019A Assessments do not constitute a personal indebtedness of the owners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the owners will be able to pay the Series 2019A Assessments or that they will pay such Series 2019A Assessments even though financially able to do so. Beyond legal delays that could result from bankruptcy or other legal proceedings contesting an ad valorem tax or non-ad valorem assessment, the ability of the Tax Collector to sell tax certificates in regard to delinquent Series 2019A Assessments collected pursuant to the Uniform Method will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two years. The assessment of the benefits to be received by the benefited land within the District as a result of implementation and development of the 2019A Project is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. To the extent that the realizable or market value of the land benefited by the 2019A Project is lower than the assessment of benefits, the ability of the Tax Collector to sell tax certificates relating to such land on which the Series 2019A Assessments are levied or the ability of the District to realize sufficient value from a foreclosure action to pay debt service on the Series 2019A Bonds may be adversely affected. Such adverse effect could render the District unable to collect delinquent Series 2019A 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 2019A Bonds.

3. Neither the Developer nor any other subsequent landowner is a guarantor of payment of any Series 2019A Assessment and the recourse for the failure of the Developer or any other subsequent landowner, to pay the Series 2019A Assessments is limited to the collection proceedings against the land as described herein. Therefore, the likelihood of collection of the Series 2019A Assessments may ultimately depend on the market value of the land subject to taxation. While the ability of the Developer or subsequent landowner to pay Series 2019A Assessments is a relevant factor, the willingness of the Developer or subsequent landowner to pay the taxes, which may also be affected by the value of the land subject to taxation, is also an important factor in the collection of Series 2019A Assessments. The failure of the Developer or subsequent landowners to pay the Series 2019A Assessments could render the District unable to collect delinquent Series 2019A 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 2019A Bonds.

4. The development of the District 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. Construction plan approval for Units 1 through 5 and 7 have been received. Construction plans for Unit 6 are in process. Approvals of construction plans are anticipated to be received for Units 6 and 16, as needed. Failure to obtain any such approvals in a timely manner could delay or adversely affect the completion of the Development. See "THE DEVELOPMENT" herein. The value of the land within the District, the success of the Development and the likelihood of timely payment of principal and interest on the Series 2019A 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 2019A 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. At the time of the delivery of the Series 2019A Bonds, the Developer is unaware of any condition within the District which currently requires, or is reasonably expected to require in the foreseeable future, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment.

It is possible that hazardous environmental conditions could exist within the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District and no assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future whether originating within the District or from surrounding property, and what effect such may have on the development of the District Lands.

The value of the lands subject to the Series 2019A 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 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 2019A Bonds. The Series 2019A Bonds are not insured, and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

Moreover, the Developer has the right to modify or change its plan for development of the Development, 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.

5. The successful sale of developed lots and homes, once such homes are built within the Series 2019A Assessment Area, 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.

6. The willingness and/or ability of an owner of benefited land to pay the Series 2019A 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 2019A 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 imposing operation and maintenance assessments encumbering the same property encumbered by the Series 2019A Assessments. In addition, lands within the District may also be subject to assessments by property and home owner associations.

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 2019A 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 2019A Assessments, even though the landowner is not contesting the amount of the Series 2019A Assessments. 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.

7. The Series 2019A Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2019A Bonds in the event an Owner thereof determines to solicit purchasers of the Series 2019A Bonds. Because the Series

2019A Bonds are being sold pursuant to exemptions from registration under applicable securities laws, no secondary market may develop and an owner may not be able to resell the Series 2019A Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2019A Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2019A Bonds, depending on the progress of development of the Development, including the Series 2019A Assessment Area, existing real estate and financial market conditions and other factors.

8. In addition to legal delays that could result from bankruptcy or legal proceedings contesting an ad valorem tax or non-ad valorem assessment, the ability of the District to enforce collection of delinquent Series 2019A Assessments will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the Series 2019A Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS" herein. If the District has difficulty in collecting the Series 2019A Assessments, the 2019A-1 Reserve Account or 2019A-2 Reserve Account could be rapidly depleted and the ability of the District to pay debt service could be materially adversely affected. In addition, during an Event of Default under the First Supplemental Indenture, the Trustee may withdraw moneys from the 2019A-1 Reserve Account, the 2019A-2 Reserve Account and such other Funds, Accounts and subaccounts created under the First Supplemental Indenture, to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If in fact the 2019A-1 Reserve Account and/or, the 2019A-2 Reserve Account are 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 2019A Assessments in order to provide the replenishment of such 2019A-1 Reserve Account or the 2019A-2 Reserve Account.

9. If the District should commence a foreclosure action against a landowner for nonpayment of applicable Series 2019A Assessments, such landowners may raise affirmative defenses to such foreclosure action, which although such affirmative defenses would likely be proven to be without merit, could result in delays in completing the foreclosure action. In addition, the District is required under the 2019A 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 applicable owner of the Series 2019A Bonds to allow funds on deposit under the 2019A Indenture to be used to pay the costs of the foreclosure action. Under the Code, there are limitations on the amounts of Series 2019A Bond proceeds that can be used for such purpose.

10. In addition to the general bankruptcy and similar proceedings risks discussed above, 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 developer/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 2019A 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 Affected Landowner. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS" herein. The District cannot express any view whether such delegation would be enforceable and none of the legal opinions provided in connection with the issuance of the Series 2019A Bonds will opine to the enforceability of such provision.

11. The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. The IRS recently 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 Treasury announced, in an October 2, 2017 Report to the President (the "Report"), 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." The Report indicated, further, that the Treasury and the IRS may propose more targeted guidance

in the future after further study of the relevant legal issues. The IRS published the Withdrawal of Notice of Proposed Rulemaking on October 20, 2017, in the Federal Register.

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 five years of the issuance of tax-exempt bonds 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 election date following the date that is the later of six years from formation and the date when there are first 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, two members of the Board were elected by a landowner's election and three members of the Board were appointed by the Developer. The Developer will certify as to its expectations as to the timing of the transition of control of the Board to qualified electors pursuant to the Act, and its expectations as to compliance with the Act by any members of the Board that they elect. 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 2019A 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 2019A Bonds are advised that, if the IRS does audit the Series 2019A 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 2019A 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 2019A 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 2019A 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 2019A Bonds would adversely affect the availability of any secondary market for the Series 2019A Bonds. Should interest on the Series 2019A Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2019A Bonds be required to pay income taxes on the interest received on such Series 2019A Bonds and related penalties, but because the interest rate on such Series 2019A Bonds will not be adequate to compensate Owners of the Series 2019A Bonds for the income taxes due on such interest, the value of the Series 2019A Bonds may decline.

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

12. Since the Series 2019A Bonds have not been and will not be registered under the Securities Act of 1933, as amended, or any state securities laws, 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 the federal and state securities laws. Accordingly, the District and purchasers of Series 2019A Bonds may not be able to rely on the exemption from registration under the Securities Act of 1933, as amended (the "Securities Act"), relating to securities issued by political subdivisions. In that event the Owners of the Series 2019A Bonds would need to ensure that subsequent transfers of the Series 2019A Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

13. Various proposals are mentioned from time to time by members of the Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the IRS may, in the future, issue rulings that have the effect of changing the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2019A Bonds, by eliminating or changing the tax-exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the Series 2019A Bonds, cannot be predicted. However, it is possible that any such law or interpretation could have a material and adverse effect upon the availability of a liquid secondary market and/or the value of the Series 2019A Bonds. See also "TAX MATTERS" herein.

14. In the event the District does not have sufficient moneys on hand to complete the Phase 1A Project, there can be no assurance that the District will be able to raise through the issuance of bonds, or otherwise, the moneys necessary to complete the Phase 1A Project. Further, pursuant to the 2019A Indenture, the District will covenant not to issue any other Bonds or other debt obligations secured by any of the Series 2019A Assessments. Such covenant shall not prohibit the District from issuing refunding bonds. The District is permitted to issue Bonds or other debt obligations on lands within the District for any capital project where no Series 2019A Assessments are levied. However, under certain conditions, the District may issue Additional Bonds secured by lands where Series 2019A Assessments are levied as further described under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS – Limitation of Additional Debt" herein. Although the Developer has agreed to complete the Phase 1A Project regardless of such insufficiency, and will enter into the Completion Agreement with the District as evidence thereof, there can be no assurance that the Developer will have sufficient resources to do so.

In addition, the Developer will also execute and deliver to the District the Collateral Assignment as more fully described under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS – Collateral Assignment. Notwithstanding the Collateral Assignment, there is no assurance that if there is a default by the Developer, and the District were to exercise remedies against the property within the District subject to the Series 2019A Assessments, that the District and/or Beneficial Owners of the Series 2019A Bonds, as the case

may be, will have all permits and development rights necessary to complete Phase 1A and Unit 16, which together constitutes the assessment area for the allocation of the Series 2019A Assessments. Further, as noted herein under "THE DEVELOPMENT - Land Acquisition/Development Financing," the lands in the Development are subject to an existing mortgage in favor of Fidelity (as hereinafter defined). Pursuant to a Tri-Party Agreement between the District, the Developer and Fidelity, Fidelity grants to the District a license to use the development and contract rights under the Collateral Assignment to complete the Series 2019A Assessment Area upon an Event of Default by the Developer, provided such use of such license is not in a manner inconsistent with the continued rights of Fidelity.

15. It is impossible to predict what new proposals may be presented regarding ad valorem 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 2019A Bonds. It should be noted that Section 10(p) of the Act provides in pertinent part that "The state pledges to the holders of any bonds issued under this 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 in any way impair the rights or remedies of such holders."

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

## ESTIMATED SOURCES AND USES OF FUNDS

The table that follows summarizes the estimated sources and uses of proceeds of the Series 2019A Bonds:

	Series 2019A-1 Bonds	Series 2019A-2 Bonds	Total Series 2019A Bonds
Sources of Funds:			
Principal Amount	\$16,170,000.00	\$1,575,000.00	\$17,745,000.00
Less Original Issue Discount	(72,147.45)	-	(72,147.45)
Total Sources	<u>\$16,097,852.55</u>	<u>\$1,575,000.00</u>	<u>\$17,672,852.55</u>
Use of Funds:			
2019 Master Infrastructure Subaccount	\$6,190,199.95	\$1,369,037.39	\$7,559,237.34
2019 Neighborhood Infrastructure Subaccount	7,595,489.00	-	7,595,489.00
2019A Costs of Issuance Account <sup>(1)</sup>	512,259.58	49,895.42	562,155.00
2019A-1 Capitalized Interest Subaccount	798,841.52	-	798,841.52
2019A-2 Capitalized Interest Subaccount	-	81,254.69	81,254.69
2019A-1 Reserve Account	1,001,062.50	-	1,001,062.50
2019A-2 Reserve Account	-	74,812.50	74,812.50
Total Uses	<u>\$16,097,852.55</u>	<u>\$1,575,000.00</u>	<u>\$17,672,852.55</u>

<sup>(1)</sup> Costs of issuance include, without limitation, underwriter's discount, legal fees and other costs associated with the issuance of the Series 2019A Bonds.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

## DEBT SERVICE REQUIREMENTS

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

Period Ending November 1	Series 2019A-1 Bonds			Series 2019A -2 Bonds			Total Debt Service
	Principal	Interest	Total	Principal	Interest	Total	
2019	-	\$ 63,335.26	\$ 63,335.26	-	\$ 6,442.19	\$ 6,442.19	\$ 69,777.45
2020	-	735,506.26	735,506.26	-	74,812.50	74,812.50	810,318.76
2021	\$ 270,000	730,275.01	1,000,275.01	-	74,812.50	74,812.50	1,075,087.51
2022	280,000	719,618.76	999,618.76	-	74,812.50	74,812.50	1,074,431.26
2023	290,000	708,575.01	998,575.01	-	74,812.50	74,812.50	1,073,387.51
2024	300,000	697,143.76	997,143.76	-	74,812.50	74,812.50	1,071,956.26
2025	315,000	684,834.38	999,834.38	-	74,812.50	74,812.50	1,074,646.88
2026	325,000	671,634.38	996,634.38	-	74,812.50	74,812.50	1,071,446.88
2027	340,000	657,918.76	997,918.76	-	74,812.50	74,812.50	1,072,731.26
2028	355,000	643,584.38	998,584.38	-	74,812.50	74,812.50	1,073,396.88
2029	370,000	628,631.25	998,631.25	\$1,575,000	37,406.25	1,612,406.25	2,611,037.50
2030	385,000	612,337.50	997,337.50	-	-	-	997,337.50
2031	405,000	594,562.50	999,562.50	-	-	-	999,562.50
2032	425,000	575,887.50	1,000,887.50	-	-	-	1,000,887.50
2033	440,000	556,425.00	996,425.00	-	-	-	996,425.00
2034	465,000	536,062.50	1,001,062.50	-	-	-	1,001,062.50
2035	485,000	514,687.50	999,687.50	-	-	-	999,687.50
2036	505,000	492,412.50	997,412.50	-	-	-	997,412.50
2037	530,000	469,125.00	999,125.00	-	-	-	999,125.00
2038	555,000	444,712.50	999,712.50	-	-	-	999,712.50
2039	580,000	419,175.00	999,175.00	-	-	-	999,175.00
2040	605,000	391,756.25	996,756.25	-	-	-	996,756.25
2041	635,000	362,306.25	997,306.25	-	-	-	997,306.25
2042	665,000	331,431.25	996,431.25	-	-	-	996,431.25
2043	700,000	299,012.50	999,012.50	-	-	-	999,012.50
2044	735,000	264,931.25	999,931.25	-	-	-	999,931.25
2045	770,000	229,187.50	999,187.50	-	-	-	999,187.50
2046	805,000	191,781.25	996,781.25	-	-	-	996,781.25
2047	845,000	152,593.75	997,593.75	-	-	-	997,593.75
2048	885,000	111,506.25	996,506.25	-	-	-	996,506.25
2049	930,000	68,400.00	998,400.00	-	-	-	998,400.00
2050	975,000	23,156.25	998,156.25	-	-	-	998,156.25
<b>Totals</b>	<u>\$16,170,000</u>	<u>\$14,582,507.21</u>	<u>\$30,752,507.21</u>	<u>\$1,575,000</u>	<u>\$717,160.94</u>	<u>\$2,292,160.94</u>	<u>\$33,044,668.15</u>

## **THE DISTRICT**

### **General Information**

The District is a local unit of special-purpose government of the State, duly organized and existing under the Act created pursuant to Ordinance No. 2018-47 enacted by the County Board of County Commissioners of the County on January 14, 2019, and effective on January 17, 2019. The District was established for the purpose of, among other things, financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure within and without the boundaries of the premises to be governed by the District and related professional fees and other costs.

The District encompasses approximately 1,546 acres located within the County. The land within the District is wholly located within the Development, which is planned to include approximately 3,200 residential units, 50,000 square feet office space, 300,000 square feet of retail space, 250,000 square feet of light industrial use, and a 300-slip dry storage facility.

### **Legal Powers and Authority**

The District is an independent 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 (Sections 190.006 through 190.041, Florida Statutes).

Among other provisions, the Act gives the Board the authority to (a) plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for: (i) water management and control for lands within the District and to connect any of such facilities with roads and bridges; (ii) water supply, sewer and wastewater management 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 and street lights; 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 assessments 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 rights of Bondholders to pursue any remedy for the enforcement of any lien or pledge given by the District in connection with any bonds or obligations of the District.

### **Board of Supervisors**

The governing body of the District is its Board of Supervisors, 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 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 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 in the County who is at least eighteen years of age, a resident of the District and the State 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. The other Supervisor will be elected by landowners for a four-year term. Thereafter, as terms expire, all Supervisors must be qualified electors and are elected to serve staggered 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 2019A Bonds, the Developer will own all of the land comprising the Series 2019A Assessment Area which is benefitted by the 2019A Project.

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:

<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
Liam O'Reilly*	Chairman	November 2023
Michael C. Taylor*	Vice Chairman	November 2021
Blake Weatherly*	Assistant Secretary	November 2021
Rose Bock	Assistant Secretary	November 2023
Graydon E. Miars*	Assistant Secretary	November 2021

\* Employee of the administrative member of the sole member of the Developer.

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. 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 Governmental Management Services, LLC, St. Augustine, Florida, to serve as its district manager ("District Manager"). The District Manager's office is located at 475 West Town Place, Suite 114, St. Augustine, Florida 32092, telephone number (904) 940-5850.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Akerman LLP, Jacksonville, Florida, as Bond Counsel; Dominion Engineering Group, LLC, Jacksonville, Florida, as the District's engineer (the "District Engineer"); and Hopping Green & Sams, P.A., Tallahassee, Florida, as District Counsel. The Board has also retained Governmental Management Services, LLC, St. Augustine, Florida, to serve as the assessment methodology consultant (the "Methodology Consultant") and to prepare the Assessment Methodology Reports.

### **THE CAPITAL IMPROVEMENT PROGRAM AND 2019A PROJECT**

The District Engineer has prepared the Master Engineer's Report dated August 27, 2019 (the "Master Engineer's Report") describing the capital improvement program for the District (the "CIP") which is estimated to cost approximately \$133.9 million and includes certain roadway improvements, a master stormwater system, water and wastewater management, a fire station, environmental mitigation, landscaping, irrigation and hardscaping, parks and recreational

amenities, and offsite improvements. The CIP is bifurcated into two (2) categories consisting of Master Infrastructure and Neighborhood Infrastructure. The "Master Infrastructure" is that portion of the CIP that benefits all developable land uses in the District and is estimated to cost \$89.1 million. The "Neighborhood Infrastructure" is that portion of the CIP that benefits specific parcels in the District and is estimated to cost \$44.8 million. Enumeration of the costs of the CIP are provided in the table below.

<b>Infrastructure</b>	<b>Master Infrastructure</b>	<b>Neighborhood Infrastructure</b>	<b>Total</b>
Offsite Transportation	\$16,213,424	\$ 0	\$ 16,213,424
Roadway Improvements	9,045,148	21,184,070	30,229,218
Master Stormwater System	29,679,385	0	29,679,385
Water/Wastewater/Reuse Management	9,054,191	23,345,679	32,399,870
Amenity Center	10,175,789	0	10,175,789
Parks	3,165,801	0	3,165,801
Environmental Mitigation	983,660	0	983,660
Landscape/Hardscape/Irrigation	5,653,216	0	5,653,216
Fire Station	4,635,637	0	4,635,637
Contingency	532,425	267,575	800,000
<b>TOTAL</b>	<b>\$89,138,676</b>	<b>\$44,797,324</b>	<b>\$133,936,000</b>

The capital improvements described in the CIP will be constructed in multiple phases over time. The initial phase of the CIP is estimated to cost approximately \$43.4 million and includes the Master Infrastructure and Neighborhood Infrastructure costs allocable to Phase 1A (as hereinafter defined) of the Development (the "Phase 1A Project"). Such costs do not include certain improvements intended to be funded directly by the Developer including (i) offsite roadway work in the estimated amount of \$1.5 million; and (ii) the County fire station required to be constructed in the estimated amount of \$4.6 million for which the Developer is expected to receive reimbursement from the County for up to 50% of the costs of the fire station and is expected to receive impact fee credits for the remaining 50% of the costs. See "THE DEVELOPMENT - Entitlements/Zoning" herein.

Detailed information concerning the Phase 1A Project is contained within the Supplemental Engineer's Report Phase 1A dated September 26, 2019 (the "Supplemental Engineer's Report" and together with the Master Engineer's Report, the "Engineer's Reports"). The Engineer's Reports are attached hereto as Appendix C. Enumeration of the estimated costs of the Phase 1A Project are provided in the table below.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

<b>Infrastructure</b>	<b>Phase 1A Project Costs<sup>(*)</sup></b>
<b>Master Infrastructure</b>	
Spine Road/Water & Reuse Main	\$ 3,854,590
Lift Station/Force main	2,300,994
Landscaping/Monumentation	1,037,500
Recreational Amenity	6,000,000
County Park	2,300,000
Contingency (10%)	1,549,308
Professional Fees	484,091
<b>Subtotal</b>	<b>\$17,526,483</b>
<b>Neighborhood Infrastructure</b>	
Unit 1	\$ 3,905,168
Unit 2	3,690,321
Unit 3	2,034,000
Unit 4	3,892,530
Unit 5	3,423,900
Unit 6	4,983,300
Unit 7	983,100
Contingency	2,291,232
Professional Fees	715,910
<b>Subtotal</b>	<b>\$25,919,461</b>
<b>TOTAL</b>	<b>\$43,445,943</b>

(\*) Numbers may not add due to rounding.

Proceeds of the Series 2019A Bonds will be utilized to acquire and/or construct a portion of the Phase 1A Project in the estimated amount of \$15.2 million (the "2019A Project"). The Developer estimates it has expended approximately \$0.6 million in development-related expenditures to date.

The Developer may request that the District issue an additional Series of Bonds to fund the Neighborhood Infrastructure for one or more parcels (also referred to herein as a "Unit" or "Units") within Phase 1A of the Development that were not funded with proceeds of the Series 2019A Bonds to the extent it intends to develop such Units into finished lots rather than sell them as undeveloped parcels. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS – Limitation on Additional Debt" herein. The remainder of the Phase 1A Project not funded with proceeds of the Series 2019A Bonds or future series of Bonds will be funded by the Developer with equity contributions and a revolving credit facility, described further herein under the sub-heading "THE DEVELOPMENT - Land Acquisition/Development Financing." The Developer will enter into a Completion Agreement whereby the Developer will agree to complete those portions of the Phase 1A Project not funded with proceeds of the Series 2019A Bonds or future series of Bonds. The District cannot make any representation that the Developer will have sufficient funds to complete the Phase 1A Project.

## ASSESSMENT METHODOLOGY

The Methodology Consultant has prepared the Assessment Methodology Reports (as hereinafter defined) attached hereto as Appendix D that allocates the total benefit derived from the

District's CIP to the benefitted lands in the District. In addition, the Methodology Consultant has developed a Supplemental Special Assessment Methodology Report for the Special Assessment Revenue Bonds Series 2019A-1 and 2019A-2 dated September 26, 2019 (the "Supplemental Report, and together with the Master Report, the "Assessment Methodology Reports") that allocates the Series 2019A Assessments in proportion to the benefit derived from the 2019A Project.

Initially, the Series 2019A Assessments securing the Series 2019A Bonds will be levied on an equal per acre basis on the Phase 1A lands that are planned to include parcels comprising Units 1 through 7, which are intended to be developed into 676 residential lots, and Unit 16 which is intended to be developed into 115 residential lots (together, the "Series 2019A Assessment Area"). The intent of the inclusion of Unit 16 within the Series 2019A Assessment Area is to provide for an allocation of a portion of the Series 2019A Assessments to such Unit as it is currently contemplated that such Unit will be sold in bulk together with Units 4 and 5 for development of an age-restricted neighborhood by a third-party active-adult homebuilder/developer as discussed in more detail herein under the sub-heading "THE DEVELOPMENT - Land Sales/Contract Activity."

In the event of the consummation of the bulk sale of Units 4, 5, and 16, the Series 2019A-2 Assessment lien will be released on such Units at the time of closing of such bulk sale. In the event that Unit 16 is not sold in bulk with Units 4 and 5, it is anticipated that Unit 16 will not be allocated any portion of the Series 2019A Assessments and thus will be removed from the Series 2019A Assessment Area. It is not anticipated that a true-up payment will be due upon the removal of Unit 16 from the Series 2019A Assessment Area, as the Series 2019A-1 Bonds were sized to correspond to the collection of Series 2019A Assessments from Units 1 through 7, and the Series 2019A-2 Bonds were sized to ultimately correspond to the collection of Series 2019A Assessments from Units 1 and 2 as described in more detail below. See "APPENDIX D - ASSESSMENT METHODOLOGY REPORTS" attached hereto.

Pursuant to the allocation methodology set forth in the Assessment Methodology Reports and the sizing of the Series 2019A-1 Bonds, the Series 2019A Assessments levied in connection with the Series 2019A-1 Bonds (the "Series 2019A-1 Assessments") will then be allocated on a per lot basis upon the sale of Units within the Series 2019A Assessment Area with specific entitlements transferred thereto and/or platting of the Units within the Series 2019A Assessment Area. See "APPENDIX D - ASSESSMENT METHODOLOGY REPORTS" attached hereto.

The Series 2019A Assessments levied in connection with the Series 2019A-2 Bonds (the "Series 2019A-2 Assessments") will initially be allocated over all acreage within the Series 2019A Assessment Area, as noted above. The Series 2019A-2 Assessments will then be assigned on a first-platted, first assigned basis. The Series 2019A-2 Bonds were sized to correspond to the 221 residential lots within Units 1 and 2 of Phase 1A of the Development which are the first two (2) Units that the Developer intends to develop into finished lots for the sale to homebuilders. However, to the extent the Developer elects to develop Unit 4 into finished lots rather than sell such Unit to a third-party homebuilder/developer, and proceeds of the Series 2019A Bonds are utilized to develop Unit 4, then a portion of the Series 2019A-2 Assessments will be allocated to Unit 4 upon platting of the lots therein. See "APPENDIX D - ASSESSMENT METHODOLOGY REPORTS" attached hereto.

The Series 2019A-1 Assessments are expected to be paid annually over a thirty (30) year period while the Series 2019A-2 Assessments are expected to be prepaid by the Developer at the time of a lot closing with a homebuilder. The table below presents estimated principal and annual amounts of the Series 2019A Assessments that will be levied in connection with the Series 2019A Bonds.

<b>Land Use/Product Type</b>	<b># Units</b>	<b>Series 2019A-1 Bonds Principal Per Unit</b>	<b>Series 2019A-1 Bonds Gross Annual Debt Service Per Unit</b>	<b>Series 2019A-2 Bonds Principal Per Unit</b>	<b>Series 2019A-2 Bonds Net Annual Debt Service Per Unit</b>
<b>Unit 1 (Conventional Lots)</b>					
Single-Family 45'	30	\$22,943	\$1,527	\$ 2,932	\$139
Single-Family 50'	51	23,734	1,580	5,016	238
Single-Family 60'	21	25,316	1,685	9,184	436
Single-Family 65'	18	26,107	1,738	11,268	535
	<b>120</b>				
<b>Unit 2 (Conventional Lots)</b>					
Single-Family 50'	22	\$23,734	\$1,580	\$ 5,016	\$238
Single-Family 60'	79	25,316	1,685	9,184	436
	<b>101</b>				
<b>Unit 3 (Conventional Lots)</b>					
Single-Family 50'	60	\$23,734	\$1,580		
<b>Unit 4 (Age-Restricted Lots)</b>					
Single-Family 50'	92	\$23,734	\$1,580		
Single-Family 60'	26	25,316	1,685		
	<b>118</b>				
<b>Unit 5 (Age-Restricted Lots)</b>					
Single-Family 50'	56	\$23,734	\$1,580		
Single-Family 60'	45	25,316	1,685		
	<b>101</b>				
<b>Unit 6 (Conventional Lots)</b>					
Single-Family 40'	147	\$22,152	\$1,475		
<b>Unit 7 (Conventional Lots)</b>					
Single-Family 65'	29	\$26,107	\$1,738		

To the extent that the Developer does sell Units 4, 5 and 16 in bulk to a third-party active-adult homebuilder/developer as currently contemplated, it is anticipated that a portion of the Series 2019A-1 Assessments will be prepaid by the Developer at the time of such sale in order to reduce the Series 2019A-1 Assessments as to such Units to an amount not to exceed \$325 in annual principal and interest on each lot, net of County collection costs and taking into account early payment discount. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS - General" herein.

## **THE DEVELOPMENT**

*The following information appearing under the caption "THE DEVELOPMENT" has been furnished by the Developer for inclusion in this Limited Offering Memorandum as a means for the prospective Beneficial Owners of the Series 2019A Bonds to understand the anticipated*

*development plan and risks associated with the Development and the provision of infrastructure to the real property within the District. Although believed to be reliable, such information has not been independently verified by the District or its counsel, the Underwriter or its counsel, or Bond Counsel, and no person other than the Developer, subject to certain qualifications and limitations, makes any representation or warranty as to the accuracy or completeness of such information. At the time of the issuance of the Series 2019A Bonds, the Developer will represent in writing that the information herein under the caption "THE DEVELOPMENT" in any untrue statement of a material fact and does not omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading.*

Three Rivers (the "Development") encompasses approximately 1,546 acres and is planned to be developed into multiple residential and commercial tracts linked by a comprehensive network of pedestrian and multi-purpose pathways. The Development is located entirely within the County and is generally located south of State Road 200 (Hwy A1A), west of Edwards Road, north of the Nassau River and east of Boggy Creek. Direct access to the Development will be via State Road 200 (Hwy A1A) and Edwards Road.

The Development is located approximately twenty-four (24) miles north of downtown Jacksonville and twenty (20) miles west of Amelia Island Beach. The Jacksonville International Airport is approximately fifteen (15) miles south of the Development via Interstate 95, a main interstate highway route and traffic corridor that travels through the Jacksonville area and is accessible within three (3) miles east of the Development. The Development is in close proximity to medical facilities, recreational opportunities, retail shopping venues and restaurants. Medical care can be obtained at Baptist Medical Center Nassau located within twenty (20) miles of the Development. UF Health is currently constructing a comprehensive medical office building including an urgent care staffed by emergency medicine faculty within the Wildlight community located five (5) miles east of the Development. Baptist Health acquired an approximately twenty-six (26) acre site adjacent to the UF Health site. River City Market Place located fourteen (14) miles south of the Development is an open shopping mall providing for big box retailers including Best Buy, Lowes and Walmart. Additional commercial support including a Publix Supermarket is conveniently located within ten (10) miles east of the Development off of State Road 200 (Hwy A1A). A national grocery-anchored shopping center is also planned at the nearby Wildlight community. The St. Johns Town Center, a 2.0 million square foot lifestyle center located thirty-five (35) miles south of the Development at the intersection of Interstate 295 and Butler Boulevard provides for additional retail opportunities.

The Development is planned to include residential units in clustered neighborhoods and commercial, retail and office use situated throughout the Development, including approximately 3,200 residential units, 50,000 square feet of office space, 300,000 square feet of retail space, 250,000 square feet of light industrial use, and a 300-slip dry storage facility. The first phase of the Development ("Phase 1A") encompasses approximately 461 gross acres of which approximately fifty-eight (58) acres were conveyed to the County for the County Park (as hereinafter defined). Phase 1A is currently planned to include 676 residential lots situated across seven (7) parcels (such parcels also referred to herein as a "Unit" or "Units") of which at least two (2) Units are intended to be marketed as age-restricted neighborhoods. As discussed further herein, horizontal development activities within Phase 1A of the Development have commenced and are ongoing.

As described below under the sub-heading " – Series 2019A Assessment Area," the Series 2019A-1 Assessments levied in connection with the Series 2019A-1 Bonds are levied on the lands constituting Phase 1A of the Development planned for parcels comprising Units 1 through 7, which are intended to be developed into 676 residential lots, and Unit 16 intended to be developed into 115 residential lots. Further, the Series 2019A-2 Assessments levied in connection with the Series 2019A-2 Bonds are anticipated to ultimately be levied on 221 lots within Units 1 and 2 of Phase 1A of the Development. However, to the extent the Developer elects to develop Unit 4 into finished lots rather than sell such lands to a third-party homebuilder/developer, and proceeds of the Series 2019A Bonds are utilized to develop Unit 4, then a portion of the Series 2019A-2 Assessments will be allocated to Unit 4 upon platting of the lots therein. In addition, in the event of the consummation of the bulk sale of Units 4, 5, and 16, the Series 2019A-2 Assessment lien will be released on such Units at the time of closing of such bulk sale.

### **Land Acquisition/Development Financing**

The Developer acquired the lands constituting the Development in June 2019 for a total purchase price of approximately \$25.3 million. The purchase price was funded with approximately \$4.3 million in equity provided by the Developer and approximately \$20.9 million provided via a revolving line of credit (the "Credit Facility") obtained by GreenPointe Developers, LLC and provided by Fidelity Land, LLC ("Fidelity"). The Credit Facility provides for a maximum loan amount for the Development of approximately \$24.5 million on a revolving basis and is secured by a mortgage on the lands within the Development and a pledge of membership interests in the Developer and GreenPointe Developers, LLC, and is cross-defaulted with other loans that may be made to GreenPointe Developers, LLC in the future. Upon the issuance of the Series 2019A Bonds, the District, the Developer and Fidelity, will enter into a Tri-Party Agreement, whereby Fidelity grants to the District a license to use the development and contract rights under the Collateral Assignment to complete the Series 2019A Assessment Area upon an Event of Default by the Developer, provided such use of such license is not in a manner inconsistent with the continued rights of Fidelity. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS – Collateral Assignment" herein.

Proceeds of the Series 2019A Bonds will be used to acquire/construct certain improvements constituting the 2019A Project in the estimated amount of \$15.2 million. In addition to the Credit Facility, the Developer anticipates using equity to fund the remaining portions of the Phase 1A Project not funded with proceeds of the Series 2019A Bonds as well as the other development costs not included within the Phase 1A Project which include certain offsite roadway improvements and a County fire station in the estimated amounts of \$1.4 million and \$4.6 million. As discussed below under the sub-heading " – Entitlements/Zoning," the Developer is expected to receive reimbursement from the County for up to 50% of the costs of the fire station and is expected to receive impact fee credits for the remaining 50% of the costs.

As discussed further herein, development activities commenced in the third quarter of 2019. The Developer estimates it has expended approximately \$0.6 million in development-related expenditures to date. The Developer may request that the District issue an additional series of Bonds to fund the Neighborhood Infrastructure for one or more Units within Phase 1A of the Development that was not funded with proceeds of the Series 2019A Bonds to the extent the Developer intend to develop such Units into finished lots.

Further, it is the intent of the Developer to utilize proceeds from future series of Bonds, land/lot sales, the Credit Facility and equity contributions to fund the development costs for the remaining phases of the Development.

## **Entitlements/Zoning**

The Development was reclassified from Agriculture to Multi-Use on the Future Land Use Map of the Nassau County Comprehensive Plan pursuant to Ordinance 2006-67 enacted on August 28, 2006. The Development was also rezoned from Open Rural to Planned Unit Development ("PUD") pursuant to Ordinance 2006-68 (the "Three Rivers PUD") enacted on August 28, 2006. The Three Rivers PUD has been amended from time to time.

The Three Rivers PUD consists of the approximately 1,546 acres. The Three Rivers PUD zoning ordinance, as amended, establishes a master development plan review procedure which requires a Final Development Plan ("FDP"), formerly known as master development approval, to be submitted, reviewed and approved for each neighborhood or portion thereof in the Three Rivers PUD. Each FDP will go to the Nassau County Development Review Committee staff of the Planning and Economic Opportunity Department for approval. The FDP must demonstrate compliance with all sections of the Three Rivers PUD. The Developer has obtained FDP approval for Phase 1A of the Development planned for parcels comprising Units 1 through 7, which are intended to become 676 residential lots. Further, the Developer has received construction plan approval from the County for all Units in Phase 1A other than Unit 6. Construction plan approval for Units 6 and 16 will be applied for in conjunction with development for such Units.

The Development is part of the Three Rivers Development of Regional Impact (the "Three Rivers DRI"). The development order governing the Three Rivers DRI (the "Three Rivers DO") was originally approved in August 2006 and has since been amended via a series of resolutions. The Three Rivers DO, as amended, provides for the development of up to 3,200 residential units, 500,000 square feet of retail space, 50,000 square feet of office space, a 300-slip dry storage facility and 250,000 square feet of industrial use on 1,546 acres, to be constructed in two phases (which phases may include sub-phases), as detailed in the table below. The Three Rivers DO currently has a buildout date of December 8, 2030 and an expiration date of December 8, 2035, five (5) years after the buildout date. If conditions of the Three Rivers DO are met, the County cannot down-zone or reduce the unit density provided in the Three Rivers DO prior to the build-out date.

<b>Land Use</b>	<b>Phase I (2008 - 2025)</b>	<b>Phase II (2021 - 2030)</b>	<b>Total</b>
Residential (units)	1,400	1,800	<b>3,200</b>
Retail (sq. ft.)	200,000	300,000	<b>500,000</b>
Office (sq. ft.)	0	50,000	<b>50,000</b>
Dry Storage (units)	300	0	<b>300</b>
Industrial (sq. ft.)	50,000	200,000	<b>250,000</b>

The Three Rivers DO sets forth conditions related to certain items including, without limitation (a) transportation; (b) education; (c) recreation and open space; (d) affordable housing; (e) fire station; and (f) solid waste. Currently, all aspects of the Three Rivers DO governing the Three Rivers DRI are being complied with. Failure to meet the conditions set forth in the Three



Rivers DO could result in the cessation of development activities. Below is a summary of certain of the aforementioned conditions.

Transportation. Below are certain of the remaining transportation improvements as required by the Three Rivers DO (Resolution No. 2015-54) as well as certain other transportation mitigation obligations.

(a) The Developer will contribute \$3,597,000 (proportionate share contribution in 2015 dollars as escalated by the consumer price index ("CPI")) in funded transportation improvements and/or cash payments to offset the impacts of the Three Rivers DRI development to the regional transportation system, as described below.

(b) The Developer has contributed \$50,000 to Florida Department of Transportation ("FDOT") to be used for the preparation of an Interchange Operational Analysis Report. *(Complete)*

(c) Construction of phase 1 of the Three Rivers DRI will not result in any transportation deficiencies on significantly impacted roads or facilities and, as such, no proportionate share contributions are required for phase 1 of the Three Rivers DRI.

(d) The Developer shall be responsible for any County impact fees, mobility fees, or other transportation concurrency mitigation requirements associated with the development of Phase 1 of the Three Rivers DRI.

(e) Prior to issuance of any permits for vertical construction of phase 2 of the Three Rivers DRI, the Developer will be responsible for contributing \$3,547,000 (in 2005 dollars as escalated by CPI) to FDOT or the County.

Unused development rights from a particular phase carry over into subsequent phases until buildout.

Education. Pursuant to Resolution No. 2019-14, the Developer shall convey approximately twenty-seven and a half (27.5) acres of developable land free of any environmental burdens located within hurricane evacuation zone C or higher for purposes of constructing a school. All utilities shall be available at the boundary of the site and the Developer shall mitigate and eliminate any wetlands at no cost to the County School Board. The site shall be donated within thirty (30) days of the County School Board's request for donation. Additionally, homebuilders are required to pay the greater of \$3,727 per each residential unit or the then current Educational Facilities impact fee (currently \$5,430), which fee shall be paid prior to the issuance of a building permit for all residential units (inclusive of age-restricted units) constructed within the Three Rivers DRI.

Recreation and Open Space. Pursuant to Resolution No. 2008-77, the Three Rivers DRI shall include a minimum of 300 acres of overall open space. The County Park and recreational improvements include:

(a) One (1) County Park containing a minimum of forty (40) acres with active recreational facilities and containing a minimum of twenty-seven (27) acres of usable uplands to be conveyed to the County (the "County Park"). (*Conveyed to the County on August 22, 2019*).

Pursuant to a Development Agreement entered into by and between the Developer and the Board of County Commissioners ("BOCC") on February 25, 2019 (the "Park DA"), the Developer will donate/dedicate the land for the County Park to the County immediately following the first FDP for the Three Rivers DRI/PUD (such dedication has occurred). The County Park will be constructed in three (3) phases. Construction on phase 1 of the County Park will commence at the direction of the County anytime following approval of the first FDP. The County has requested the Developer delay construction on phase 1 of the County Park until November 1, 2019. Upon commencement of horizontal construction of any sub-phase or phase of the Development, the Developer shall also clear and grade the County Park as well as construct the required stormwater retention facilities and seed the uplands. Phase 1 of the County Park will include two (2) baseball fields, concession facility, a multi-purpose trail and a parking lot. Construction on phase 2 of the County Park which includes a multi-purpose field, two (2) baseball fields and a playgroup facility site (equipment to be provided by the County), will commence on or prior to issuance of the 432<sup>nd</sup> single-family residential unit certificate of occupancy ("CO"). The final phase of the County Park will commence on or prior to issuance of the 863<sup>rd</sup> single-family residential unit CO. Construction on each phase of the County Park shall be complete within twenty-two (22) months of the start of construction of each phase. If the Developer fails to comply with the terms of the Park DA, the County can cease issuance of building and development permits within the Three Rivers DRI until such time as the event of default is cured.

Pursuant to the Park DA, satisfaction of the obligations of the Park DA represents complete compliance of any and all recreation and open space obligations. No additional impact fees, payments-in-lieu of land donation or similar park-related fees are due.

(b) A boat launch ramp will be open to the public with car and trailer parking accommodations within close proximity.

*Affordable Housing.* Pursuant to Resolution No. 2006-126, the Developer has committed to provide at a minimum 100 residential units scattered throughout the Three Rivers DRI that are affordable to moderate households with prices less than \$185,000 (indexed to CPI) while maintaining the architectural style of the Development. At least fifty (50) of these units will be provided before the end of phase 1 of the Three Rivers DRI.

*Fire Station.* Pursuant to Resolution No. 2006-126, the Developer shall design a three-bay fire station at its cost and development shall commence on the fire station prior to the 100th residential building permit. Prior to the opening of the station for operations, the Developer shall provide a 75' Quint Fire Truck and a rescue unit ambulance for the station. The Developer shall receive reimbursement from the County for up to 50% of the costs of the fire station and impact fee credits for the remaining 50% of the costs. The Developer previously completed the design of the fire station and is currently in the process of redesigning the fire station in coordination with the County Fire Department.

Solid Waste. Pursuant to Resolution No. 2006-126, prior to the issuance of any permits for vertical construction in phase 2 of the Three Rivers DRI, the Developer will consult with the County to reassess landfill capacity. In the event there is insufficient capacity, the Developer will work with the County to reach a mutually satisfactory solution for solid waste disposal.

## Land Use Plan/Phasing

The Development is planned to be developed in two (2) phases, with each phase broken out in sub-phases, for the development of approximately 3,200 residential units, 50,000 square feet office space, 300,000 square feet of retail space, 250,000 square feet of light industrial use, and a 300-slip dry storage facility. A summary of the current development plan for Phase 1A and Unit 16 is provided in the table below. Unit 16 is included as it is currently anticipated to be sold together with Units 4 and 5 to a third-party homebuilder/developer for the development of an age-restricted neighborhood.

<b>Unit/Product Type</b>	<b># of Units</b>	<b>Unit/Product Type</b>	<b># of Units</b>
<b>Unit 1 (Conventional Lots)</b>		<b>Unit 5 (Age-Restricted Lots)</b>	
Single-Family 45'	30	Single-Family 50'	56
Single-Family 50'	51	Single-Family 60'	45
Single-Family 60'	21		<b>101</b>
Single-Family 65'	18	<b>Unit 6 (Conventional Lots)</b>	
	<b>120</b>	Single-Family 40'	147
<b>Unit 2 (Conventional Lots)</b>		<b>Unit 7 (Conventional Lots)</b>	
Single-Family 50'	22	Single-Family 65'	29
Single-Family 60'	79		
	<b>101</b>	<b>Unit 16 (Age-Restricted Lots)</b>	
<b>Unit 3 (Conventional Lots)</b>		Single-Family 45'	34
Single-Family 50'	60	Single-Family 50'	65
<b>Unit 4 (Age-Restricted Lots)</b>		Single-Family 65'	16
Single-Family 50'	92		<b>115</b>
Single-Family 60'	26		
	<b>118</b>		

## Development Status

As discussed in more detail below under the sub-heading "— Land Sales/Contract Activity," the Developer currently anticipates developing finished lots within Units 1, 2, 3, 6 and 7 planned for 457 residential units for sale to homebuilders for home construction thereon. Further, the Developer currently intends to sell Units 4, 5 and 16 in bulk with roads and utilities stubbed thereto to a third-party homebuilder/developer for the development of an age-restricted neighborhood. Clearing operations are currently underway for the spine road as well as Units 1 and 2 within Phase 1A of the Development. Horizontal completion of Unit 1 of Phase 1A of the Development is anticipated to occur in the second quarter of 2020 with Unit 2 to follow shortly thereafter in the fourth quarter of 2020. Development of the remaining Units within Phase 1A of the Development is expected to commence in the second quarter of 2020 and be complete in the second quarter of 2021, subject to market conditions.

## **Permitting**

As described in further detail in the Engineer's Reports, the following master permits for wetland impacts/surface water management for the entire Development have been obtained (i) a U.S. Army Corps of Engineers permit valid through August 2033; and (ii) a conceptual permit from the St. Johns River Water Management District ("SJRWMD") valid through April 6, 2038. Further, an Environmental Resource Permit for storm water management system from SJRWMD and permits from the Department of Environmental Protection for water and wastewater system for all of Phase 1A of the Development planned for 676 residential lots have been obtained. Finally, construction plan approval for all of Phase 1A (with the exception of Unit 6) has been obtained from the County. Construction plan approval for Unit 16 will be obtained as needed.

Upon the issuance of the Series 2019A Bonds, the District Engineer will certify that any permits and approvals necessary for the infrastructure specific to Phase 1A of the Development that have not previously been obtained are expected to be obtained in the ordinary course of business.

## **Environmental**

In conjunction with its purchase of the lands within the Development, the Developer commissioned a Phase I Environmental Site Assessment, dated November 2018 (the "Phase I ESA") from Environmental Services, Inc. The Phase I ESA revealed no evidence of environmentally recognized conditions.

## **Utilities**

JEA will provide water services, wastewater treatment services and reclaimed water services to the Development and has issued a capacity letter stating it currently has sufficient water and wastewater capacity to serve the entire Development. However, it is not until construction plan approval that capacity is vested. As previously stated herein, the Developer has received construction plan approval for all of Phase 1A other than Unit 6.

Florida Power & Light will provide electric service to the Development and Florida Public Utility is anticipated to provide natural gas to the Development. Additionally, a bulk installation and service agreement is in place with Comcast to provide broadband communications to the Development.

## **Land Sales/Contract Activity**

It is currently the intent of the Developer to sell finished lots to builders within Units 1, 2, 3, 6, and 7 of Phase 1A of the Development planned for 457 residential units. The Developer has received eight (8) letters of intent from national, regional and local builders expressing interest in buying a portion or all of the lots in Units 1, 2 and 3 of Phase 1A which comprise a total of 281 lots. Based upon current discussions with the builders, it is anticipated that the builder program for the 281 lots in Units, 1, 2 and 3 will include two (2) national builders and one (1) regional builder that are among today's market leaders in the Jacksonville MSA. Based upon the current status of development activities and projected completion dates of the same, it is anticipated that the builders will close on all the lots in Unit 1 and Unit 2 planned for 221 lots within twelve (12)

months after the completion of development and the remaining sixty (60) lots in Unit 3 upon final completion. The Developer expects to enter into contracts for the sale of the lots in Units 1, 2 and 3 in the next sixty (60) days.

In addition to the conventional lots described above, the Developer has been in discussions with national builders that are market leaders in developing age-restricted communities. The Developer has received three (3) letters of intent for developed and undeveloped lots. The Developer is currently proceeding with contract negotiations with a national builder that is actively developing other age-restricted communities in the Jacksonville MSA. The Developer has delivered a contract which provides for a bulk purchase of Units 4 and 5 planned for 219 residential lots, and Unit 16 planned for 115 residential lots with a right of first offer on adjacent land that could yield an additional 100+ lots. As previously stated herein, the Developer has obtained all necessary permits to commence development of Units 4 and 5. Unit 16 has been master-planned for 115 residential lots and the prospective buyer will be responsible for finalizing the design and permitting for Unit 16. The prospective buyer of Units 4, 5 and 16 will also be responsible for the design, construction and operation of the separate recreational facilities serving such lots. The Developer expects to enter into a purchase and sale agreement for the 334 lots planned in Units 4, 5 and 16 in the next sixty (60) days and to close on such property in the first quarter of 2020.

### **Series 2019A Assessment Area**

Initially, the Series 2019A Assessment Area will comprise the Phase 1A lands that are benefitted by the 2019A Project, including the planned 676 residential lots within Units 1 through 7, and Unit 16 which is planned to include 115 residential lots. The intent of the inclusion of Unit 16 within the Series 2019A Assessment Area is to provide for an allocation of a portion of the Series 2019A Assessments to such Unit as it is currently contemplated that such Unit will be sold in bulk together with Units 4 and 5 for development of an age-restricted neighborhood by a third-party homebuilder/developer as discussed in more detail herein under the sub-heading "THE DEVELOPMENT - Land Sales/Contract Activity." In addition, in the event of the consummation of the bulk sale of Units 4, 5, and 16, the Series 2019A-2 Assessment lien will be released on such Units at the time of closing of such bulk sale. In the event that Unit 16 is not sold in bulk with Units 4 and 5, it is anticipated that Unit 16 will not be allocated any portion of the Series 2019A Assessments and thus will be removed from the Series 2019A Assessment Area. It is not anticipated that a true-up payment will be due upon the removal of Unit 16 from the Series 2019A Assessment Area, as the Series 2019A-1 Bonds were sized to correspond to the collection of Series 2019A Assessments from Units 1 through 7, and the Series 2019A-2 Bonds were sized to ultimately correspond to the collection of Series 2019A Assessments from Units 1 and 2 as described in more detail below.

Pursuant to the allocation methodology set forth in the Assessment Methodology Reports and the sizing of the Series 2019A-1 Bonds, the Series 2019A-1 Assessments will then be allocated on a per lot basis upon the sale of Units within the Series 2019A Assessment Area with specific entitlements transferred thereto and/or platting of Units within the Series 2019A Assessment Area. The Series 2019A-2 Assessments will initially be allocated over all acreage within the Series 2019A Assessment Area. The Series 2019A-2 Bonds were sized to correspond to the 221 residential lots planned within Units 1 and 2 of Phase 1A of the Development which are the first two (2) Units that the Developer intends to develop into finished lots for the sale to homebuilders.

However, to the extent the Developer elects to develop Unit 4 into finished lots rather than sell such Unit to a third-party homebuilder/developer, and proceeds of the Series 2019A-2 Bonds are utilized to develop Unit 4, then a portion of the Series 2019A-2 Assessments will be allocated to Unit 4 upon platting of the lots therein.

### Projected Absorption

As previously discussed herein, it is the intent of the Developer to sell finished lots within Units 1, 2, 3, 6 and 7 in Phase 1A to builders and Units 4, 5 and 16 in bulk to a third-party active-adult homebuilder/developer. The following table sets forth the Developer's anticipated pace of finished lot and bulk land sales accordingly. Home sales are expected to commence by the respective builders in the second quarter of 2020.

<b>Product Type</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
<b>Conventional Lots</b>				
Single-Family 40'	74	73	0	147
Single-Family 45'	30	0	0	30
Single-Family 50'	51	82	0	133
Single-Family 60'	21	79	0	100
Single-Family 65'	18	0	29	47
	<b>194</b>	<b>234</b>	<b>29</b>	<b>457</b>
<b>Age-Restricted Lots (bulk sale)</b>				
Single-Family 45'	34			34
Single-Family 50'	213	0	0	213
Single-Family 60'	71	0	0	71
Single-Family 65'	16	0	0	16
	<b>334</b>	<b>0</b>	<b>0</b>	<b>334</b>
<b>Total</b>	<b>528</b>	<b>234</b>	<b>29</b>	<b>791</b>

Although the projected absorption rate shown above is based upon estimates and assumptions made by the Developer, and although considered reasonable by the Developer utilizing historical data, and taking into account current market conditions, it is nonetheless inherently uncertain and subject to significant business, economic, and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Developer. In particular, historical data will likely not be indicative of future market conditions. The Developer cannot predict with certainty the pace of new home sales and deliveries, whether there could be a significant slowing of new home sales in the future as a result of market conditions, and the extent to which such market conditions might impact the Development. As a result, there can be no assurance that the absorption will occur or be realized in the manner set forth herein.

## Residential Product Offerings in Phase 1A

Phase 1A of the Development is planned to include homesites ranging in size from 1,400 to 3,800 square feet with average home prices starting in the low \$200s. The table below illustrates the current product type and pricing information for the homes that are anticipated to be offered within the community, which information is subject to change.

<u>Product Type</u>	<u>Square Footage</u>	<u>Base Price Points</u>
Single-Family 40'	1,400 – 2,000	\$210,000 - \$260,000
Single-Family 45'	1,500 – 2,400	225,000 - \$280,000
Single-Family 50'	1,600 – 2,800	240,000 - \$320,000
Single-Family 60'	1,650 – 3,200	250,000 - \$340,000
Single-Family 65'	2,400 – 3,800	280,000 - \$360,000

## Recreational Facilities

The Development is currently planned to include certain amenities which may include a clubhouse featuring a state-of-the-art fitness center, a large resort-style pool, playgrounds, multi-use fields, sport courts, pocket parks, a trail system, conservation areas, and a kayak launch into Boggy Creek. Construction of the Phase 1A portion of the recreational facilities is estimated to commence in the second quarter of 2020 with completion expected by the fourth quarter of 2021. The recreational facilities are included as part of the CIP at an estimated cost of \$10 million. The amenities are planned to be constructed in phases with the initial phase included as part of the Phase 1A Project in the estimated amount of \$6 million.

In addition to the District's recreational facilities, it is anticipated that the age-restricted neighborhoods will have a private amenity facility reserved for the use of the residents within such neighborhoods.

## Marketing

The Developer intends to undertake a comprehensive marketing effort for the Development in its entirety. Such effort is intended to utilize a marketing campaign that includes extensive digital, print marketing, and public relations, including creative materials, branded content, social and interactive media, and a community website. The Development is planned to offer information regarding the various neighborhoods, amenities, and the overall lifestyle of the Development to future residents within the amenity clubhouse. Further, it is anticipated that each of the homebuilders in the Development will employ their own marketing efforts to market their respective homes. It is anticipated that builders will contribute to the Developer's marketing effort via a payment at the time of each third-party home sale.

## Schools

Based upon current school zoning, children residing in the Development would generally attend Wildlight Elementary, Yulee Middle School, and Yulee High School. Wildlight Elementary and Yulee High each received a grade of "A" from the Florida Department of Education in 2019. Yulee Middle received a grade of "B" during the same period. Wildlight Elementary, Yulee Middle and Yulee High are all located approximately five (5) miles east of the Development.

As previously discussed, the Developer will convey approximately twenty-seven and a half (27.5) acres of developable land to the Nassau County School Board for purposes of constructing a school which is the School Board currently anticipates will be an elementary school.

### **Fees and Assessments**

Each homeowner residing in the Series 2019A 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 2019A Assessments, homeowners' association fees, and administrative, operation and maintenance assessments levied by the District as described in more detail below.

Property Taxes. The 2018 millage rate for the area of the County where the Development is located is approximately 16.3423. Accordingly, by way of example, the annual property taxes for a \$275,000 home would be approximately \$4,086 after accounting for a \$25,000 homestead exemption.

Homeowner's Association Fee. All homeowners in the conventional (not-aged restricted) Units will be subject to an annual master homeowner's association ("Master HOA") fee for architectural review and deed restriction enforcement. The Master HOA fee is expected to be \$125 and will vary annually based on the adopted budget by the Master HOA for a particular year. Further, it is anticipated that the age-restricted neighborhoods will have their own association to provide for the ownership and maintenance of facilities owned by such association including recreational facilities as well as other services homeowners' such as individual lawn care.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



***District Special Assessments.*** All homeowners residing in the Series 2019A Assessment Area will be subject to the Series 2019A-1 Assessments levied in connection with the Series 2019A-1 Bonds which are expected to be paid annually over a thirty (30) year period. However, in the event that Unit 16 is not sold in bulk with Units 4 and 5, it is anticipated that Unit 16 will not be allocated any portion of the Series 2019A Assessments and thus will be removed from the Series 2019A Assessment Area. In addition, certain Units of Phase 1A of the Development, currently anticipated to be Units 1 and 2, will ultimately be subject to the Series 2019A-2 Assessments levied in connection with the Series 2019A-2 Bonds which are anticipated to be prepaid at the time of sale of lots to builders. The table below illustrates the aforementioned Series 2019A Assessments that will be levied by the District for each of the respective product types and Units within the Series 2019A Assessment Area (with the exception of Unit 16).

<b>Land Use/Product Type</b>	<b># Units</b>	<b>Series 2019A-1 Bonds Principal Per Unit</b>	<b>Series 2019A-1 Bonds Gross Annual Debt Service Per Unit</b>	<b>Series 2019A-2 Bonds Principal Per Unit</b>	<b>Series 2019A-2 Bonds Net Annual Debt Service Per Unit</b>
<b>Unit 1 (Conventional Lots)</b>					
Single-Family 45'	30	\$22,943	\$1,527	\$ 2,932	\$139
Single-Family 50'	51	23,734	1,580	5,016	238
Single-Family 60'	21	25,316	1,685	9,184	436
Single-Family 65'	18	26,107	1,738	11,268	535
	<b>120</b>				
<b>Unit 2 (Conventional Lots)</b>					
Single-Family 50'	22	\$23,734	\$1,580	\$ 5,016	\$238
Single-Family 60'	79	25,316	1,685	9,184	436
	<b>101</b>				
<b>Unit 3 (Conventional Lots)</b>					
Single-Family 50'	60	\$23,734	\$1,580		
<b>Unit 4 (Age-Restricted Lots)</b>					
Single-Family 50'	92	\$23,734	\$1,580		
Single-Family 60'	26	25,316	1,685		
	<b>118</b>				
<b>Unit 5 (Age-Restricted Lots)</b>					
Single-Family 50'	56	\$23,734	\$1,580		
Single-Family 60'	45	25,316	1,685		
	<b>101</b>				
<b>Unit 6 (Conventional Lots)</b>					
Single-Family 40'	147	\$22,152	\$1,475		
<b>Unit 7 (Conventional Lots)</b>					
Single-Family 65'	29	\$26,107	\$1,738		

To the extent that the Developer does sell Units 4, 5 and 16 in bulk to a third-party active-adult homebuilder/developer as currently contemplated, it is anticipated that a portion of the Series 2019A-1 Assessments will be prepaid by the Developer at the time of such sale in order to reduce the Series 2019A-1 Assessments as to such Units to an amount not to exceed \$325 in annual principal and interest on each lot, net of County collection costs and taking into account early payment discount. In addition, in the event of the consummation of the bulk sale of Units 4, 5, and 16, the per acre lien on the Series 2019A Assessment Area of the Series 2019A-2 Bonds will be released on such Units at the time of the bulk sale. In the event that Unit 16 is not sold in bulk

with Units 4 and 5, it is anticipated that Unit 16 will not be allocated any portion of the Series 2019A Assessments and thus will be removed from the Series 2019A Assessment Area. It is not anticipated that a true-up payment will be due upon the removal of Unit 16 from the Series 2019A Assessment Area, as the Series 2019A-1 Bonds were sized to correspond to the collection of Series 2019A Assessments from Units 1 through 7, and the Series 2019A-2 Bonds were sized to ultimately correspond to the collection of Series 2019A Assessments from Units 1 and 2 as described in more detail below. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS - General" herein and "APPENDIX D - ASSESSMENT METHODOLOGY REPORTS" attached hereto.

*District O&M Assessments.* In addition to the Series 2019A Assessments, all homeowners will be subject to annual operation and maintenance assessments ("O&M Assessments") levied by the District which are derived from the District's annual budget and are subject to change each year. The annual O&M Assessments are estimated to range from \$500 - \$800, but may be adjusted as to certain neighborhoods based on the services provided.

## **Competition**

It is anticipated the Development will provide homesites in an emerging market by replacing sold out communities. The Developer anticipates the primary competition for the District will come from Wildlight, Amelia Concourse, Flora Parke, Plummer Creek, and Heron Isles. The information appearing below has been obtained from publicly available sources and the District makes no representation as to the accuracy or completeness of such information.

*Wildlight*, a large-scale community located one-half (1/2) mile east of Interstate 95 on S.R. 200/Highway A1A, serves as the Development's primary competition. Wildlight is planned to be a 2,900-acre mixed-use development approved for seven (7) million square-feet of office, commercial, medical, industrial and residential use. The development is expected to include 3,200 residential units upon build out with average sales prices in the high \$300s. Development activities in Wildlight Phase 1A have commenced which consists of a portion of the Village Center planned for approximately 285,000 square feet of mixed-use space, 279 apartments and eighty-four (84) single-family residential lots. Horizontal development in Phase 1A is substantially complete and vertical development in Phase 1A has also commenced.

*Amelia Concourse* encompasses approximately 200 acres and is planned to consist of 458 single-family units. Amelia Concourse, located within twelve (12) miles of the Development, is expected to attract middle-income to upper-income families seeking a community-oriented lifestyle in an amenitized, upscale community. Community facilities include three (3) swimming pools including a beach access to one of the pools with a water park, a clubhouse with over 3,000 square feet of covered area, a playground and parking. The current estimated average home square footage is 2,559 with an estimated average sales price in the low \$300s. The development is approximately sixty-five percent (65%) sold out.

*Flora Parke* is a master-planned, subdivision with very limited amenities consisting of a community playground and basketball court. It is located further north along Amelia Concourse. The community is planned for 662 homes with prices ranging from the low \$200s to over \$300s. The development is approximately eighty-five percent (85%) sold out.

*Plummer Creek* is a Dream Finders Home community, located immediately adjacent to the Development on the opposite side of Edwards Road and is nearly sold out to end-users. Homes range in size from 1,711 – 3,518 square feet with prices averaging in the low \$300s. Amenities include a clubhouse and community pool. The development is approximately eighty percent (80%) sold out.

*Heron Isles* is located on the east side of Chester Road and approximately ten (10) miles from the Development. Heron Isles contains 740 residential units and a 50-acre recreation area which consists of playgrounds, open play fields and gazebos overlooking the playgrounds and open play fields, bathroom facilities and overflow parking. Homes range in size from 1,179 to 3,237 square feet with an average home sales price in the low \$200s. The development is approximately ninety-five percent (95%) sold out.

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

## **THE DEVELOPER**

*The following information appearing under the caption "THE DEVELOPER" has been furnished by the Developer for inclusion in this Limited Offering Memorandum. Although believed to be reliable, such information has not been independently verified by the District or its counsel, the Underwriter or its counsel, or Bond Counsel, and no person other than the Developer, subject to certain qualifications and limitations, makes any representation or warranty as to the accuracy or completeness of such information. At the time of the issuance of the Series 2019A Bonds, the Developer will represent in writing that the information herein under the captions "THE DEVELOPER" and "LITIGATION - The Developer" (as it relates to the Developer) does not contain any untrue statement of a material fact and does not omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading.*

*The Developer's obligation to pay the Series 2019A Assessments is limited solely to the obligation of any 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 interest in the land subject to the Series 2019A Assessments. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS" herein.*

The landowner and developer of the lands constituting the Development is Three Rivers Developers, LLC (the "Developer"), a Delaware limited liability company, which is a wholly owned subsidiary of GreenPointe Developers, LLC, a Delaware limited liability company. The majority of the membership interests in GreenPointe Developers, LLC are held by GreenPointe Holdings, LLC ("GreenPointe Holdings"), a Florida limited liability company, which entity serves as the administrative member of GreenPointe Developers, LLC.

GreenPointe Holdings was founded by Edward E. Burr in 2008 with a charge to create livable communities of lasting value that fit the needs of today's homebuyers. Prior to leading

GreenPointe Holdings, Mr. Burr founded the LandMar Group, LLC ("LandMar") in 1987 and led the company's creation of master-planned, award-winning communities in Florida and coastal Georgia. Under his leadership, LandMar acquired, designed, entitled and developed more than thirty (30) master-planned communities and developments. GreenPointe Holdings and each of its divisions are led by veterans of land and community development, homebuilding, lifestyle and amenities management, equity and debt financing, and infrastructure development. The GreenPointe Holding team's collective experience includes raising and investing more than \$800 million to develop 100,000 acres of land, build 80,000 home sites and construct 30,000 homes. Including the Development, GreenPointe Holdings and its partners own twelve (12) Florida communities and developments totaling approximately 11,000 lots and several hundred acres of land entitled for multi-family residential, retail and office use.

## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Bond Counsel, the proposed form of which is included as Appendix B hereto, the interest on the Series 2019A Bonds is, under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), excludable from federal gross income and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under existing statutes, regulations, published rulings and court decisions. Such opinion assumes compliance by the District with the tax covenants set forth in the 2019A Indenture and the accuracy of certain representations included in the closing transcript for the Series 2019A Bonds. Failure by the District to comply subsequent to the issuance of the Series 2019A Bonds with certain requirements of the Code, regarding the use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2019A Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue. The District has covenanted in the 2019A Indenture to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2019A Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenant.

### **Internal Revenue Code of 1986**

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

### **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 2019A Bonds. Prospective purchasers of the Series 2019A Bonds should

be aware that the ownership of the Series 2019A Bonds may result in collateral federal tax consequences.

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

### **Other Tax Matters**

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

### **Tax Treatment of Original Issue Discount**

Under the Code, the difference between the maturity amount of the Series 2019A-1 Bonds (collectively, the "Discount Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." For federal income tax purposes, original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded on each interest payment date (or over a shorter permitted compounding interval selected by the Owner). A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds subject to the same considerations discussed above, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. The federal income tax consequences of the purchase, ownership

and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

### **AGREEMENT BY THE STATE**

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2019A 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 2019A 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 2019A 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 2019A Bonds. Investment in the Series 2019A 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. Additional information will be made available to each prospective investor, including the benefit of a site visit to the District, and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Series 2019A Bonds. Prospective investors are encouraged to request such additional information, visit the District and ask such questions. Such requests should be directed to the Underwriter at: MBS Capital Markets, LLC, 152 Lincoln Avenue, Winter Park, Florida 32789.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the Owners of the Series 2019A Bonds upon an event of default under the 2019A 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 2019A Indenture and the Series 2019A Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2019A 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 pending or, to the knowledge of the District, threatened, against the District of any nature whatsoever which in any way questions or affects the validity of the Series 2019A Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the execution of the 2019A Indenture. Neither the creation, organization or existence of the District, nor the title of the present members of the Board or the District Manager is being contested.

### **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 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 2019A 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 District Engineer, the Underwriter and the Trustee, with respect to the authorization, sale, execution and delivery of the Series 2019A Bonds. Except for the payment of fees to District Counsel, the Methodology Consultant and the District Engineer, the payment of fees of the other professionals, including Underwriter's Counsel and Trustee's Counsel, is each contingent upon the issuance of the Series 2019A Bonds.

## **NO RATING**

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

## **EXPERTS**

The Engineer's Reports attached hereto as Appendix C have been prepared by the District Engineer. Appendix C should be read in its entirety for complete information with respect to the subjects discussed therein.

The Assessment Methodology Reports attached hereto as Appendix D have been prepared by the Methodology Consultant. Appendix D should be read in its entirety for complete information with respect to the subjects discussed therein.

## **FINANCIAL INFORMATION**

Beginning October 1, 2015, community development districts in Florida must have a separate website with certain information as set forth in Section 189.069, F.S. 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 has a website and it is <https://threeriverscdd.com>.

## **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 never been in default on any bonds or other debt obligations since December 31, 1975. The District has not issued bonds prior to the Series 2019A Bonds.

## **CONTINUING DISCLOSURE**

To assist the Underwriter in complying with the Rule, simultaneously with the issuance of the Series 2019A Bonds, the District and the Developer will enter into a Continuing Disclosure Agreement with Governmental Management Services, LLC, as dissemination agent and the Trustee (the "Continuing Disclosure Agreement") substantially in the form attached hereto as "APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto. The District and the Developer, each as an "obligated person" under the Rule, have covenanted in the Continuing Disclosure Agreement to provide certain financial information and operating data



relating to the Series 2019A Bonds (the "Reports"), and to provide notices of the occurrence of certain enumerated events. The Reports and notices of certain enumerated events, when and if they occur, shall be timely filed by the District and the Developer with the Electronic Municipal Market Access system. The specific nature of the financial information, operating data, and the type of events which trigger a disclosure obligation, and other details of the District's and the Developer's undertakings are more fully described in "APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto. Failure to comply with the requirements of the Continuing Disclosure Agreement will not result in an Event of Default under the 2019A Indenture.

Neither the District or the Developer have previously been a party to any continuing disclosure undertaking. With respect to the Series 2019A Bonds, no parties other than the District and the Developer are obligated to provide, nor is expected to provide, any continuing disclosure information at this time, as more fully described in "APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto.

## **UNDERWRITING**

MBS Capital Markets, LLC (the "Underwriter"), has agreed, pursuant to a bond purchase agreement with the District, subject to certain conditions, to purchase (a) the Series 2019A-1 Bonds from the District at a purchase price of \$15,774,452.55 (consisting of \$16,170,000.00 par amount of the Series 2019A-1 Bonds, less an Underwriter's discount in the amount of \$323,400.00 and less original issue discount in the amount of \$72,147.45), and (b) the Series 2019A-2 Bonds from the District at a purchase price of \$1,543,500.00 (consisting of \$1,575,000.00 par amount of the Series 2019A-2 Bonds, less an Underwriter's discount in the amount of \$31,500.00). The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the Series 2019A Bonds if they are purchased.

The Underwriter intends to offer the Series 2019A 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 2019A 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 Bonds within the meaning of the Master Indenture were validated by a final judgment of the Fourth Judicial Circuit Court in and for Clay, Duval and Nassau Counties, Florida, entered on April 15, 2019 (the "Judgment"). The appeal period from such Judgment has expired with no appeal being taken.

## **LEGAL MATTERS**

Certain legal matters related to the authorization, sale and delivery of the Series 2019A Bonds are subject to the approval of Akerman LLP, Jacksonville, Florida, Bond Counsel. Certain

legal matters will be passed upon for the District by its counsel Hopping Green & Sams, P.A., Tallahassee, 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 Internal Revenue Service 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 2019A 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 sale of the Series 2019A 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 2019A Bonds.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

## **AUTHORIZATION AND APPROVAL**

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

### **THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT**

By: /s/ Liam O'Reilly

Liam O'Reilly

Chairman, Board of Supervisors

[THIS PAGE INTENTIONALLY LEFT BLANK]

## **APPENDIX A**

### **FORMS OF THE MASTER INDENTURE AND THE FIRST SUPPLEMENTAL INDENTURE**

[THIS PAGE INTENTIONALLY LEFT BLANK]

---

---

**MASTER TRUST INDENTURE**

\_\_\_\_\_

between

**THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT**

and

**U.S. BANK NATIONAL ASSOCIATION,**

as Trustee

\_\_\_\_\_

**Dated as of September 1, 2019**

\_\_\_\_\_

relating to

**THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS**

---

---

## TABLE OF CONTENTS

Article I	
DEFINITIONS	
Article II	
THE BONDS	
SECTION 2.01.	<u>Amounts and Terms of Bonds; Details of Bonds</u> .....17
SECTION 2.02.	<u>Execution</u> .....19
SECTION 2.03.	<u>Authentication</u> .....19
SECTION 2.04.	<u>Registration and Registrar</u> .....19
SECTION 2.05.	<u>Mutilated, Destroyed, Lost or Stolen Bonds</u> .....19
SECTION 2.06.	<u>Temporary Bonds</u> .....20
SECTION 2.07.	<u>Cancellation and Destruction of Surrendered Bonds</u> .....20
SECTION 2.08.	<u>Registration, Transfer and Exchange</u> .....20
SECTION 2.09.	<u>Persons Deemed Owners</u> .....21
SECTION 2.10.	<u>Limitation on Incurrence of Certain Indebtedness</u> .....21
SECTION 2.11.	<u>Qualification for The Depository Trust Company</u> .....21
Article III	
ISSUE OF BONDS	
SECTION 3.01.	<u>Issue of Bonds</u> .....23
Article IV	
ACQUISITION AND CONSTRUCTION OF PROJECT	
SECTION 4.01.	<u>Project to Conform to Plans and Specifications; Changes</u> .....26
SECTION 4.02.	<u>Compliance Requirements</u> .....26
Article V	
ACQUISITION AND CONSTRUCTION FUND	
SECTION 5.01.	<u>Acquisition and Construction Fund</u> .....26
Article VI	
SPECIAL ASSESSMENTS;	
APPLICATION THEREOF TO FUNDS AND ACCOUNTS	
SECTION 6.01.	<u>Special Assessments; Lien of Indenture on Pledged Revenues</u> .....28
SECTION 6.02.	<u>Funds and Accounts Relating to the Bonds</u> .....29
SECTION 6.03.	<u>Revenue Fund</u> .....29
SECTION 6.04.	<u>Debt Service Fund</u> .....31
SECTION 6.05.	<u>Debt Service Reserve Fund</u> .....32
SECTION 6.06.	<u>Bond Redemption Fund</u> .....34
SECTION 6.07.	<u>Drawings on Credit Facility</u> .....35
SECTION 6.08.	<u>Procedure When Funds Are Sufficient to Pay All Bonds of a Series</u> .....35
SECTION 6.09.	<u>Certain Moneys to Be Held for Series Bondholders Only</u> .....36
SECTION 6.10.	<u>Unclaimed Moneys</u> .....36
SECTION 6.11.	<u>Rebate Fund</u> .....36

## Article VII SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS

SECTION 7.01.	<u>Deposits and Security Therefor</u> .....37
SECTION 7.02.	<u>Investment or Deposit of Funds</u> .....37
SECTION 7.03.	<u>Valuation of Funds</u> .....38
SECTION 7.04.	<u>Brokerage Confirmations</u> .....39

## Article VIII REDEMPTION AND PURCHASE OF BONDS

SECTION 8.01.	<u>Redemption Dates and Prices</u> .....39
SECTION 8.02.	<u>Notice of Redemption and of Purchase</u> .....40
SECTION 8.03.	<u>Payment of Redemption Price</u> .....42
SECTION 8.04.	<u>Partial Redemption of Bonds</u> .....42

## Article IX COVENANTS OF THE ISSUER

SECTION 9.01.	<u>Power to Issue Bonds and Create Lien</u> .....42
SECTION 9.02.	<u>Payment of Principal and Interest on Bonds</u> .....43
SECTION 9.03.	<u>Special Assessments; Re-Assessments</u> .....43
SECTION 9.04.	<u>Method of Collection</u> .....44
SECTION 9.05.	<u>Delinquent Special Assessments</u> .....45
SECTION 9.06.	<u>Sale of Tax Certificates and Issuance of Tax Deeds; Foreclosure of Special Assessment Liens</u> .....45
SECTION 9.07.	<u>Books and Records with Respect to Special Assessments</u> .....46
SECTION 9.08.	<u>Removal of Special Assessment Liens</u> .....46
SECTION 9.09.	<u>Deposit of Special Assessments</u> .....47
SECTION 9.10.	<u>Construction to be on District Lands</u> .....47
SECTION 9.11.	<u>Operation, Use and Maintenance of Project</u> .....48
SECTION 9.12.	<u>Observance of and Compliance with Valid Requirements</u> .....48
SECTION 9.13.	<u>Payment of Operating or Maintenance Costs by State or Others</u> .....48
SECTION 9.14.	<u>Public Liability and Property Damage Insurance; Maintenance of Insurance; Use of Insurance and Condemnation Proceeds</u> .....48
SECTION 9.15.	<u>Collection of Insurance Proceeds</u> .....50
SECTION 9.16.	<u>Use of Revenues for Authorized Purposes Only</u> .....50
SECTION 9.17.	<u>Books, Records and Annual Reports</u> .....50
SECTION 9.18.	<u>Observance of Accounting Standards</u> .....51
SECTION 9.19.	<u>Employment of Certified Public Accountant</u> .....51
SECTION 9.20.	<u>Establishment of Fiscal Year, Annual Budget</u> .....51
SECTION 9.21.	<u>Employment of Consulting Engineer; Consulting Engineer's Report</u> .....51
SECTION 9.22.	<u>Audit Reports</u> .....52
SECTION 9.23.	<u>Issuer Records</u> .....52
SECTION 9.24.	<u>Covenant Against Sale or Encumbrance; Exceptions</u> .....52
SECTION 9.25.	<u>No Loss of Lien on Pledged Revenue</u> .....53
SECTION 9.26.	<u>Compliance With Other Contracts and Agreements</u> .....53
SECTION 9.27.	<u>Issuance of Additional Obligations</u> .....53
SECTION 9.28.	<u>Extension of Time for Payment of Interest Prohibited</u> .....53



SECTION 9.29.	<u>Further Assurances</u> .....	53
SECTION 9.30.	<u>Use of Bond Proceeds to Comply with Internal Revenue Code</u> .....	53
SECTION 9.31.	<u>Corporate Existence and Maintenance of Properties</u> .....	54
SECTION 9.32.	<u>Bankruptcy or Insolvency of Landowner</u> .....	54
SECTION 9.33.	<u>Continuing Disclosure</u> .....	55

#### Article X

##### EVENTS OF DEFAULT AND REMEDIES

SECTION 10.01.	<u>Events of Default and Remedies</u> .....	55
SECTION 10.02.	<u>Events of Default Defined</u> .....	55
SECTION 10.03.	<u>No Acceleration; Redemption</u> .....	57
SECTION 10.04.	<u>Legal Proceedings by Trustee</u> .....	57
SECTION 10.05.	<u>Discontinuance of Proceedings by Trustee</u> .....	57
SECTION 10.06.	<u>Bondholders May Direct Proceedings</u> .....	58
SECTION 10.07.	<u>Limitations on Actions by Bondholder</u> .....	58
SECTION 10.08.	<u>Trustee May Enforce Rights Without Possession of Bonds</u> .....	58
SECTION 10.09.	<u>Remedies Not Exclusive</u> .....	58
SECTION 10.10.	<u>Delays and Omissions Not to Impair Rights</u> .....	58
SECTION 10.11.	<u>Application of Moneys in Event of Default</u> .....	58
SECTION 10.13.	<u>Trustee's Right to Receiver; Compliance with Act</u> .....	59
SECTION 10.14.	<u>Trustee and Bondholders Entitled to all Remedies under Act</u> .....	59
SECTION 10.15.	<u>Credit Facility Issuer's Rights Upon Events of Default</u> .....	60

#### Article XI

##### THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

SECTION 11.01.	<u>Acceptance of Trust</u> .....	60
SECTION 11.02.	<u>No Responsibility for Recitals</u> .....	60
SECTION 11.03.	<u>Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence</u> .....	60
SECTION 11.04.	<u>Compensation and Indemnity</u> .....	61
SECTION 11.05.	<u>No Duty to Renew Insurance</u> .....	61
SECTION 11.06.	<u>Notice of Default; Right to Investigate</u> .....	61
SECTION 11.07.	<u>Obligation to Act on Defaults</u> .....	62
SECTION 11.08.	<u>Reliance by Trustee</u> .....	62
SECTION 11.09.	<u>Trustee May Deal in Bonds</u> .....	62
SECTION 11.10.	<u>Construction of Ambiguous Provisions</u> .....	62
SECTION 11.11.	<u>Resignation of Trustee</u> .....	62
SECTION 11.12.	<u>Removal of Trustee</u> .....	63
SECTION 11.13.	<u>Appointment of Successor Trustee</u> .....	63
SECTION 11.14.	<u>Qualification of Successor</u> .....	63
SECTION 11.15.	<u>Instruments of Succession</u> .....	63
SECTION 11.16.	<u>Merger of Trustee</u> .....	64
SECTION 11.17.	<u>Extension of Rights and Duties of Trustee to Paying Agent and Registrar</u> .....	64
SECTION 11.18.	<u>Resignation of Paying Agent or Registrar</u> .....	64
SECTION 11.19.	<u>Removal of Paying Agent or Registrar</u> .....	64
SECTION 11.20.	<u>Appointment of Successor Paying Agent or Registrar</u> .....	65
SECTION 11.21.	<u>Qualifications of Successor Paying Agent or Registrar</u> .....	65

SECTION 11.22.	<u>Judicial Appointment of Successor Paying Agent or Registrar</u> .....	65
SECTION 11.23.	<u>Acceptance of Duties by Successor Paying Agent or Registrar</u> .....	65
SECTION 11.24.	<u>Successor by Merger or Consolidation</u> .....	66
SECTION 11.25.	<u>Patriot Act Requirements of Trustee</u> .....	66

#### Article XII

##### ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS

SECTION 12.01.	<u>Acts of Bondholders; Evidence of Ownership of Bonds</u> .....	66
----------------	--	----

#### Article XIII

##### AMENDMENTS AND SUPPLEMENTS

SECTION 13.01.	<u>Amendments and Supplements Without Bondholders' Consent</u> .....	66
SECTION 13.02.	<u>Amendments With Bondholders' Consent</u> .....	67
SECTION 13.03.	<u>Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel</u> .....	67

#### Article XIV

##### DEFEASANCE

SECTION 14.01.	<u>Defeasance</u> .....	68
SECTION 14.02.	<u>Deposit of Funds for Payment of Bonds</u> .....	68

#### Article XV

##### MISCELLANEOUS PROVISIONS

SECTION 15.01.	<u>Limitations on Recourse</u> .....	69
SECTION 15.02.	<u>Payment Dates</u> .....	69
SECTION 15.03.	<u>No Rights Conferred on Others</u> .....	69
SECTION 15.04.	<u>Illegal Provisions Disregarded</u> .....	69
SECTION 15.05.	<u>Substitute Notice</u> .....	69
SECTION 15.06.	<u>Notices</u> .....	70
SECTION 15.07.	<u>Controlling Law</u> .....	71
SECTION 15.08.	<u>Successors and Assigns</u> .....	71
SECTION 15.09.	<u>Headings for Convenience Only</u> .....	71
SECTION 15.10.	<u>Counterparts</u> .....	71
SECTION 15.11.	<u>Appendices and Exhibits</u> .....	71

EXHIBIT A-	Legal Description of the District
EXHIBIT B-	Description of the Project
EXHIBIT C-	Form of Bond
EXHIBIT D-	Form of Requisition

THIS MASTER TRUST INDENTURE, dated as of September 1, 2019 (the “Master Indenture”), by and between **THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT** (together with its permitted successors and assigns, the “Issuer”), a local unit of special-purpose government organized and existing under the laws of the State of Florida, 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 corporate trust office in Orlando, Florida (said national banking association and any bank or trust company becoming successor trustee under this Master Indenture and all Supplemental Indentures (as hereinafter defined) being hereinafter referred to as the “Trustee”);

#### **W I T N E S S E T H:**

**WHEREAS**, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”) created pursuant to Ordinance No. 2018-47 enacted by the Board of County Commissioners of Nassau County, Florida (the “County”) on January 14 and effective as of January 17, 2019 (the “Ordinance”), for the purposes of delivering community development services and facilities to property to be served by the Issuer; and

**WHEREAS**, the premises governed by the Issuer (as further described in Exhibit A hereto, the “District” or “District Lands”) currently consist of approximately 1,546 acres of land located entirely within the County; and

**WHEREAS**, the Issuer has determined to undertake, in one or more stages, the planning, financing, construction and/or acquisition of public infrastructure improvements including, but not limited to, certain entry features and signage, landscaping, wetland mitigation and compliance, stormwater management systems, water, sewer and reuse facilities, parks and amenities, offsite transportation improvements, road construction, and associated professional fees and incidental costs related thereto pursuant to the Act, for the special benefit of the District Lands (as further described in Exhibit B hereto, the “Project”); and

**WHEREAS**, the Issuer proposes to finance or refinance, as the case may be, the costs of the Project by the issuance of one or more series of bonds pursuant to this Master Indenture;

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

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

#### **ARTICLE I DEFINITIONS**

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

“Account” shall mean any account or subaccount established pursuant to this Master Indenture and all Supplemental Indentures.

“Acquisition Agreement” shall mean one or more improvement acquisition agreements between the Issuer and the Landowner, pursuant to which the Landowner agrees to provide, design, construct and sell to the Issuer, and the Issuer agrees to purchase from the Landowner, all or a portion of a Project.

“Acquisition and Construction Fund” shall mean the Fund so designated which is established in Article V hereof.

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

“Annual Budget” shall mean the Issuer’s budget of current operating and maintenance expenses for the Project for a Fiscal Year, as the same may be amended from time to time, adopted in accordance with the provisions hereof.

“Arbitrage Certificate” shall mean the certificate of the Issuer delivered at the time of issuance of a Series of Bonds setting forth the expectations of the Issuer with respect to the use of the proceeds of such Series and also containing certain covenants of the Issuer in order to achieve compliance with the Code relating to the tax-status of the Bonds.

“Assessment Area(s)” shall mean distinct areas within the District Lands that will be developed by Landowners in phases. The Issuer reserves the right to impose separate Special Assessments on each separate Assessment Area that may be created.

“Authorized Denomination” shall mean, unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, \$5,000 if the Bonds bear an investment grade rating by a nationally recognized rating agency, and otherwise, initially in principal amounts of

\$100,000 and any integral multiple of \$5,000 in excess thereof, and thereafter, in denominations of \$5,000 or any integral multiple thereof.

“Authorized Newspaper” shall mean a newspaper printed in English and customarily published at least once a day at least five days a week and generally circulated in New York, New York, or such other cities as the Issuer from time to time may determine by written notice provided to the Trustee. When successive publications in an Authorized Newspaper are required, they may be made in the same or different Authorized Newspapers.

“Beneficial Owner” shall mean the actual owner of Bonds while the Bonds are registered in the name of Cede & Co., as the nominee of DTC. The Trustee is authorized to recognize the Beneficial Owners of a Series of Bonds for purposes of approvals, consents or other actions taken hereunder or under a Supplemental Indenture if beneficial ownership is proven to the satisfaction of the Trustee.

“Board” shall mean the Board of Supervisors of the Issuer.

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

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

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

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

“Bonds” shall mean the Three Rivers Community Development District Special Assessment Bonds, issued in one or more Series pursuant to the provisions of this Master Indenture and one or more Supplemental Indentures, and Bonds subsequently issued to refund all or a portion of such aforementioned Bonds. If the Issuer determines to issue bond anticipation notes to be secured in whole or in part by a lien on the net proceeds of Bonds to be issued under this Master Indenture, the term “Bonds” shall apply to such short-term notes but only to the extent the Supplemental Indenture relating to such bond anticipation notes so provides.

“Business Day” shall mean any day other than a Saturday or Sunday or legal holiday or a day on which the designated corporate office of the Trustee, the Registrar or any Paying Agent is closed, or any day on which the payment system of the U.S. Federal Reserve is not operational.

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

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

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Completion Date” shall have the meaning given to such term in Section 5.01 of this Master Indenture.

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

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

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

“Continuing Disclosure Agreement” shall mean a Continuing Disclosure Agreement, by and among the Issuer, the dissemination agent named therein and any Landowner that is the owner of at least twenty percent (20%) of the District Lands which have been determined by the Issuer to be lands benefited by the Project or portion thereof financed with the proceeds of a Series of Bonds or are responsible for payment of at least twenty percent (20%) of the Special Assessments levied and collected on all or a portion of the District Lands with respect to the Project or portion thereof financed by such Series of Bonds, and any other Obligated Person(s) under the Rule, in connection with the issuance of one or more Series of Bonds hereunder, pursuant to the requirements of the Rule.

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

- (a) expenses of determining the feasibility or practicability of acquisition, construction, or reconstruction of the Project;
- (b) cost of surveys, estimates, plans, and specifications;
- (c) cost of improvements;
- (d) engineering, architectural, fiscal, legal, accounting and other professional and advisory expenses and charges;

(e) cost of all labor, materials, machinery, and equipment (including, without limitation, (i) amounts payable to contractors, builders and materialmen and costs incident to the award of contracts and (ii) the cost of labor, facilities and services furnished by the Issuer and its employees, materials and supplies purchased by the Issuer and permits and licenses obtained by the Issuer);

(f) cost of all lands, properties, rights, easements, and franchises acquired;

(g) financing charges;

(h) creation of initial reserve and debt service funds;

(i) working capital;

(j) interest charges incurred or estimated to be incurred on money borrowed prior to and during construction and acquisition and for such reasonable period of time after completion of construction or acquisition as the Board may determine and as approved by Bond Counsel;

(k) the cost of issuance of Bonds, including, without limitation, advertisements and printing;

(l) the cost of any election held pursuant to the Act and all other expenses of issuance of bonds;

(m) the discount, if any, on the sale or exchange of Bonds;

(n) amounts required to repay temporary or bond anticipation loans made to finance any costs permitted under the Act;

(o) costs of prior improvements performed by the Issuer in anticipation of the Project;

(p) costs incurred to enforce remedies against contractors, subcontractors, any provider of labor, material, services, or any other Person, for a default or breach under the corresponding contract, or in connection with any other dispute;

(q) 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;

(r) payments, contributions, dedications, and any other exactions required as a condition to receive any government approval or permit necessary to accomplish any Issuer purpose;

(s) administrative expenses;

(t) taxes, assessments and similar governmental charges during construction or reconstruction of the Project;

(u) expenses of Project management and supervision;

(v) costs of effecting compliance with any and all governmental permits relating to the Project;

(w) such other expenses as may be necessary or incidental to the acquisition, construction, or reconstruction of the Project or to the financing thereof; and

(x) any other "cost" or expense as provided by the Act.

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

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

"County" shall mean Nassau County, Florida.

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

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

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

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

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

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

(b) amounts required to be paid into any mandatory sinking fund account with respect to the Bonds during such period; and

(c) amounts required to pay the principal of the Bonds maturing during such period and not to be redeemed prior to or at maturity through any sinking fund account.

For any Bonds that bear interest at a variable rate, the interest payable for a specified period shall be determined as if such Bonds bear interest at the maximum rate provided for in the applicable Supplemental Indenture and if no maximum rate is provided for in the Supplemental Indenture, the maximum rate shall be 12% per annum.

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

“Debt Service Reserve Insurance Policy” shall mean the insurance policy, surety bond or other evidence of insurance, if any, deposited to the credit of the Debt Service Reserve Fund or any Account or subaccount therein in lieu of or in partial substitution for cash or securities on deposit therein, which policy, bond or the evidence of insurance constitutes an unconditional senior obligation of the issuer thereof. The issuer thereof shall be a municipal bond insurer whose obligations ranking *pari passu* with its obligations under such policy, bond or other evidence of insurance are rated at the time of deposit of such policy, bond or other evidence of insurance to the credit of the Debt Service Reserve Fund or any Account or subaccount therein in one of the three highest rating categories, without regard to gradations, of both Moody’s and S&P, unless otherwise approved by the Credit Facility Issuer, if any, who has issued a Credit Facility with respect to the Bonds.

“Debt Service Reserve Letter of Credit” shall mean the irrevocable, transferable letter or line of credit, if any, deposited for the credit of the Debt Service Reserve Fund or any Account or subaccount therein in lieu of or in partial substitution for cash or securities on deposit therein, which letter or line of credit constitutes an unconditional senior obligation of the issuer thereof. The issuer of such letter or line of credit shall be a banking association, bank or trust company or branch thereof whose senior debt obligations ranking *pari passu* with its obligations under such letter or line of credit are rated at the time of deposit of the letter or line of credit to the credit of the Debt Service Reserve Fund or any Account or subaccount therein in one of the three highest rating categories (without regard to gradations) of both Moody’s and S&P, unless otherwise approved by the Credit Facility Issuer, if any, who has issued a Credit Facility with respect to the Bonds.

“Debt Service Reserve Requirement” shall mean, for each Series of Bonds, unless a different requirement shall be specified in a Supplemental Indenture, an amount equal to the lesser of (i) the maximum annual Debt Service Requirements for the Outstanding Bonds of such Series, (ii) 125% of the average annual Debt Service Requirements for the Outstanding Bonds of

such Series, and (iii) 10% of the original proceeds (within the meaning of the Code) of the Bonds of such Series.

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

“District Lands” or “District” shall mean the premises governed by the Issuer, consisting of approximately 1,546 acres of land located entirely within the County, as more fully described in Exhibit A hereto.

“District Manager” shall mean the then District Manager or acting District Manager of the Issuer.

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

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

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

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

“Generally Accepted Accounting Principles” shall mean those accounting principles applicable in the preparation of financial statements of municipalities.

“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.

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

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

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

“Interest Payment Date” shall mean, unless otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, each May 1 and November 1 commencing on the date specified in the Certified Resolution of the Issuer or in the Supplemental Indenture pursuant to which a Series of Bonds is issued.

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

“Investment Securities” shall mean and include any of the following securities, if and to the extent that such securities are legal investments for funds of the Issuer:

- (i) Government Obligations;
- (ii) obligations of any of the following agencies: 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;
- (iii) 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 one of the two highest rating categories, without regard to gradation, by Moody’s and S&P;
- (iv) commercial paper rated in the top two rating category by both Moody’s and S&P at the time of purchase;
- (v) municipal securities issued by any state or commonwealth of the United States or political subdivision thereof or constituted authority thereof including, but not limited to, municipal corporations, school districts and other special districts, the interest on which is exempt from federal income taxation under Section 103 of the Code and rated A- or higher by Moody’s, Fitch or S&P at the time of purchase;
- (vi) 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 Government Obligations and obligations of any of the following agencies: 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;

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

- (a) Failure to maintain the requisite collateral percentage will require the Issuer or the Trustee to liquidate the collateral as provided above;
- (b) The Holder of the Collateral (as hereinafter defined) shall have possession of the collateral or the collateral shall have been transferred to the Holder of the Collateral, in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);
- (c) The repurchase agreement shall state and an opinion of Counsel addressed to the Issuer and the Trustee, and in form and in substance satisfactory to the Issuer, shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);
- (d) The repurchase agreement shall be a “repurchase agreement” as defined in the United States Bankruptcy Code and, if the provider is a domestic bank, a “qualified financial contract” as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (“FIRREA”) and such bank is subject to FIRREA;

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

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

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

(h) The term of the repurchase agreement shall be no longer than ten years;

(i) The interest with respect to the repurchase transaction shall be payable at the times and in the amounts necessary in order to make funds available when required under this Master Indenture or the applicable Supplemental Indenture;

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

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

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

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

(viii) investment agreements with a bank, insurance company or other financial institution, or the subsidiary of a bank, insurance company or other financial institution if the parent guarantees the investment agreement, which bank, insurance company, financial

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

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

(b) moneys invested thereunder may be withdrawn without penalty, premium, or charge upon not more than two (2) Business Days' notice unless otherwise specified in a Supplemental Indenture;

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

(d) the Trustee receives an opinion of Counsel that such agreement is an enforceable obligation of such insurance company, bank, financial institution or parent;

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

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

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

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

(4) repay all amounts due and owing under the agreement.

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

(ix) bonds, notes and other debt obligations of any corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, if such obligations are, at the time of purchase, rated “A-” or better by at least two (2) of the following rating agencies: Moody’s, S&P or Fitch or “AA-” or better by either S&P or Fitch or “Aa-” or better by Moody’s;

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

(xii) other investments permitted by Florida law and directed by the Issuer.

The Trustee shall be entitled to conclusively rely that any investment directed by the Issuer is permitted under the Indenture and a legal investment for funds of the Issuer.

“Issuer” shall mean the Three Rivers Community Development District.

“Landowner” shall mean any owner of District Lands encumbered by Special Assessments.

“Majority Holders” shall mean the Beneficial Owners of more than 50% of the applicable Series of Bonds then Outstanding.

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

“Master Indenture” shall mean, this Master Trust Indenture dated as of September 1, 2019, by and between the Issuer and the Trustee, as amended and or supplemented in accordance with the provisions of Article XIII hereof.

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

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

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

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

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

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

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

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

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

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

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

“Prepayment” shall mean the payment by any owner of Property of the amount of Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date.



“Project” shall mean with respect to any Series of Bonds, the portion or portions of certain infrastructure improvements including but not limited to certain offsite and onsite transportation improvements, stormwater management facilities, utility infrastructure, recreation facilities, a fire station, environmental mitigation, entry features, and landscaping to be acquired and/or constructed by the Issuer, whether within or outside the District Lands, all as more specifically described in the Supplemental Indenture relating to such Series of Bonds; provided that a Project shall specially benefit all of the District Lands on which Special Assessments to secure such Series of Bonds have been levied.

“Project Documents” shall mean all permits, drawings, plans and specifications, contracts and other instruments and rights relating to the Project and the development assigned by the developer(s) of the District Lands to the Issuer pursuant to a collateral assignment.

“Property Appraiser” shall mean the property appraiser of the County.

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

“Rebate Fund” shall mean the Fund so designated, which is established pursuant to Section 6.11 of this Master Indenture.

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

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

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

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

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

“Responsible Officer” shall mean with respect to the Issuer, any member of the Board, the District Manager, or any other officer of the Issuer, including an Assistant Secretary, or other person designated by Certified Resolution of the Issuer, a copy of which shall be on file with the Trustee, to act for any of the foregoing, either generally or with respect to the execution of any particular document or other specific matter, and when used with respect to the Trustee, any vice

president, assistant vice president, senior associate or other officer of the Trustee within the corporate trust office specified in Section 15.06 (or any successor corporate trust office) having direct responsibility for the administration of this Indenture.

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

“Rule” shall mean Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as the same may be amended from time to time.

“S&P” shall mean Standard & Poor’s, a Standard & Poor’s Financial Services LLC business, a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer and acceptable to the Trustee.

“Series” shall mean all of the Bonds authenticated and delivered at one time on original issuance and pursuant to any Certified Resolution of the Issuer authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II hereof and the applicable Supplemental Indenture, regardless of variations in maturity, interest rate or other provisions; provided, however, two or more Series of Bonds may be issued simultaneously under the same Supplemental Indenture if designated as separate Series of Bonds by the Issuer upon original issuance. Two or more Series or sub-Series of Bonds may be issued simultaneously under separate Supplemental Indentures, but under this Master Indenture. As may be provided by subsequent proceedings of the Issuer, one or more Series of Bonds or sub-Series Bonds, whether issued at the same time or not, may be separately secured by Special Assessments imposed pursuant to separate assessment proceedings. Such Bonds or sub-Series of Bonds which are secured by separate Special Assessments will not be issued as parity bonds even if issued at the same time.

“Series Account” shall mean any Account established as to a particular Series of Bonds.

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

“Special Assessments” shall mean (a) “special assessments,” as provided for in Sections 190.011(14) and 190.022 of the Act against District Lands that are subject to assessment as a result of a particular Project or any portion thereof or against one or more identified Assessment Areas, and (b) “benefit special assessments,” as provided for in Section 190.021(2) of the Act, against the lands within the District that are subject to assessment as a result of a particular Project or any portion thereof, and in the case of both “special assessments” and “benefit special assessments,” including the interest and penalties on such assessments, pursuant to all applicable provisions of the Act and Chapter 170, Florida Statutes, and Chapter 197, Florida Statutes (and any successor statutes thereto), including, without limitation, any amount received from any

foreclosure proceeding for the enforcement of collection of such assessments or from the issuance and sale of tax certificates with respect to such assessments, less (to the extent applicable) the fees and costs of collection thereof payable to the Tax Collector and less certain administrative costs payable to the Property Appraiser pursuant to the Property Appraiser and Tax Collector Agreement. "Special Assessments" shall not include "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the Issuer under Section 190.021(3) of the Act.

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

"State" shall mean the State of Florida.

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

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

"Trust Accounts" shall mean Funds and Accounts that the Trustee administers as trustee, including, but not limited to, the trusts created by the Indenture for a Series of Bonds.

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

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

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

## ARTICLE II THE BONDS

SECTION 2.01. Amounts and Terms of Bonds; Details of Bonds. The Issuer is hereby authorized to issue in one or more Series pursuant to the terms and conditions of this Master Indenture, its obligations to be known as "Three Rivers Community Development District Special Assessment Bonds, Series \_\_\_\_" (the "Bonds"). The total principal amount of Bonds that may be issued and Outstanding under this Master Indenture is not expressly limited to a specific principal amount; provided, however, that the total principal amount of Bonds that may be issued and Outstanding under this Master Indenture shall be subject to any conditions and/or limitations (i) set forth in a Supplemental Indenture and (ii) under State law. The Bonds shall be issued in Authorized Denominations and within each Series shall be numbered consecutively from R-1 and upwards in each Series and in substantially the form attached hereto as Exhibit C,

with such appropriate variations, omissions and insertions as are permitted or required by this Master Indenture or as otherwise provided in a Supplemental Indenture. All Bonds shall be issued only upon satisfaction of the conditions set forth in Article III hereof; and the Trustee shall, at the Issuer's request, authenticate such Bonds and deliver them as specified in such request.

Each Bond shall be dated, shall have such Interest Payment Dates, shall bear interest from such date or dates and at such rate or rates until the maturity thereof, payable on such Interest Payment Dates, and shall be stated to mature (subject to the right of prior redemption), all as provided in, or pursuant to, a Supplemental Indenture.

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender on the respective dates of payment thereof for the payment of public and private debts. Unless otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, the principal of all Bonds shall be payable at the designated corporate trust office of the Paying Agent upon the presentation and surrender of such Bonds as the same shall become due and payable.

Except to the extent otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, interest on any Bond is payable on any Interest Payment Date by check or draft mailed on the Interest Payment Date to the person in whose name that Bond is registered at the close of business on the Regular Record Date for such Interest Payment Date, at his address as it appears on the Bond Register. The Bonds shall bear interest from the Interest Payment Date next preceding the date on which they are authenticated unless authenticated on an Interest Payment Date in which event they shall bear interest from such Interest Payment Date, or unless authenticated before the first Interest Payment Date in which event they shall bear interest from their date; provided, however, that if a Bond is authenticated between a Record Date and the next succeeding Interest Payment Date, such Bond shall bear interest from such succeeding Interest Payment Date; provided further, however, that if at the time of authentication of any Bond interest thereon is in default, such Bond shall bear interest from the date to which interest has been paid. Any interest on any Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register on the date of any such mailing. The foregoing notwithstanding, but subject to the procedures set forth in Section 2.11 hereof, any Owner of Bonds of a Series in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Trustee and Paying Agent, upon requesting the same in a writing received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Trustee and Paying Agent, and any such rescission or change of wire transfer instructions must be received

by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date. Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by such Bonds on the day before the default occurred.

The Trustee is hereby constituted and appointed as Paying Agent for the Bonds.

SECTION 2.02. Execution. The Bonds shall be executed by the manual or facsimile signature of the Chairman or Vice Chairman of the Issuer or by any other member of the Board designated by the Chairman for such purpose, and the corporate seal of the Issuer shall appear thereon (which may be in facsimile) and shall be attested by the manual or facsimile signature of its Secretary or Assistant Secretary. Bonds executed as above provided may be issued and shall, upon request of the Issuer, be authenticated by the Trustee, notwithstanding that one or both of the officers of the Issuer whose signatures appear on such Bonds shall have ceased to hold office at the time of issuance or authentication or shall not have held office at the date of the Bonds.

SECTION 2.03. Authentication. No Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, and such authentication shall be proof that the Bondholder is entitled to the benefit of the trust hereby created.

SECTION 2.04. Registration and Registrar. The Trustee is hereby constituted and appointed as the Registrar for the Bonds. The Registrar shall act as registrar and transfer agent for the Bonds. The Issuer shall cause to be kept at an office of the Registrar a register (herein sometimes referred to as the "Bond Register" or "Register") in which, subject to the provisions set forth in Section 2.08 below and such other regulations as the Issuer and Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and for the registration of transfers and exchanges of such Bonds. The Trustee shall notify the Issuer in writing of the specific office location (which may be changed from time to time, upon similar notification) at which the Bond Register is kept. Initially, and until the Trustee provides notice to the Issuer as provided in the immediately preceding sentence, the Bond Register shall be kept at the Trustee's corporate trust office in Orlando, Florida.

SECTION 2.05. Mutilated, Destroyed, Lost or Stolen Bonds. If any Bond shall become mutilated, the Issuer shall execute and the Trustee shall thereupon authenticate and deliver a new Bond of like Series, tenor and denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of such mutilated Bond for cancellation, and the Issuer and the Trustee may require reasonable indemnity therefor. If any Bond shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof shall be submitted to the Issuer and the Trustee and if such evidence shall be satisfactory to both and indemnity satisfactory to both shall be given, the Issuer shall execute, and thereupon the Trustee shall authenticate and deliver a new Bond of like Series, tenor and denomination. The cost of providing any substitute Bond under the provisions of this Section shall be borne by the Bondholder for whose benefit such substitute Bond is provided. If any such mutilated, lost, stolen or destroyed Bond shall have matured or be about to mature, the Issuer may, with the consent of the Trustee, pay to the Owner the principal amount of and accrued interest on such

Bond upon the maturity thereof and compliance with the aforesaid conditions by such Owner, without the issuance of a substitute Bond therefor.

Every substituted Bond issued pursuant to this Section 2.05 shall constitute an additional contractual obligation of the Issuer, whether or not the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Master Indenture and applicable Supplemental Indenture equally and proportionately with any and all other Bonds of such same Series duly issued hereunder and under such Supplemental Indenture.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies with respect to the replacement or payment of negotiable instruments, investments or other securities without their surrender.

SECTION 2.06. Temporary Bonds. Pending preparation of definitive Bonds, or by agreement with the original purchasers of all Bonds, the Issuer may issue and, upon its request, the Trustee shall authenticate in lieu of definitive Bonds one or more temporary printed or typewritten Bonds of substantially the tenor recited above. Upon request of the Issuer, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds. So long as Cede & Co., or any other nominee of DTC is the registered Owner of the Bonds, the definitive Bonds shall be in typewritten form.

SECTION 2.07. Cancellation and Destruction of Surrendered Bonds. All Bonds surrendered for payment or redemption and all Bonds surrendered for exchange shall, at the time of such payment, redemption or exchange, be promptly transferred by the Registrar or Paying Agent to, and cancelled and disposed of by, the Trustee in accordance with its then current procedures. The Trustee shall deliver to the Issuer a certificate of destruction (or other evidence of destruction) in respect of all Bonds destroyed in accordance with this Section.

SECTION 2.08. Registration, Transfer and Exchange. As provided in Section 2.04 hereof, the Issuer shall cause a Bond Register in respect of the Bonds to be kept at the designated office of the Registrar.

Upon surrender for registration of transfer of any Bond at the designated office of the Registrar, and upon compliance with the conditions for the transfer of Bonds set forth in this Section 2.08, the Issuer shall execute and the Trustee shall authenticate and deliver, in the name of the designated transferees, one or more new Bonds of a like aggregate principal amount and of the same Series and maturity.

At the option of the Bondholder, Bonds may be exchanged for other Bonds of a like aggregate principal amount and of the same Series and maturity, upon surrender of the Bonds to be exchanged at any such office or agency. Whenever any Bonds are so surrendered for

exchange, the Issuer shall execute and the Trustee shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

All Bonds issued upon any transfer or exchange of Bonds shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under this Master Indenture and applicable Supplemental Indenture as the Bonds of such Series surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing.

Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Neither the Issuer nor the Registrar on behalf of the Issuer shall be required (i) to issue, transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

SECTION 2.09. Persons Deemed Owners. The Issuer, the Trustee, any Paying Agent, the Registrar shall deem and treat the person in whose name any Bond is registered as the absolute Owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, any Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal or Redemption Price of and interest on such Bond, and for all other purposes, and the Issuer, the Trustee, any Paying Agent or the Registrar shall not be affected by any notice to the contrary. All such payments so made to any such Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bond.

SECTION 2.10. Limitation on Incurrence of Certain Indebtedness. The Issuer will not issue Bonds of any Series, except upon the conditions and in the manner provided or as otherwise permitted in the Indenture, provided that the Issuer may enter into agreements with issuers of Credit Facilities which involve liens on Pledged Revenues on a parity with that of the Bonds or portion thereof which is supported by such Credit Facilities.

SECTION 2.11. Qualification for The Depository Trust Company. To the extent provided in a Supplemental Indenture or authorized and directed by a Resolution of the Issuer authorizing the issuance of a Series of Bonds, the Trustee shall be authorized to enter into agreements with The Depository Trust Company, New York, New York ("DTC") and other depository trust companies, including, but not limited to, agreements necessary for wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC, and other depository trust companies in place of actual delivery of

Bonds and provision of notices with respect to Bonds registered by DTC and other depository trust companies (or any of their designees identified to the Trustee) by overnight delivery, courier service, telegram, telecopy or other similar means of communication.

So long as there shall be maintained a book-entry-only system with respect to a Series of Bonds, the following provisions shall apply:

Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, each Series of Bonds shall initially be registered in the name of Cede & Co. as nominee for DTC, which will act initially as securities depository for the Bonds and so long as the Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof. On original issue, such Bonds shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Bonds ("Beneficial Owners").

Principal and interest on the Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC, without the need for presentment of such Bonds. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

The Bonds registered in the name of Cede & Co. shall initially be issued in the form of one fully registered Bond for each maturity of each Series registered in the name of Cede & Co. and shall be held in such form until maturity. Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Bonds, through DTC Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS REGISTERED OWNER OF THE BONDS, ANY NOTICES TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICES TO DTC PARTICIPANTS AND DTC PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO INDIRECT PARTICIPANTS, AND DTC PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO BENEFICIAL OWNERS.

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Bonds in the form of fully registered Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer elects to discontinue the book-entry only system in conformity with the requirements of DTC, the Trustee shall deliver bond

certificates in accordance with the instructions from DTC or its successor and after such time Bonds may be exchanged for an equal aggregate principal amount of Bonds in other Authorized Denominations and of the same maturity and Series upon surrender thereof at the designated corporate trust office of the Trustee.

### ARTICLE III ISSUE OF BONDS

SECTION 3.01. Issue of Bonds. Subject to the provisions of Section 2.01 hereof, the Issuer may issue one or more Series of Bonds hereunder and under Supplemental Indentures from time to time for the purpose of financing the Costs of acquisition or construction of the Project or to refund all or a portion of a Series of Bonds (and to pay the costs of the issuance of such Bonds and to pay the amounts required to be deposited with respect to such Bonds in the Funds and Accounts established under the Indenture). In connection with the issuance of a Series of Bonds the Trustee shall, at the written request of the Issuer, authenticate the Bonds and deliver or cause them to be authenticated and delivered, as specified in the request, but only upon receipt of:

(1) a Certified Resolution of the Issuer (a) approving a Supplemental Indenture under which the Series of Bonds are to be issued; (b) providing the terms of the Bonds and directing the payments to be made into the Funds and Accounts in respect thereof as provided in Article V and Article VI hereof; (c) authorizing the execution and delivery of the Series of Bonds to be issued; and (d) if the purpose is to effectuate a refunding, authorizing the redemption, if any, of the Bonds to be refunded and the defeasance thereof, and the execution and delivery of an escrow agreement, if applicable, and other matters contained in Article XIV hereof;

(2) a written opinion or opinions of Counsel to the Issuer, which shall be addressed only to the Issuer and Underwriter, substantially to the effect that: (i) the District has been duly established and validly exists as a community development district under the Act; (ii) the District has good right and lawful authority under the Act to undertake the Project being financed with the proceeds of the applicable Series of Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to undertake the Project; (iii) all proceedings undertaken by the District with respect to the Special Assessments have been in accordance with Florida law; (iv) the District has taken all action necessary to levy and impose the Special Assessments; and (v) the Special Assessments are legal, valid and binding liens upon the property against which such Special Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;

(3) an opinion of Counsel to the Issuer, and addressed to the Trustee (but only with respect to items (a), (c), (d) [and (e)] below), substantially to the effect that (a) the Bonds have been validly authorized and executed by the Issuer and when authenticated and delivered pursuant to the request of the Issuer will be valid obligations of the Issuer entitled to the benefit of the trust created hereby and will be enforceable in

accordance with their terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles, whether in a proceeding at law or in equity; (b) based on certificate of the Consulting Engineer, the Issuer has good right and lawful authority under the Act to undertake the Project, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body; (c) the Master Indenture and the applicable Supplemental Indenture have been duly and validly authorized, approved, and executed by the Issuer; (d) the Master Indenture and the applicable Supplemental Indenture (assuming due authorization, execution and delivery by the Trustee) constitute a binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles, whether in a proceeding at law or in equity (clause (b) shall not apply in the case of the issuance of a refunding Series of Bonds).

(4) a Consulting Project Engineer's certificate addressed to the Issuer and the Trustee (which may incorporate its engineering report by reference to satisfy all or some of the following requirements) setting forth the estimated cost of the Project, and in the case of an acquisition by the Issuer of all or a portion of the Project that has been completed, stating, in the signer's opinion, (a) that the portion of the Project improvements to be acquired from the proceeds of such Bonds have been completed in accordance with the plans and specifications therefor; (b) to the best of his knowledge, the Project improvements are constructed in a sound workmanlike manner and in accordance with industry standards; (c) the purchase price to be paid by the Issuer for the Project improvements is no more than the lesser of (i) the fair market value of such improvements and (ii) the actual Costs of construction of such components of the Project; and (d) the plans and specifications for the Project improvements have been approved by all Regulatory Bodies required to approve them (specifying such Regulatory Bodies) or such approval can reasonably be expected to be obtained; provided, however, that in lieu of the information required in clause (a), there may be delivered to the Trustee satisfactory evidence of the acceptance of operational and maintenance responsibility of each component of the Project by one or more governmental entities (the foregoing shall not be applicable in the case of the issuance of a refunding Series of Bonds);

(5) a certificate of the District Manager that the benefit from the proposed Project equals or exceeds the amount of Special Assessments; that the Special Assessments are fairly and reasonably allocated across the lands subject to the Special Assessments; and that the Special Assessments are sufficient to pay the Debt Service Requirements on the Bonds;

(6) a copy of the Supplemental Indenture for such Bonds, certified by the Secretary or Assistant Secretary of the Issuer as being a true and correct copy thereof;

(6) the proceeds of the sale of such Bonds together with any required equity deposit by a Landowner or other third party;

Bonds;

(7) any Credit Facility authorized by the Issuer in respect to such

(8) one or more Certified Resolutions of the Issuer relating to the levy of Special Assessments in respect of the Project, and evidencing that the Issuer has undertaken and, to the extent then required under applicable law, completed all necessary proceedings, including, without limitation, the approval of assessment rolls, the holding of public hearings, the adoption of resolutions and the establishment of all necessary collection procedures, in order to levy and collect Special Assessments upon the District Lands in an amount sufficient to pay the Debt Service Requirement on the Bonds to be issued;

(9) an executed opinion of Bond Counsel;

(10) a written direction of the Issuer to the Trustee to authenticate and deliver such Bonds;

(11) a copy of a Final Judgment of validation and a Certificate of No Appeal with respect to the Bonds that are subject to validation;

(12) if required by the applicable Supplemental Indenture, a collateral assignment from the developer(s) of the District Lands to the Issuer of the Project Documents;

(13) in the case of the issuance of a refunding Series of Bonds, an Officer's Certificate of the Issuer or a report of an accounting or similar firm stating: (a) the intended use of the proceeds of the refunding Series of Bonds; (b) the Bonds to be refunded; (c) any other amounts available for such purpose; (d) that the proceeds of the issue plus the other amounts, if any, stated to be available for the purpose will be sufficient to refund the Bonds to be refunded in accordance with the refunding plan and in compliance with Article XIV of this Master Indenture, including, without limitation, to pay the Costs of issuance of such Bonds, and (e) that notice of redemption, if applicable, of the Bonds to be refunded has been duly given or that provision has been made therefor, as applicable;

(14) in the case of the issuance of a refunding Series of Bonds, a written opinion of Bond Counsel to the effect that the issuance of such Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds issued pursuant to the Indenture (to the extent that upon original issuance thereof such Bonds were issued as Bonds the interest on which is excludable from gross income for federal income tax purposes); and

(15) such other documents, certifications and opinions as shall be required by the Supplemental Indenture, by the Participating Underwriter or the initial purchaser of a Series of Bonds or by the Issuer or the Trustee upon advice of counsel.

At the option of the Issuer, any or all of the matters required to be stated in the Certified Resolution described in (1) above may instead be stated in a Supplemental Indenture, duly approved by a Certified Resolution of the Issuer. Execution of a Series of the Bonds by the Issuer shall be conclusive evidence of satisfaction of the conditions precedent, set forth in this Article, as to the Issuer and the Participating Underwriter or the initial purchaser.

#### ARTICLE IV ACQUISITION AND CONSTRUCTION OF PROJECT

SECTION 4.01. Project to Conform to Plans and Specifications; Changes. The Issuer will proceed to complete any Project or portion thereof for which any Series of Bonds is being issued in accordance with the plans and specifications therefor, as such plans and specifications may be amended from time to time, and subject to the specific requirements of the Supplemental Indenture for such Series of Bonds.

SECTION 4.02. Compliance Requirements. The Issuer will comply with all present and future laws, acts, rules, regulations, orders and requirements lawfully made and applicable in fact to any acquisition or construction hereby undertaken and shall obtain all necessary approvals under federal, state and local laws, acts, rules and regulations necessary for the acquisition, construction, completion and operation of any Project or portion thereof for which any Series of Bonds is being issued and shall complete any Project or portion thereof in conformity with such approvals, laws, rules and regulations. Prior to the completion of the Project, in the event that any developer of the District Lands shall fail to pay, when due, any Special Assessments levied against lands within the District owned by such developer or any affiliated entity thereof, the Issuer shall immediately take all actions within its control and to the extent it has legally available funds for such purpose, to complete such Project including taking control of the Project Documents.

#### ARTICLE V ACQUISITION AND CONSTRUCTION FUND

SECTION 5.01. Acquisition and Construction Fund. The Trustee shall establish an Acquisition and Construction Fund into which shall be deposited the proceeds from each Series of Bonds issued under the Indenture (unless otherwise specified herein or in the applicable Supplemental Indenture for a Series of Bonds) and from which Costs may be paid as set forth herein and in the applicable Supplemental Indenture. Unless otherwise specified in the applicable Supplemental Indenture, a separate Series Account shall be established in the Acquisition and Construction Fund with respect to each Series of Bonds issued hereunder and the proceeds of each Series of Bonds (other than Bonds issued to refund all or a portion of the Bonds) shall be deposited into the corresponding Series Account in the Acquisition and Construction Fund. The amounts in any Series Account of the Acquisition and Construction Fund, until applied as hereinafter provided, shall be held for the security of the Series of Bonds hereunder in respect of which such Series Account was established. Separate subaccounts within any Series Account of the Acquisition and Construction Fund shall be maintained by the Trustee in respect of each Series of Bonds upon request of the Issuer whenever, in the opinion of the Issuer, it is appropriate to have a separate written accounting in respect of the Costs of any

designated portion of the Project. Payments shall be made from the appropriate Series Account of the Acquisition and Construction Fund to pay any unpaid Costs of issuance of the Series of Bonds in question, including without limitation, legal, engineering, and consultants' fees and to pay amounts to be reimbursed to the Issuer for Costs advanced, and thereafter to pay Costs of planning, financing, acquisition, construction, reconstruction, equipping and installation of the Project or portion thereof.

(a) *Deposits.* In addition to the deposit of amounts received by the Trustee on the date of issuance of each Series of Bonds, the Issuer shall pay or cause to be paid to the Trustee, for deposit into the Series Account of the Acquisition and Construction Fund, as promptly as practicable, the following amounts:

(i) Subject to the provisions of Section 9.24 hereof, payments made to the Issuer from the sale, lease or other disposition of the Project or any portion thereof;

(ii) Subject to the provisions of Section 9.14 hereof, the balance of insurance proceeds with respect to the loss or destruction of the Project or any portion thereof;

(iii) Deposits made by any developer of the District Lands pursuant to the terms and provisions of a developer funding agreement; and

(iv) Amounts received from a governmental entity pursuant to an Interlocal agreement or other similar agreement between the Issuer and such governmental entity providing for the payment by such governmental entity of a portion of the Costs of a Series Project.

Amounts in the applicable Series Account of the Acquisition and Construction Fund shall be applied to pay the Cost of the Project or a portion thereof, as applicable, pertaining to the Series of Bonds in question; provided, however, that if any amounts remain in the Series Account of the Acquisition and Construction Fund after the Completion Date (as defined in paragraph (c) below) of the Project or portion thereof pertaining to the Series of Bonds in question, and if such amounts are not reserved for payment of any remaining part of the Cost of the Project as directed in writing by the Issuer, such amounts shall be transferred to the applicable Series Account of the Bond Redemption Fund for application to the redemption of Bonds of the Series to which such proceeds relate, as set forth in Section 6.06 hereof or in the applicable Supplemental Indenture.

(b) *Disbursements.* Unless provided otherwise in a Supplemental Indenture, all payments from the Acquisition and Construction Fund shall be paid in accordance with the provisions of this subsection. Moneys in the appropriate Series Account of the Acquisition and Construction Fund shall be disbursed by check, voucher, order, draft, certificate or warrant signed by any one or more officers or employees of the Trustee legally authorized to sign such items or by wire transfer to an account specified by the payee upon satisfaction of the conditions for disbursement set forth in this subsection (b). Before any such payment shall be made, the Issuer shall file with the Trustee a fully executed requisition in the form of Exhibit D attached hereto, signed by a Responsible Officer and, except for payments of cost of issuance, a certificate of the Consulting Engineer signed by a consulting engineer also in the form of Exhibit D

attached hereto and as may be modified by terms of the related Supplemental Indenture. Upon receipt of each such requisition and accompanying certificate, the Trustee shall promptly withdraw from the appropriate Series Account of the Acquisition and Construction Fund and pay to the person, firm or corporation named in such requisition the amount designated in such requisition. The Trustee shall have no duty to investigate the accuracy or validity of the items delivered pursuant to this section. All requisitions and certificates received by the Trustee pursuant to this Section 5.01 shall be retained in the possession of the Trustee, subject at all reasonable times to the inspection of the Issuer, the Consulting Engineer, the Owner of any Bonds, and the agents and representatives thereof. The Trustee shall have no duty to verify that the disbursement of funds pursuant to a requisition is for a purpose for which payment may be made hereunder and the Trustee may conclusively rely that a properly signed requisition is, on its face, sufficient to authorize disbursement of funds from the Acquisition and Construction Fund.

(c) *Completion of Project.* On the date of completion of the Project or if sufficient moneys are retained in the appropriate Series Account of the Acquisition and Construction Fund, to complete the Cost of the Project, in either case, as evidenced by the delivery to the Trustee of a Certificate of the Consulting Engineer and adoption of a resolution by the Board accepting the Project as provided by Section 170.09, Florida Statutes, as amended (the "Completion Date"), the balance in the appropriate Series Account of the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Project shall be transferred by the Trustee to, and deposited in, the applicable Series Account of the Bond Redemption Fund and applied as provided in Section 6.06 hereof and in the applicable Supplemental Indenture.

## ARTICLE VI SPECIAL ASSESSMENTS; APPLICATION THEREOF TO FUNDS AND ACCOUNTS

SECTION 6.01. Special Assessments; Lien of Indenture on Pledged Revenues. The Issuer hereby covenants that it shall levy Special Assessments in the amount necessary to pay the Debt Service Requirement on Bonds issued and Outstanding hereunder and enforce such Special Assessments pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as applicable.

The Issuer shall, within five (5) Business Days of receipt thereof, pay to the Trustee for deposit in the Series Account of the Revenue Fund established under Section 6.03 hereof all amounts received by the Issuer from the levy of Special Assessments on the District Lands subject to assessments for the payment of the related Series of Bonds; provided, however, that amounts received as Prepayments of Special Assessments shall be deposited directly into the applicable Series Account within the Bond Redemption Fund established hereunder or in any account thereof established pursuant to the applicable Supplemental Indenture. The Issuer shall notify the Trustee in writing at the time of deposit of any amounts received as Prepayments of Special Assessments and shall identify the related Series of Bonds. If necessary, the Issuer shall direct the Landowner making such Prepayment to specify the Series of Bonds to which such prepayments relate.

There are hereby pledged for the payment of the principal or Redemption Price of and interest on all Bonds of each Series issued and Outstanding under the Indenture and all reimbursements due to any Credit Facility Issuer for any drawing with respect to such Series of Bonds on its Credit Facility, including, without limitation, interest thereon, as required under the terms of the applicable Credit Facility Agreement, the Pledged Revenues; provided, however, that unless otherwise specifically provided herein or in a Supplemental Indenture relating to a Series of Bonds with respect to the Pledged Revenues securing such Series of Bonds, the Pledged Revenues securing a Series of Bonds shall secure only such Series of Bonds and Bonds issued on a parity therewith and shall not secure any other Bonds or Series of Bonds. The Pledged Revenues shall immediately be subject to the lien and pledge of the Indenture without any physical delivery hereof or further act; provided, however, that the lien and pledge of the Indenture shall not apply to any moneys transferred by the Trustee to the Rebate Fund. The foregoing notwithstanding, to the extent provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, such Series of Bonds may be made payable from and secured by less than all of the Pledged Revenues, and any one or more of the provisions of this Master Indenture may be made inapplicable to such Series of Bonds, all as more specifically provided in the corresponding Supplemental Indenture; provided, however, that any such provisions shall apply only to the particular Series of Bonds authorized by such Supplemental Indenture and shall not affect in any manner whatsoever any Outstanding Series of Bonds.

SECTION 6.02. Funds and Accounts Relating to the Bonds. The Funds and Accounts specified in this Article VI shall be established under this Master Indenture and each Supplemental Indenture pursuant to which a Series of Bonds is issued for the benefit of the specific Series of Bonds issued pursuant to such Supplemental Indenture and any Series issued on a parity therewith and, unless expressly otherwise provided in said Supplemental Indenture, shall not apply to Bonds Outstanding hereunder issued under any other indenture supplemental hereto. Unless provided otherwise by Supplemental Indenture, all moneys, including, without limitation, proceeds of a Series of Bonds, on deposit to the credit of the Funds and Accounts established hereunder and under a Supplemental Indenture (except for moneys transferred to the Rebate Fund) shall be pledged to the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series of Bonds issued hereunder and under such Supplemental Indenture, and any Series issued on a parity therewith.

SECTION 6.03. Revenue Fund. The Trustee is hereby authorized and directed to establish a Revenue Fund and pursuant to a Supplemental Indenture a Series Account for each Series of Bonds issued hereunder, into which the Trustee shall immediately deposit any and all Special Assessments received from the levy thereof on the District Lands or any portion thereof (other than Prepayments) and any amounts received as the result of any foreclosure, sale of tax certificates or other remedial action for nonpayment of Special Assessments for the payment of the related Series of Bonds and other payments required hereunder or under the applicable Supplemental Indenture (unless such Special Assessments and/or other payments are specifically designated by the Issuer pursuant to a Supplemental Indenture for deposit into the Rebate Fund or any other Fund or Account established hereunder or under a Supplemental Indenture) and each Series Account therein shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. The Trustee shall transfer from amounts on deposit in the Series Account in the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the

following order of priority unless other times and/or priorities are established in a Supplemental Indenture with respect to a Series of Bonds:

FIRST, upon receipt but no later than the Business Day preceding the first May 1 for which there is an insufficient amount from Bond proceeds (or investment earnings thereon) on deposit in the applicable Series Interest Account of the Debt Service Fund to be applied to the payment of interest on the Bonds of a Series due on the next succeeding May 1, and no later than the Business Day next preceding each May 1 thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Interest Account of the Debt Service Fund, an amount equal to the interest on the related Series of Bonds becoming due on the next succeeding May 1, less any amount on deposit in such Interest Account not previously credited;

SECOND, beginning on the date set forth in the related Supplemental Indenture, and no later than the Business Day next preceding each May 1 or November 1, as designated in the applicable Supplemental Indenture thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Principal Account of the Debt Service Fund, an amount equal to the principal amount of Bonds of such Series maturing on the next succeeding principal payment date, less any amount on deposit in the applicable Series Principal Account not previously credited;

THIRD, beginning on the date set forth in the related Supplemental Indenture, and no later than the Business Day next preceding each May 1 or November 1, as so designated in the applicable Supplemental Indenture thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Bonds of such Series subject to mandatory sinking fund redemption on the next succeeding mandatory sinking fund redemption date, less any amount on deposit in the applicable Series Sinking Fund Account not previously credited;

FOURTH, upon receipt but no later than the Business Day preceding the first November 1 for which there remains an insufficient amount from Bond proceeds (or investment earnings thereon) on deposit in the applicable Series Interest Account to be applied to the payment of interest on the Bonds of a Series due on the next succeeding November 1, and no later than the Business Day next preceding each November 1 thereafter while Bonds of such Series issued under the Indenture remain Outstanding, to the applicable Series Interest Account of the Debt Service Fund, an amount equal to the interest on the Bonds of such Series becoming due on the next succeeding November 1, less any amount on deposit in the applicable Series Interest Account not previously credited;

FIFTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Account of the Debt Service Reserve Fund, if any, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement;



SIXTH, subject to the following paragraph, the balance of any moneys remaining in a Series Account of the Revenue Fund after making the foregoing deposits shall remain therein.

Except as otherwise provided in the applicable Supplemental Indenture, the Trustee shall retain any moneys held for the credit of the Revenue Fund which are not otherwise required to be deposited pursuant to this Section and apply such amounts on subsequent dates for the purposes and in the priority set forth above. Notwithstanding the foregoing, if pursuant to any Arbitrage Certificate it is necessary to make a deposit in the Rebate Fund, the Issuer shall direct the Trustee to make such deposit thereto. Prepayments pledged to a particular Series of Bonds shall be deposited directly into the applicable Series Account of the Bond Redemption Fund as provided herein.

SECTION 6.04. Debt Service Fund. The Trustee is hereby authorized and directed to establish a Debt Service Fund which shall consist of amounts deposited therein by the Trustee and any other amounts the Issuer may pay to the Trustee for deposit therein with respect to the related Series of Bonds. The Debt Service Fund shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. The Trustee shall establish within the Debt Service Fund pursuant to a Supplemental Indenture, a Series Principal Account, a Series Interest Account and, if applicable, a Series Sinking Fund Account for each Series of Bonds and a Series Capitalized Interest Account, which accounts shall be separate and apart from all other Funds and Accounts established under the Indenture and from all other moneys of the Trustee.

The Trustee at all times shall make available to any Paying Agent the funds in the Series Principal Account and the Series Interest Account of the Debt Service Fund to pay the principal of the applicable Series of Bonds as they mature upon surrender thereof and the interest on the applicable Series of Bonds as it becomes payable, respectively. When a Series of Bonds is redeemed, the amount, if any, in the Debt Service Fund representing interest thereon shall be applied to the payment of accrued interest in connection with such redemption.

The Trustee shall apply moneys in the Series Sinking Fund Account in the Debt Service Fund for purchase or redemption of the applicable Series of Bonds in amounts and maturities set forth in the Supplemental Indenture. Whenever Bonds of a Series are to be purchased out of such Series Sinking Fund Account, if the Issuer shall notify the Trustee in writing that the Issuer wishes to arrange for such purchase, the Trustee shall comply with the Issuer's arrangements provided they conform to the Indenture.

Except to the extent otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, purchases and redemptions out of the Series Sinking Fund Account shall be made as follows:

(a) The Trustee shall apply the amounts required to be transferred to the Series Sinking Fund Account (less any moneys applied to the purchase of Bonds of the applicable Series pursuant to the next sentence hereof) on the mandatory sinking fund redemption date in each of the years set forth in the Supplemental Indenture to the redemption of Bonds of the related Series in the amounts, manner and maturities and on the dates set forth in

the Supplemental Indenture, at a Redemption Price of 100% of the principal amount thereof. At the written direction of the Issuer, the Trustee shall apply moneys from time to time available in the Series Sinking Fund Account to the purchase of Bonds of the applicable Series which mature in the aforesaid years, at prices not higher than the principal amount thereof, in lieu of redemption as aforesaid, provided that firm purchase commitments can be made before the notice of redemption would otherwise be required to be given. In the event of purchases at less than the principal amount thereof, the difference between the amount in the Series Sinking Fund Account representing the principal amount of the Bonds so purchased and the purchase price thereof (exclusive of accrued interest) shall be transferred to the related Series Interest Account of the Debt Service Fund.

(b) Accrued interest on purchased or redeemed Bonds of a Series shall be paid from the related Series Interest Account of the Debt Service Fund.

(c) In lieu of paying the Debt Service Requirements necessary to allow any mandatory redemption of Bonds of a Series from the related Series Sinking Fund Account, the Issuer may present to the Trustee Bonds of such Series purchased by the Issuer pursuant to subparagraph (a) above and furnished for such purposes; provided, however, that no Bonds of such Series so purchased shall be credited towards the Debt Service Requirements in respect of the mandatory redemption of Bonds of such Series for which notice of redemption has been given pursuant to Section 8.02 of this Master Indenture. Any Bond so purchased shall be presented to the Trustee for cancellation. In such event, the Debt Service Requirements with respect to the Bonds of a Series for the period in which the purchased Bonds are presented to the Trustee shall, for all purposes hereunder, be reduced by an amount equal to the aggregate principal amount of any such Bonds so presented.

SECTION 6.05. Debt Service Reserve Fund. The Trustee is hereby authorized and directed to establish a Debt Service Reserve Fund and, if applicable, pursuant to a Supplemental Indenture a Series Account for each Series of Bonds issued hereunder. The Debt Service Reserve Fund and each Series Account therein shall be held by the Trustee solely for the benefit of each related Series of Bonds or sub-Series, as determined by the applicable Supplemental Indenture; provided, however, that notwithstanding anything to the contrary contained in this Master Indenture, the Supplemental Indenture authorizing the issuance of a Series of Bonds may provide that the Debt Service Reserve Fund is not applicable and no account therein shall secure such Series of Bonds. The Debt Service Reserve Fund and each Series Account therein shall constitute an irrevocable trust fund to be applied solely as set forth herein and shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, on the date of issuance and delivery of a Series of Bonds an amount of Bond proceeds or equity equal to the Debt Service Reserve Requirement in respect of such Series of Bonds, calculated as of the date of issuance and delivery of such Series of Bonds, shall be deposited in the related Series Account of the Debt Service Reserve Fund. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, and as long as there exists no default under the Indenture and the amount in the Series Account of the Debt Service Reserve Fund is not reduced below the then applicable Debt Service Reserve Requirement with respect to such Series of Bonds, earnings on investments in the Series Account of the Debt Service Reserve Fund shall, prior to the Completion Date of a Project, be transferred

to the applicable Series Account of the Acquisition and Construction Fund, and after the Completion Date, shall be transferred to the related Series Account of the Revenue Fund. Otherwise, earnings on investments in each Series Account of the Debt Service Reserve Fund shall be retained therein until applied as set forth herein. Unless otherwise provided in a Supplemental Indenture, in the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement as a result of a Prepayment of Special Assessments, which Special Assessments are pledged for the payment and security of such Series of Bonds, the excess amount shall be transferred from the Series Account or Subaccount of the Debt Service Reserve Fund to the applicable Series Account of the Bond Redemption Fund established for such Series of Bonds and shall constitute a credit against such Prepayment. In the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement for any other reason, the excess amount shall, unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, be transferred from the Series Account of the Debt Service Reserve Fund to the related Series Account or subaccount of the Bond Redemption Fund.

Whenever for any reason on an Interest Payment Date, principal payment date or mandatory redemption date with respect to a related Series of Bonds secured by a Series Account of the Debt Service Reserve Fund the amount in the related Series Interest Account, the related Series Principal Account or the related Series Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on such Series of Bonds therefrom on such payment dates, the Trustee shall, without further instructions, transfer the amount of any such deficiency from the related Series Account of the Debt Service Reserve Fund into the related Series Interest Account, the related Series Principal Account and the related Series Sinking Fund Account, as the case may be, with priority to the related Series Interest Account and then, proportionately according to the respective deficiencies therein, to the related Series Principal Account and the related Series Sinking Fund Account, to be applied to pay the Series of Bonds secured by the Series Account of the Debt Service Reserve Fund.

Notwithstanding the foregoing, in lieu of the required deposits into the related Series Account of the Debt Service Reserve Fund, the Issuer may cause to be deposited into the Series Account of the Debt Service Reserve Fund a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit, either in lieu of any cash amount required to be deposited therein in connection with the issuance of any Series of Bonds or in substitution for the full amounts then on deposit therein or in an amount equal to the difference between the amount required to be deposited and the sum, if any, then on deposit in the Series Account of the Debt Service Reserve Fund, which Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit shall be payable (upon the giving of notice as required thereunder) on any Interest Payment Date or principal payment date on which a deficiency exists which cannot be remedied by moneys in any other Fund or Account held pursuant to the Indenture and available for such purpose. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, if any such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit is substituted for moneys on deposit in the Series Account of the Debt Service Reserve Fund, the excess moneys in the Series Account of the Debt Service Reserve Fund shall be transferred to and deposited in the related Series Account or Subaccount of the Revenue Fund.

If a disbursement is made from a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit, the Issuer shall be obligated to either reinstate the maximum limits of such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit immediately following such disbursement or to deposit into the Series Account of the Debt Service Reserve Fund, as provided in the Indenture for restoration of withdrawals from the Series Account of the Debt Service Reserve Fund, funds in the amount of the disbursement made under such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit.

In the event that upon the occurrence of any deficiency in a Series Interest Account, a Series Principal Account or a Series Sinking Fund Account, if the Series Account of the Debt Service Reserve Fund is then funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, the Trustee shall, on an Interest Payment Date or principal payment date or mandatory redemption date to which such deficiency relates, draw upon the Debt Service Reserve Letter of Credit or cause to be paid under the Debt Service Reserve Insurance Policy an amount sufficient to remedy such deficiency, in accordance with the terms and provisions of the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as applicable, and any corresponding reimbursement or other agreement governing the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy; provided, however, that if at the time of such deficiency the Series Account of the Debt Service Reserve Fund is only partially funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, prior to drawing on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as applicable, the Trustee shall first apply any cash and securities on deposit in the Series Account of the Debt Service Reserve Fund to remedy the deficiency in accordance with the second paragraph of this Section 6.05 and, if after such application a deficiency still exists, the Trustee shall make up the balance of the deficiency by drawing on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as provided in this sentence. Amounts drawn on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as applicable, shall be applied as set forth in the second paragraph of this Section 6.05. Any amounts drawn under a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy shall be reimbursed to the issuer thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy.

**SECTION 6.06. Bond Redemption Fund.** The Trustee is hereby authorized and directed to establish a Bond Redemption Fund and a Series Account therein for each Series of Bonds issued hereunder into which shall be deposited moneys, unless otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, in the amounts and at the times provided in Sections 5.01, 6.01, 6.03, 6.05, 9.08 and 9.14(c) of this Master Indenture. The Series Account within the Bond Redemption Fund shall constitute an irrevocable trust fund to be applied solely as set forth in the applicable Supplemental Indenture for the related Series of Bonds and shall be held by the Trustee separate and apart from all other Funds and Accounts held under such Indenture and from all other moneys of the Trustee. All earnings on investments held in the Series Account within the Bond Redemption Fund shall be retained therein and applied as set forth below.

Moneys in the Series Account within the Bond Redemption Fund (including all earnings on investments held in the Series Account within the Bond Redemption Fund) shall be

accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, except for amounts resulting from Prepayments, which shall be as provided in the next paragraph, to make such deposits into the Rebate Fund created and established under this Master Indenture as the Issuer may direct in accordance with an arbitrage rebate agreement, such moneys thereupon to be used solely for the purposes specified in said arbitrage rebate agreement. Any moneys so transferred from the Series Account within the Bond Redemption Fund to the Rebate Fund shall thereupon be free from the lien and pledge of the related Indenture;

SECOND, to be used to call for redemption pursuant to clause (b) of Section 8.01 hereof an amount of Bonds of the applicable Series equal to the amount of money transferred to the Series Account within the Bond Redemption Fund pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the direction of a Responsible Officer, to call for redemption on each Interest Payment Date or other date on which Bonds of the applicable Series are subject to optional redemption pursuant to Section 8.01(a) hereof such amount of Bonds of the applicable Series as, with the redemption premium, may be practicable; provided, however, that not less than Five Thousand Dollars (\$5,000) principal amount of Bonds of the applicable Series shall be called for redemption at one time.

Any such redemption shall be made in accordance with the provisions of Article VIII of this Master Indenture and the applicable provisions of the related Supplemental Indenture. The Issuer shall pay all expenses in connection with such redemption from amounts in the Revenue Fund.

SECTION 6.07. Drawings on Credit Facility. With respect to Bonds in respect of which there has been issued a Credit Facility, the Trustee shall draw on the Credit Facility, in accordance with the provisions for drawing under such Credit Facility, and within the requisite time period, all as set forth in the Credit Facility Agreement or the Supplemental Indenture.

SECTION 6.08. Procedure When Funds Are Sufficient to Pay All Bonds of a Series. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, if at any time the moneys held by the Trustee in the Funds (other than the moneys in the Rebate Fund) and Accounts hereunder and under a Supplemental Indenture and available therefor are sufficient to pay the principal or Redemption Price of, as the case may be, and interest on all Bonds of a Series then Outstanding under such Indenture to maturity or prior redemption, together with any amounts due the Issuer and the Trustee, Paying Agent, Registrar and Credit Facility Issuer, if any, the Trustee, at the direction of the Issuer, shall apply the amounts in the Series Funds and Series Accounts to the payment of the aforesaid obligations and the Issuer shall not be required to pay over any further Pledged Revenues with respect to such Series of Bonds

unless and until it shall appear that there is a deficiency in the Funds and Accounts held by the Trustee.

SECTION 6.09. Certain Moneys to Be Held for Series Bondholders Only. Each Series of Bonds issued pursuant to this Master Indenture and the related Supplemental Indenture shall be secured by Pledged Revenues, as set forth herein, and otherwise may be secured by such additional Funds and Accounts and other security (including, but not limited to, Credit Facilities) established by the pertinent Supplemental Indenture. Moneys and investments in the various Funds and Accounts created under a Supplemental Indenture expressly and solely for the benefit of the Series of Bonds issued under such Supplemental Indenture shall be held in trust by the Trustee for the benefit of the Holders of, and Credit Facility Issuer with respect to, Bonds of that Series only.

SECTION 6.10. Unclaimed Moneys. In the event any Bond shall not be presented for payment when the principal of such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such Bond have been deposited with the Trustee for the benefit of the owner of the Bond and have remained unclaimed for three (3) years after the date payment thereof becomes due shall, upon request of the Issuer, if the Issuer is not at the time to the actual knowledge of a Responsible Officer of the Trustee in default with respect to any covenant in this Master Indenture, any Supplemental Indenture or the Bonds contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Trustee, before making payment to the Issuer, shall, if so directed by the Issuer, at the expense of the Issuer, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

SECTION 6.11. Rebate Fund. The Trustee is hereby authorized and directed to establish a Rebate Fund. Unless provided otherwise in a Supplemental Indenture, the Trustee shall transfer monies from the applicable Series Account in the Revenue Fund and deposit the same to the Rebate Fund, and shall make payments therefrom at the times and in the amounts as directed by the Issuer in writing that are required to comply with the covenants in the applicable Arbitrage Certificate. If so directed by the Issuer in writing, the Trustee shall create one or more Series Accounts within the Rebate Fund relating to one or more particular Series of Bonds.

(a) All amounts held in the Rebate Fund shall be governed by this Section and the applicable Arbitrage Certificate. The Trustee shall be entitled to rely on the rebate calculations obtained from the rebate analyst retained by the Issuer pursuant to any Arbitrage Certificate and the Trustee shall not be responsible for any loss or damage resulting from any good faith action taken or omitted to be taken by the Issuer in reliance upon such calculations.

(b) Pursuant to the applicable Arbitrage Certificate, the Trustee shall remit all rebate installments and a final rebate payment to the United States. The Trustee shall have no obligation to pay any amounts required to be rebated pursuant to this Section and the applicable Arbitrage Certificate, other than at the direction of the Issuer and from moneys held in the Rebate Fund or from other moneys provided to it by the Issuer. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any arbitrage rebate shall be withdrawn and paid to the Issuer.

(c) Notwithstanding any other provision of this Indenture, including in particular Article XIV hereof, the obligation to pay arbitrage rebate to the United States and to comply with all other requirements of this Section and the Arbitrage Certificate shall survive the defeasance or payment in full of the Bonds.

(d) The Trustee shall not be deemed to have constructive knowledge of the Code or regulations, rulings and judicial decisions concerning the Code.

## ARTICLE VII SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS

SECTION 7.01. Deposits and Security Therefor. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, all moneys received by the Trustee under a Supplemental Indenture for deposit in any Fund or Account established under this Master Indenture or such Supplemental Indenture shall be considered trust funds, shall not be subject to lien or attachment, except for the lien created by this Master Indenture and the related Supplemental Indenture, and shall be deposited with the Trustee, until or unless invested or deposited as provided in Section 7.02 hereof. All deposits of moneys received by the Trustee under this Master Indenture or such Supplemental Indenture (whether original deposits under this Section 7.01 or deposits or redeposits in time accounts under Section 7.02) shall, to the extent not insured, and to the extent permitted by law, be fully secured as to both principal and interest earned, by Investment Securities of the types set forth in the definition of Investment Securities and the provisions thereof. If at any time the Trustee is unwilling to accept such deposits or unable to secure them as provided above, the Trustee may deposit such moneys with any other depository which is authorized to receive them and the deposits of which are insured by the Federal Deposit Insurance Corporation (including the FDIC Savings Association Insurance Fund). All deposits in any other depository in excess of the amount covered by insurance (whether under this Section 7.01 or Section 7.02 as aforesaid) shall, to the extent permitted by law, be fully secured as to both principal and interest earned, in the same manner as required herein for deposits with the Trustee. Such security shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000.

SECTION 7.02. Investment or Deposit of Funds. The Trustee shall, as directed by the Issuer in writing, invest moneys held in the Series Accounts in the Debt Service Fund and any Series Account within the Bond Redemption Fund created under any Supplemental Indenture only in Government Obligations and securities described in subparagraphs (iii), (iv), (v), (vi), (ix), (x) or (xi) of the definition of Investment Securities unless the applicable Supplemental Indenture provides for alternate investments. Except to the extent otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in any Series Account of the Debt Service Reserve Fund in Investment Securities. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth herein. All securities securing investments under this Section shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with

respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, subject to Section 6.05 of this Master Indenture and unless otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, any interest and other income so received shall be deposited in the related Series Account of the Revenue Fund. Upon written request of the Issuer, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which the securities were held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof. If net proceeds from the sale of securities held in any Fund or Account shall be less than the amount invested and, as a result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund or Account, the amount of such deficit shall be transferred to such Fund or Account from the related Series Account of the Revenue Fund.

In the absence of written investment instructions from the Issuer, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder invested or for any losses because such amounts were not invested. Moneys in any of the Funds and Accounts established pursuant to the Indenture, when held by the Trustee, shall be promptly invested by the Trustee in accordance with all written directions from the Issuer and the Issuer shall be responsible for ensuring that such instructions conform to requirements of this Master Indenture including, without limitation, Article VII hereof. The Trustee shall not be liable or responsible for any loss or entitled to any gain resulting from any investment or sale upon the investment instructions of the Issuer or otherwise, including that set forth in the first sentence of this paragraph. The Trustee may conclusively rely upon the Issuer's written instructions as to both the suitability and legality of all investments directed hereunder or under any Supplemental Indenture. Ratings of investments shall be determined by the Issuer at the time of purchase of such investments and without regard to ratings subcategories. The Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades. Confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

SECTION 7.03. Valuation of Funds. Except for the assets on deposit in the Debt Service Reserve Fund, the Trustee shall value the assets in each of the Funds and Accounts established hereunder or under any Supplemental Indenture within ten (10) Business Days following each November 1 Interest Payment Date. With respect to the assets in the Debt Service Reserve Fund, including all accounts established therein, the Trustee shall value such assets forty-five (45) days prior to each Interest Payment Date. In either case, as soon as practicable after each such valuation date (but no later than ten (10) Business Days after each such valuation date), the Trustee shall provide the Issuer a report of the status of each Fund and Account as of the valuation date. In computing the assets of any Fund or Account, investments

and accrued interest thereon shall be deemed a part thereof, subject to Section 7.02 hereof. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder or under any Supplemental Indenture, obligations in which money in such Fund or Account shall have been invested shall be valued at the market value 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.

SECTION 7.04. Brokerage Confirmations. The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

## ARTICLE VIII REDEMPTION AND PURCHASE OF BONDS

SECTION 8.01. Redemption Dates and Prices. Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, the Bonds of a Series may be made subject to optional, mandatory and extraordinary redemption and purchase, either in whole or in part, by the Issuer, prior to maturity in the amounts, at the times and in the manner provided in this Article VIII and in the related Supplemental Indenture.

(a) *Optional Redemption.* Bonds of a Series shall be subject to optional redemption at the direction of the Issuer, at the times and upon payment of the Redemption Price as provided in the related Supplemental Indenture.

(b) *Extraordinary Mandatory Redemption in Whole or in Part.* Except as otherwise provided in a Supplemental Indenture with respect to Bonds of the related Series, Bonds of a Series are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Interest Payment Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, (i) from moneys deposited into the related Series Bond Redemption Fund following the prepayment of Special Assessments on any portion of the District Lands in accordance with the provisions of Section 9.08(a) hereof; (ii) from moneys deposited into the related Series Bond Redemption Fund following the prepayment of Special Assessments on any portion of the District Lands in accordance with Section 9.08(b) hereof; (iii) when sufficient moneys are on deposit in the related Series Funds and Accounts (other than moneys in the Rebate Fund and any other excluded Fund or Account as provided in a Supplemental Indenture with respect to a Series of Bonds or moneys required to pay Costs of the Project under the applicable Supplemental Indenture) to pay and redeem all Outstanding Bonds of a Series and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the Indenture; (iv) unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds from moneys in excess of the Series Account of the Debt Service Reserve Requirement in the Series Account of the Debt Service Reserve Fund transferred to the Series Bond Redemption Fund pursuant to Section 6.05 hereof; (v) from excess moneys transferred from the Series Account of the Revenue Fund to the Series Bond Redemption Fund

in accordance with Section 6.03 of this Master Indenture; (vi) from moneys, if any, on deposit in the Series Bond Redemption Fund pursuant to Section 9.14(c) hereof following condemnation or the sale of any portion of the District Lands benefited by a Project to a governmental entity under threat of condemnation by such governmental entity or the damage or destruction of all or substantially all of the Project when such moneys are not to be used pursuant to 9.14(c) to repair, replace or restore the Project; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable; or (vii) from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund in accordance with Section 5.01(c) hereof.

(c) *Mandatory Sinking Fund Redemption.* Bonds of a Series may be subject to mandatory sinking fund redemption at a Redemption Price of 100% of the principal amount thereof plus accrued interest to the redemption date, in the years and amounts set forth in a Supplemental Indenture.

In connection with such mandatory sinking fund redemption of Bonds, amounts shall be transferred from the applicable Series Account of the Revenue Fund to the Series Sinking Fund Account of the Debt Service Fund, all as more particularly described in Section 6.03 hereof.

The principal amounts of scheduled Sinking Fund Installments shall be reduced as specified by the Issuer or as provided in Section 8.04 hereof by any principal amounts of the Bonds redeemed pursuant to Section 8.01(a) and (b) hereof or purchased pursuant to Section 6.04 hereof.

Upon any redemption of Bonds other than in accordance with scheduled Sinking Fund Installments, the Issuer shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Bonds of such Series in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Bonds of such Series. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Bonds of such Series in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a Sinking Fund Installment is due, the foregoing recalculation shall not be made to Sinking Fund Installments due in the year in which such redemption or purchase occurs, but shall be made to Sinking Fund Installments for the immediately succeeding and subsequent years.

SECTION 8.02. Notice of Redemption and of Purchase. Except where otherwise required by a Supplemental Indenture, when required to redeem or purchase Bonds of a Series under any provision of the related Indenture or directed to do so by the Issuer, the Trustee shall cause notice of the redemption, either in whole or in part, to be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the

Bonds of such Series for which notice was duly mailed in accordance with this Section 8.02. Such notice shall be given in the name of the Issuer, shall be dated, shall set forth the Bonds of such Series Outstanding which shall be called for redemption or purchase and shall include, without limitation, the following additional information:

- (a) the redemption or purchase date;
- (b) the redemption or purchase price;
- (c) CUSIP numbers, to the extent applicable, and any other distinctive numbers and letters;
- (d) Any conditions that must be satisfied for the Bonds to be redeemed on the date of redemption;
- (e) if less than all Outstanding Bonds of a Series to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed or purchased;
- (f) that on the redemption or purchase date the Redemption Price or purchase price will become due and payable upon surrender of each such Bond or portion thereof called for redemption or purchase, and that interest thereon shall cease to accrue from and after said date; and
- (g) the place where such Bonds are to be surrendered for payment of the redemption or purchase price, which place of payment shall be a corporate trust office of the Trustee.

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

If the amount of funds deposited with the Trustee for such redemption, or otherwise available, is insufficient to pay the Redemption Price and accrued interest on the Bonds so called for redemption on the redemption date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed randomly from among all such Bonds called for redemption on such date, and among different maturities of Bonds in the same manner as the initial selection of Bonds to be redeemed, and from and after such redemption date, interest on the Bonds or portions thereof so paid shall cease to accrue and become payable; but interest on any Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Bonds not been called for redemption.

The notices required to be given by this Section 8.02 shall state that no representation is made as to correctness or accuracy of the CUSIP numbers listed in such notice or printed on the Bonds.

**SECTION 8.03. Payment of Redemption Price.** If any required (a) unconditional notice of redemption has been duly mailed or waived by the Owners of all Bonds called for redemption or (b) conditional notice of redemption has been so mailed or waived and the redemption moneys have been duly deposited with the Trustee or Paying Agent, then in either case, the Bonds called for redemption shall be payable on the redemption date at the applicable Redemption Price plus accrued interest, if any, to the redemption date. Bonds of a Series so called for redemption, for which moneys have been duly deposited with the Trustee, will cease to bear interest on the specified redemption date, shall no longer be secured by the related Indenture and shall not be deemed to be Outstanding under the provisions of the related Indenture.

Payment of the Redemption Price, together with accrued interest, shall be made by the Trustee or Paying Agent to or upon the order of the Owners of the Bonds called for redemption upon surrender of such Bonds. The Redemption Price of the Bonds to be redeemed, the expenses of giving notice and any other expenses of redemption, shall be paid out of the Fund from which redemption is to be made or by the Issuer, or as specified in a Supplemental Indenture.

**SECTION 8.04. Partial Redemption of Bonds.** Except to the extent otherwise provided in a Supplemental Indenture, if less than all of a Series of Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of the Bonds to be called for redemption by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any partial redemption of Bonds of a Series pursuant to Section 8.01(a), such redemption shall be effectuated by redeeming Bonds of such Series of such maturities in such manner as shall be specified by the Issuer in writing, subject to the provisions of Section 8.01 hereof. In the case of any partial redemption of Bonds of a Series pursuant to Section 8.01(b), such redemption shall be effectuated by redeeming Bonds of such Series pro rata among the maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds of such Series to be redeemed multiplied times a fraction the numerator of which is the principal amount of the Series of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds of such Series outstanding immediately prior to the redemption date, rounded down to the nearest \$5,000 amount (or other minimum denomination necessary in order to retain Authorized Denominations).

## **ARTICLE IX COVENANTS OF THE ISSUER**

**SECTION 9.01. Power to Issue Bonds and Create Lien.** The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Bonds, to adopt and execute this Master Indenture and to pledge the Pledged Revenues for the benefit of the Bonds of a Series and any Credit Facility Issuer, except to the extent otherwise provided in a Supplemental Indenture. The Pledged Revenues are not and shall not be subject to any other lien senior to or

on a parity with the lien created in favor of the Bonds of a Series and any Credit Facility Issuer with respect to such Series. The Bonds and the provisions of this Master Indenture and any Supplemental Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by this Master Indenture and any Supplemental Indenture and all the rights of the Bondholders and any Credit Facility Issuer under this Master Indenture and any Supplemental Indenture against all claims and demands of all other Persons whomsoever.

SECTION 9.02. Payment of Principal and Interest on Bonds. The payment of the principal or Redemption Price of and interest on all of the Bonds of a Series issued under the related Indenture shall be secured forthwith equally and ratably by a first lien on and pledge of the Pledged Revenues, except to the extent otherwise provided in a Supplemental Indenture; and Pledged Revenues in an amount sufficient to pay the principal or Redemption Price of and interest on the Bonds of a Series authorized by the related Indenture are hereby irrevocably pledged to the payment of the principal or Redemption Price of and interest on the Bonds of a Series authorized under the related Indenture, as the same become due and payable. The Issuer shall promptly pay the interest on and the principal or Redemption Price of every Bond issued hereunder according to the terms thereof, but shall be required to make such payment only out of the Pledged Revenues.

THE BONDS AUTHORIZED UNDER THIS MASTER INDENTURE AND THE RELATED SUPPLEMENTAL INDENTURE AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, INCLUDING, WITHOUT LIMITATION, THE PROJECT OR ANY PORTION THEREOF IN RESPECT OF WHICH ANY SUCH BONDS ARE BEING ISSUED, OR ANY PART THEREOF, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES AS SET FORTH IN THIS MASTER INDENTURE AND ANY SUPPLEMENTAL INDENTURE. NOTHING IN THE BONDS AUTHORIZED UNDER THIS MASTER INDENTURE AND ANY SUPPLEMENTAL INDENTURE SHALL BE CONSTRUED AS OBLIGATING THE ISSUER TO PAY THE BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON EXCEPT FROM THE PLEDGED REVENUES, OR AS PLEDGING THE FAITH AND CREDIT OF THE ISSUER, THE COUNTY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR AS OBLIGATING THE ISSUER, THE COUNTY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

SECTION 9.03. Special Assessments; Re-Assessments.

(a) Except as otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the Issuer shall levy Special Assessments, and, unless the Issuer collects the Special Assessments directly under the conditions set forth herein, evidence and certify the same to the Tax Collector or cause the Property Appraiser to certify the same on the tax roll to the Tax Collector for collection by the Tax Collector and enforcement by the Tax Collector or the Issuer pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as

applicable, and Section 9.04 hereof, to the extent and in an amount sufficient to pay Debt Service Requirements on all Outstanding Bonds.

(b) If any Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Issuer shall be satisfied that any such Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the Issuer shall have omitted to make such Special Assessment when it might have done so, the Issuer shall either (i) take all necessary steps to cause a new Special Assessment to be made for the whole or any part of said improvement or against any property benefited by said improvement, or (ii) in its sole discretion, make up the amount of such Special Assessment from any legally available moneys, which moneys shall be deposited into the applicable Series Account in the Revenue Fund. In case such second Special Assessment shall be annulled, the Issuer shall obtain and make other Special Assessments until a valid Special Assessment shall be made.

SECTION 9.04. Method of Collection. Unless otherwise provided in the applicable Supplemental Indenture, Special Assessments shall be collected by the Issuer in accordance with the provisions of the Act and Chapter 190 and Chapter 197, Florida Statutes, or any successor statutes thereto, as applicable, in accordance with the terms of this Section. Except as stated in the next succeeding sentence, and except as to Special Assessments levied on unplatted lots or platted lots owned by the Landowner, which may be directly collected by the Issuer pursuant to the Act and Chapters 170 and 197, Florida Statutes, the Issuer shall use the uniform method for the levy, collection and enforcement of Special Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, or any successor statutes thereto (the "Uniform Method"), and to do all things necessary to continue to use the Uniform Method or a comparable alternative method afforded by Section 197.3631, Florida Statutes. Notwithstanding the foregoing, the Issuer shall not use the Uniform Method to collect Special Assessments levied against District Lands should the Issuer determine that another method of collection is in the best interest of the District. The Issuer shall use its best efforts to enter into and/or maintain in effect one or more written agreements with the Property Appraiser and the Tax Collector, either individually or jointly (together, the "Property Appraiser and Tax Collector Agreement") in order to effectuate the provisions of this Section. The Issuer shall ensure that any such Property Appraiser and Tax Collector Agreement remains in effect for at least as long as the final maturity of Bonds Outstanding under this Indenture. To the extent that the Issuer is legally prevented from collecting Special Assessments pursuant to the Uniform Method, then the Issuer shall collect and enforce Special Assessments pursuant to any available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto.

Notwithstanding the immediately preceding paragraph or any other provision in this Master Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the direction of the Majority Holders of a Series of Bonds, requests that the Issuer not use the Uniform Method to collect the Special Assessments levied by the Issuer for the purpose of paying the Debt Service Requirements such Series of Bonds, but instead collect and enforce the Special Assessments levied by the Issuer for the purpose of paying the Debt Service Requirements such Series of Bonds to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the Issuer shall collect and enforce said Special Assessments in the manner and pursuant to the

method so requested by the Trustee. Any Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable Landowner and be payable not later than thirty (30) days prior to each Interest Payment Date.

SECTION 9.05. Delinquent Special Assessments. Subject to the provisions of Section 9.04 hereof, if the owner of any lot or parcel of land assessed for a particular Project shall be delinquent in the payment of any Special Assessment, then such Special Assessment shall be enforced pursuant to the provisions of Chapter 197, Florida Statutes, or any successor statute thereto, including but not limited to the sale of tax certificates and tax deeds as regards such delinquent Special Assessment. In the event the provisions of Chapter 197, Florida Statutes, and any provisions of the Act with respect to such sale are inapplicable by operation of law, then upon the delinquency of any Special Assessment the Issuer shall, to the extent permitted by law, or if the Board determines in its best interests to directly collect such Special Assessment, utilize any other method of enforcement as provided by Section 9.04 hereof, including, without limitation, declaring the entire unpaid balance of such Special Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed, pursuant to the provisions of Section 170.10, Florida Statutes, in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law. The Issuer covenants not to use the provisions of Chapter 173, Florida Statutes, for delinquent Special Assessment proceedings, unless no other provision under applicable law can be used to foreclose the Special Assessments. Notwithstanding anything to the contrary herein, the Issuer shall be entitled to recover from any foreclosure all fees and costs expended in connection with such foreclosure, regardless of whether such fees and costs are included as part of "Special Assessments" as defined herein.

SECTION 9.06. Sale of Tax Certificates and Issuance of Tax Deeds; Foreclosure of Special Assessment Liens.

(a) If the Special Assessments levied and collected under the Uniform Method described in Section 9.04 are delinquent, then the applicable procedures for issuance and sale of tax certificates and tax deeds for nonpayment shall be followed in accordance with Chapter 197, Florida Statutes and related statutes. Alternatively, if the Uniform Method is not utilized, and if any property shall be offered for sale for the nonpayment of any Special Assessment, and no person or persons shall purchase the same for an amount at least equal to the full amount due on the Special Assessment (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the Issuer, to the extent the Issuer has available funds, for an amount equal to the balance due on the Special Assessment (principal, interest, penalties and costs, plus attorneys' fees, if any), and the Issuer shall thereupon receive, in its corporate name or in the name of a special purpose entity nominee of the Issuer, the title to the property for the benefit of the Trustee. The Issuer, either through its own actions or actions caused to be done through the Trustee, shall have the power and shall use its best efforts to lease or sell such property and deposit all of the net proceeds of any such lease or sale into the related Series Account of the Revenue Fund.

(b) Not less than ten (10) days prior to the filing of any foreclosure action or any sale of tax deed as herein provided, the Issuer shall cause written notice thereof to be mailed

to the Trustee. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the Issuer, it shall give written notice thereof to the Trustee.

(c) Notwithstanding any of the foregoing to the contrary, for so long as there is an "Obligated Person", as defined under the Rule, then in addition to the Issuer, the decision to file a foreclosure action shall be made by the Majority Holders of the Outstanding Bonds so secured by the delinquent Special Assessments and such decision shall be communicated to the Issuer and the Trustee in writing; provided, however, the Majority Holders of the Outstanding Bonds shall be deemed to have consented to any request by the Issuer to foreclose if the Issuer does not receive written direction from the Trustee as directed by the Majority Holders of the Outstanding Bonds within sixty (60) days of a written request to foreclose by the Issuer. The Issuer, either through its own actions or actions caused to be done through the Trustee, agrees that it shall be required to take the measure provided by law for sale of property acquired by it as trustee for the Registered Owners within thirty (30) days after the receipt of the request therefor signed by the Registered Owners of at least twenty-five percent (25%) of the aggregate principal amount of all Outstanding Bonds of the Series payable from Special Assessments assessed on such property.

(d) If directed by the Holders of at least twenty-five percent (25%) of the Bonds Outstanding of the Series payable from Special Assessments assessed on such property, or if the Trustee or the Issuer shall so elect, the Issuer and the Trustee may place title of property received upon foreclosure or deed in lieu of foreclosure into a special purpose entity controlled by the Trustee or such other entity acceptable to the Majority Holders of a Series so effected by such foreclosure, for the benefit of the Registered Owners.

SECTION 9.07. Books and Records with Respect to Special Assessments. In addition to the books and records required to be kept by the Issuer pursuant to the provisions of Section 9.17 hereof, the Issuer shall keep books and records for the collection of the Special Assessments on the District Lands, which such books, records and accounts shall be kept separate and apart from all other books, records and accounts of the Issuer. The District Manager or the District Manager's designee, at the end of each Fiscal Year, shall prepare a written report setting forth the collections received, the number and amount of delinquencies, the proceedings taken to enforce collections and cure delinquencies and an estimate of time for the conclusion of such legal proceedings.

SECTION 9.08. Removal of Special Assessment Liens. Except as otherwise provided in a Supplemental Indenture with respect to a related Series of Bonds, the following procedures shall apply in connection with the removal of Special Assessment liens:

(a) At any time from the date of levy of Special Assessments on a parcel of District Lands through the date that is thirty (30) days after the related Project has been completed and the Board has adopted a resolution accepting such Project as provided by Section 170.09, Florida Statutes, as amended, any owner of property subject to the Special Assessments may, at its option, [and under certain circumstances described in the assessment resolutions in connection with prepayments derived from the application of the "True-Up" mechanism therein], require the Issuer to release and extinguish the lien upon its property by virtue of the levy of the Special Assessments that relate to a Series of Bonds by paying to the Issuer the entire amount of



such Special Assessment on such property, without interest. The Issuer shall promptly notify the Trustee in writing of any Prepayment made under such circumstances. Accrued interest on the principal amount of any Bonds that would be redeemed as a result of such Prepayment made within thirty (30) days after the Board has adopted a resolution accepting the Project shall be derived from moneys on deposit in the capitalized interest account established with respect to such Bonds, if any, and, if no moneys remain, from moneys on deposit in the Interest Account, and, if no moneys remain therein, from moneys on deposit in the Debt Service Reserve Account. The Issuer may require all landowners to waive such right, or to limit the number of prepayments that may be made.

Upon receipt of a Prepayment as described in the immediately preceding paragraph, the Issuer shall immediately, but in any event within two (2) Business Days following the receipt of such Prepayment moneys, pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the Issuer that the Special Assessment has been paid in full or in part and that such Special Assessment lien is thereby released and extinguished if paid in full or such Special Assessment lien shall be reduced if the Landowner only made a partial Prepayment. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the Bond Redemption Fund to be applied to the redemption of Bonds in accordance with Section 8.01(b)(i) hereof. In connection with such Prepayment, the Trustee shall calculate the credit authorized pursuant to Section 6.05 hereof, and transfer such credit to the Bond Redemption Fund to be used together with such Prepayment for the redemption of Bonds in accordance with Section 8.01(b)(i) hereof.

(b) Notwithstanding the foregoing, and consistent with the proceedings of the Issuer relating to the imposition and levy of the Special Assessments, any Landowner may at any time require the Issuer to release and extinguish the lien upon its property by virtue of the levy of the Special Assessments by paying to the Issuer the entire amount of the Special Assessment, plus accrued interest to the next succeeding Interest Payment Date (or the second succeeding Interest Payment Date if such prepayment is made within forty (40) calendar days before an Interest Payment Date), attributable to the property subject to Special Assessment owned by such owner.

SECTION 9.09. Deposit of Special Assessments. The Issuer covenants to cause any Special Assessments collected or otherwise received by it to be deposited with the Trustee within five (5) Business Days after receipt thereof for deposit into the related Series Account of the Revenue Fund (except that amounts received as Prepayments of Special Assessments shall be designated by the Issuer as such upon delivery to the Trustee and shall be deposited directly into the related Series Account within the Bond Redemption Fund).

SECTION 9.10. Construction to be on District Lands. The Issuer covenants that no part of the Project will be constructed on, over or under lands other than (i) lands good and marketable title to which is owned by the Issuer or other appropriate entity in fee simple, (ii) lands on, over or under which the Issuer or other appropriate entity shall have acquired perpetual easements for the purposes of the Project, or (iii) lands, including public streets and highways, the right to the use and occupancy of which for such purposes shall be vested in the Issuer or other appropriate entity by law or by valid franchises, licenses, easements or rights of way or other legally effective permissions or approval.

SECTION 9.11. Operation, Use and Maintenance of Project. The Issuer shall establish and enforce reasonable rules and regulations governing the use of the Project owned by the Issuer, and the operation thereof, such rules and regulations to be adopted in accordance with the Act, and the Issuer shall operate, use and maintain the Project owned by the Issuer in accordance with the Act and all other applicable federal and State laws, rules and regulations; the Issuer shall maintain and operate the Project owned by the Issuer in an efficient and economical manner, shall at all times maintain the same in good repair and in sound operating condition and shall make all necessary repairs, renewals and replacements.

SECTION 9.12. Observance of and Compliance with Valid Requirements. The Issuer shall pay all municipal or governmental charges lawfully levied or assessed upon any Project or any part thereof or upon any revenues when the same shall become due, and the Issuer shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Project. The Issuer shall not, except as otherwise permitted in Section 9.24 of this Article, create or suffer to be created any lien or charge upon any Project or upon Pledged Revenues, except the lien and charge of the Bonds on the Pledged Revenues.

SECTION 9.13. Payment of Operating or Maintenance Costs by State or Others. The Issuer may permit the United States of America, the State, the County or any of their agencies, departments or political subdivisions to pay all or any part of the cost of maintaining, repairing and operating the Project out of funds other than Pledged Revenues.

SECTION 9.14. Public Liability and Property Damage Insurance; Maintenance of Insurance; Use of Insurance and Condemnation Proceeds.

(a) Except as otherwise provided in subsection (d) of this Section, the Issuer will carry or cause to be carried, in respect of each Project, comprehensive general liability insurance (covering bodily injury and property damage) issued by one or more insurance companies authorized and qualified to do business under the laws of the State, in such amounts as is customary for similar operations, or as is more specifically set forth herein below.

(b) At all times, to the extent commercially available, the Issuer shall maintain a practical insurance program, with reasonable terms, conditions, provisions and costs which the District Manager determines will afford adequate protection against loss caused by damage to or destruction of any component of the Project owned by the Issuer. Limits for such coverage will be subject to the Consulting Engineer's recommendations which are to be provided in an annual report, as required by Section 9.21 hereof. The Issuer shall also, at all times, maintain a practical comprehensive general liability insurance program with respect to the Project for such coverage, with such reasonable terms, conditions, provisions and costs as the District Manager determines will afford adequate protection against bodily injury and property damage.

All insurance policies of the Issuer relating to the Project shall be carried with companies authorized to do business in the State, with a Best rating of no less than "A" as to management and Class "V" as to financial strength; provided, however, that if, in the opinion of the District Manager, adequate insurance protection under reasonable terms, conditions, provisions and cost cannot be purchased from an insurance company with the above-designated ratings, then the

District Manager, on behalf of the Issuer, may secure such insurance protection as the Issuer determines to be in its best interests and otherwise consistent with this Master Indenture and any Supplemental Indenture; provided further, however, that the Issuer may act as a self-insurer in accordance with the requirements of subsection (d) hereof. All policies providing the insurance coverages required by this Section shall designate the Issuer as the loss-payee and shall be made payable to the Issuer.

(c) All proceeds received from property damage or destruction insurance and all proceeds received from the condemnation of the Project or any part thereof are hereby pledged by the Issuer as security for the related Series of Bonds and shall be deposited at the option of the Issuer, but subject to the limitations hereinafter described, either (i) into a separate subaccount within the Acquisition and Construction Fund to be established by the Trustee for such purpose, and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) unless otherwise provided in a Supplemental Indenture, into the related Series Account within the Bond Redemption Fund for the purpose of purchasing or redeeming Bonds according to the provisions set forth in Article VIII hereof. The Issuer shall not be entitled to deposit insurance proceeds or condemnation awards into the separate fund described above in clause (i) of this paragraph (and such proceeds and awards shall be deposited directly into the related Series Account within the Bond Redemption Fund pursuant to clause (ii) of this paragraph) unless there shall have been filed with the Issuer within a reasonable time after the damage, destruction or condemnation (A) a certificate from the Consulting Engineer that the proceeds of the insurance or condemnation awards deposited into such separate fund, together with other funds available for such purposes, will be sufficient to repair, rebuild, replace or restore such property to substantially the same condition as it was in prior to its damage, destruction or condemnation (taking into consideration any changes, alterations and modifications that the Issuer may desire), (B) an opinion from the Consulting Engineer that the Project can be repaired, rebuilt, replaced or restored within two (2) years following the damage, destruction or condemnation thereof and (C) an opinion of the Consulting Engineer that, in each of the three (3) Fiscal Years following completion of such repair, rebuilding, replacement or restoration, the Issuer will be in compliance with its obligations hereunder. If the certificate described in clause (A) of this paragraph is not rendered because such proceeds or awards are insufficient for such purposes, the Issuer may deposit any other legally available funds in such separate fund in an amount required to enable the Consulting Engineer to render its certificate. If the insurance proceeds or condemnation awards deposited in such separate fund are more than sufficient to repair the damaged property or to replace the destroyed or taken property, the balance thereof remaining shall be deposited to the credit of the related Series Account in the Revenue Fund.

(d) The Issuer shall be entitled to provide all or a portion of the insurance coverage required by subsections (a) and (b) of this Section through Qualified Self Insurance, provided that the requirements hereinafter set forth in this subsection (d) are satisfied. "Qualified Self Insurance" means insurance maintained through a program of self-insurance or insurance maintained with a company or association in which the Issuer has a material interest or of which the Issuer has control, either singly or with others.

Each plan of Qualified Self Insurance shall be in written form, shall provide that upon the termination of such plan reserves will be established or insurance acquired in amounts adequate to cover any potential retained liability in respect of the period of self-insurance, and shall be reviewed annually by the District Manager or registered actuary who shall deliver to the Issuer a report on the adequacy of the reserves established thereunder in light of claims made. If the District Manager or registered actuary determines that such reserves are inadequate in light of the claims made, he shall make recommendations as to the amount of reserves that should be established and maintained, and the Issuer shall comply with such recommendations.

(e) Copies of all recommendations and approvals made by the Consulting Engineer under the provisions of this Section shall be filed with the District Manager.

**SECTION 9.15. Collection of Insurance Proceeds.** Copies of all insurance policies referred to in Section 9.14 of this Article shall be available at the offices of the Issuer at all reasonable times to the inspection of the Holders of the Bonds and their agents and representatives duly authorized in writing. The Issuer covenants that it will take such action as may be necessary to demand, collect and sue for any insurance money which may become due and payable under any policy of insurance required under this Master Indenture or any Supplemental Indenture, whether such policy is payable to the Issuer or to the Trustee. The Trustee is hereby authorized in its own name to demand, collect, sue and receive any insurance money which may become due and payable under any policies payable to it.

Any appraisal or adjustment of any loss or damage under any policy of insurance required under the Indenture, whether such policy is payable to the Issuer or to the Trustee, and any settlement or payment of indemnity under any such policy which may be agreed upon by the Issuer and any insurer shall be evidenced by a certificate, signed by the District Manager approved by the Consulting Engineer, and filed with the Trustee. The Trustee shall in no way be liable or responsible for the collection of insurance moneys in case of any loss or damage.

**SECTION 9.16. Use of Revenues for Authorized Purposes Only.** None of the Pledged Revenues shall be used for any purpose other than as provided in this Master Indenture and the related Supplemental Indenture and no contract or contracts shall be entered into or any action taken by the Issuer or the Trustee which will be inconsistent with the provisions of this Master Indenture and the related Supplemental Indenture.

**SECTION 9.17. Books, Records and Annual Reports.** The Issuer shall keep proper books of records and accounts in accordance with Generally Accepted Accounting Principles (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Project, and which, together with all other books and records of the Issuer, including, without limitation, insurance policies, relating to the Project, shall at all times be subject during regular business hours to the inspection of the Trustee.

The Issuer shall annually, within nine months after the close of each Fiscal Year, file with any rating agency that shall have then in effect a rating on any of the Bonds, any Bondholder that shall have, in writing, requested a copy thereof, and otherwise as provided by law, a copy of an annual report for such year, prepared in accordance with Generally Accepted Accounting Principles by a Certified Public Accountant, relating to its operations and including, without

limitation, statements in reasonable detail of financial condition as of the end of such Fiscal Year and income and expenses for such Fiscal Year relating to the Project, and a summary, with respect to each Fund and Account established under the Indenture, of the receipts therein and disbursements therefrom during such Fiscal Year, and the amounts held therein at the end of such Fiscal Year.

SECTION 9.18. Observance of Accounting Standards. The Issuer covenants that all the accounts and records of the Issuer relating to the Project will be kept according to Generally Accepted Accounting Principles consistently applied and consistent with the provisions of this Master Indenture and any Supplemental Indenture.

SECTION 9.19. Employment of Certified Public Accountant. The Issuer shall employ or cause to be retained as an independent contractor, as required, a Certified Public Accountant to perform accounting and auditing functions and duties required by the Act and this Master Indenture and any Supplemental Indenture.

SECTION 9.20. Establishment of Fiscal Year, Annual Budget. The Issuer has established a Fiscal Year beginning October 1 of each year and ending September 30 of the following year. The reports and budget of the Issuer shall relate to such Fiscal Year unless and until, in accordance with applicable law, a different Fiscal Year is established by Certified Resolution of the Issuer and is filed with the Trustee.

On or before the first day of each Fiscal Year the Issuer shall adopt a final Annual Budget with respect to the Project for such Fiscal Year for the payment of anticipated operating and maintenance expenses and shall supply a copy of such budget promptly upon the approval thereof to any Bondholders who shall have so requested in writing and shall have filed their names and addresses with the Secretary of the Board for such purpose. The Issuer may at any time adopt an amended or supplemental Annual Budget for the remainder of the current Fiscal Year, and when such amended or supplemental Annual Budget is approved it shall be treated as the official Annual Budget under this Master Indenture and any Supplemental Indenture. Copies of such amended or supplemental Annual Budget shall be mailed by the Issuer to any Bondholders who shall have so requested in writing and shall have filed their names and addresses with the Secretary of the Board for such purpose.

SECTION 9.21. Employment of Consulting Engineer; Consulting Engineer's Report.

(a) The Issuer shall, for the purpose of performing and carrying out the duties imposed on the Consulting Engineer by this Master Indenture and any Supplemental Indenture, employ or cause to be retained as an independent contractor one or more Independent engineers or engineering firms or corporations having a statewide and favorable repute for skill and experience in such work.

(b) The Issuer shall cause the Consulting Engineer to make an inspection of any portions of the Project owned by the Issuer at least once in each Fiscal Year and, on or before the first day of July in each Fiscal Year, to submit to the Board a report setting forth (i) its findings as to whether such portions of the Project owned by the Issuer have been maintained in good repair, working order and condition, (ii) its recommendations as to the proper maintenance,

repair and operation of the Project during the ensuing Fiscal Year and an estimate of the amount of money necessary for such purpose and (iii) the insurance to be carried under the provisions of Section 9.14 hereof and the amount that should be set aside monthly for the purpose of paying insurance premiums which fall due less often than monthly.

Promptly after the receipt of such reports by the Issuer, copies thereof shall be mailed by the Issuer to all Bondholders who shall have filed their names and addresses with the Secretary of the Board for such purpose.

SECTION 9.22. Audit Reports. The Issuer covenants that, no later than nine months days after the end of each Fiscal Year, or within such shorter period as mandated by applicable state law, it will cause an audit to be made by a Certified Public Accountant covering all receipts and moneys then on deposit with or in the name of the Trustee or the Issuer and any security held therefor and any investments thereof. Copies of such audit reports shall be filed with the District Manager and the Secretary of the Board, and mailed by said Secretary to the Consulting Engineer and to all Bondholders who shall have filed their names and addresses with him for such purpose.

SECTION 9.23. Issuer Records. The Issuer shall keep accurate records and books of account with respect to the Project, the Special Assessments and the Pledged Revenues, and shall have a complete audit of such records and accounts made annually by a Certified Public Accountant, as provided in Section 9.22 hereof.

SECTION 9.24. Covenant Against Sale or Encumbrance; Exceptions. The Issuer covenants that, (a) except for those improvements comprising the Projects that are to be conveyed by the Issuer to the County, the State Department of Transportation or another governmental entity, [as to which no assessments of the Issuer will be imposed] and (b) except as in this Section permitted, it will not sell, lease or otherwise dispose of or encumber the Project, or any part thereof. Subject to the provisions of Section 9.30 hereof, the Issuer may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of a Series of Bonds or from Pledged Revenues if the District Manager shall determine, with the approval of the Consulting Engineer, that such items are no longer needed or are no longer useful in connection with the construction, maintenance and operation of the related Project, and the proceeds thereof shall be applied to the replacement of the properties so sold or disposed of or, at the written direction of the Issuer shall be deposited to the credit of the related Series Account in the Acquisition and Construction Fund.

Upon any sale of property relating to the Project, the aggregate of which in any thirty (30) day period exceeds Fifty Thousand Dollars (\$50,000) under the provisions of this Section, the Issuer shall provide written notice to the Trustee of the property so sold and the amount and disposition of the proceeds thereof.

Subject to obtaining an opinion of Bond Counsel that such action will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes, the Issuer may lease or grant easements, franchises or concessions for the use of any part of the Project not incompatible with the maintenance and operation thereof, if the Consulting Engineer shall approve such lease, easement, franchise or concession in writing, and the net proceeds of any

such lease, easement, franchise or concession (after the making of provision for payment from said proceeds of all costs incurred in financing, constructing, operating, maintaining or repairing such leases, easements, franchises or concessions) shall be deposited as received to the credit of related Series Account in the Acquisition and Construction Fund. However, this provision shall not be construed to require a Bond Counsel opinion to grant routine easements, rentals and other short-term use during development and operation of the Project, subject to the limitations set forth in the Arbitrage Certificate.

SECTION 9.25. No Loss of Lien on Pledged Revenue. The Issuer shall not do or omit to do, or suffer to be done or omit to be done, any matter or thing whatsoever whereby the lien of the Bonds on the Pledged Revenues or any part thereof, or the priority thereof, would be lost or impaired; provided, however, that this Section shall not prohibit the Trustee from transferring moneys to the Rebate Fund held by the Trustee under any arbitrage rebate agreement.

SECTION 9.26. Compliance With Other Contracts and Agreements. The Issuer shall comply with and abide by all of the terms and conditions of any and all contracts and agreements which the Issuer enters into in connection with the Project and the issuance of the Bonds.

SECTION 9.27. Issuance of Additional Obligations. Except as otherwise provided herein and in the applicable Supplemental Indenture, the Issuer shall not issue any obligations other than the Bonds payable from Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, payable from Pledged Revenues, except in the ordinary course of business.

SECTION 9.28. Extension of Time for Payment of Interest Prohibited. The Issuer shall not directly or indirectly extend or assent to an extension of time for payment of any claim for interest on any of the Bonds and shall not directly or indirectly be a party to or approve any arrangement therefor by purchasing or funding or in any manner keeping alive any such claim for interest; no claim for interest which in any way, at or after maturity, shall have been transferred or pledged apart from the Bonds to which it relates or which shall in any manner have been kept alive after maturity by extension or by purchase thereof by or on behalf of the Issuer, shall be entitled, in case of a default hereunder, to any benefit or security under this Master Indenture and any Supplemental Indenture except after the prior payment in full of the principal of all Bonds and claims for interest appertaining thereto not so transferred, pledged, kept alive or extended.

SECTION 9.29. Further Assurances. The Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Master Indenture and any Supplemental Indenture.

SECTION 9.30. Use of Bond Proceeds to Comply with Internal Revenue Code. The Issuer covenants to the Holders of the Bonds that it will not make or direct the making of any investment or other use of the proceeds of any Bonds issued hereunder, the interest on which is intended to be excluded from gross income for federal income tax purposes ("Tax-Exempt Bonds") which would cause such Bonds to be "arbitrage bonds" as that term is defined in

Section 148 of the Code or "private activity bonds" as that term is defined in Section 141, of the Code, and that it will comply with the requirements of such Code sections and related regulations throughout the term of such Tax-Exempt Bonds. The Issuer hereby further covenants and agrees to comply with the procedures and covenants contained in any Arbitrage Certificate executed in connection with the issuance of each Series of Tax-Exempt Bonds for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on each Series of Tax-Exempt Bonds.

SECTION 9.31. Corporate Existence and Maintenance of Properties. For so long as any Bonds are Outstanding hereunder, unless otherwise provided by the Act, the Issuer shall maintain its corporate existence as a local unit of special purpose government under the Act and shall provide for or otherwise require all Projects, and all parts thereof owned by the Issuer to be (a) continuously operated, repaired, improved and maintained as shall be necessary to provide adequate service to the lands benefited thereby; and (b) in compliance with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority.

SECTION 9.32. Bankruptcy or Insolvency of Landowner. The provisions of this Section 9.32 shall be applicable, both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any "obligated person" (as defined in the Continuing Disclosure Agreement) (herein, the "Affected Landowner") 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"). For as long as any Bonds remain Outstanding, in any Proceeding involving the Issuer, any Affected Landowner, or the related Special Assessments, the District shall be obligated to act in accordance with direction from the Trustee, and the Trustee shall be obligated to act in accordance with direction from the Beneficial Owners of at least twenty-five percent (25%) of the aggregate principal amount of all Outstanding Bonds, with regard to all matters directly or indirectly affecting the Bonds.

The Issuer acknowledges and agrees that, although the Bonds will be issued by the Issuer, the Beneficial Owners of such Bonds are categorically the party with a financial stake in the repayment of the Bonds and, consequently, the party with a vested interest in a Proceeding. In the event of any Proceeding involving any Affected Landowner: (a) the Issuer hereby agrees that it shall follow the direction of the Trustee in 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 Special Assessments, the Bonds or any rights of the Trustee under the Indenture; (b) the Issuer hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Special Assessments, the Bonds or any rights of the Trustee with respect to this Section 9.34 or Bondholders under this Master Indenture or applicable Supplemental Trust Indenture that is inconsistent with any direction from the Trustee, (b) the Trustee shall have the right, but is not obligated to, vote in any such Proceeding any and all claims of the Issuer relating to the Special Assessment or the Bonds, and, if the Trustee chooses to exercise such right, the Issuer shall be deemed to have appointed the Trustee as its

agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the Issuer in connection with any Proceeding of any Affected Landowner, including without limitation, the right to file and/or prosecute any claims, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the Bankruptcy Code and (c) the Issuer shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of any lands submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the Issuer's claim with respect to the Special Assessments or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the Issuer agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Special Assessments, (ii) to deliver to the Issuer a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim. Notwithstanding the provisions of the immediately preceding paragraphs, nothing in this Section shall preclude the Issuer from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance assessments, or claims for moneys or performance under a contract, and the Issuer shall be free to pursue such claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the Issuer in pursuance of its claim for operation and maintenance assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Special Assessments relating to the Bonds Outstanding whether such claim is pursued by the Issuer or the Trustee.

SECTION 9.33. Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Master Indenture and any Supplemental Indenture, failure of the Issuer or the Developer (if obligated pursuant to the Continuing Disclosure Agreement) to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any participating underwriter or the Holders of at least 25% aggregate principal amount in Outstanding Bonds of a Series and receipt of indemnity to its satisfaction, shall) or any Holder of the Bonds or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Section 9.33. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 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.

## ARTICLE X EVENTS OF DEFAULT AND REMEDIES

SECTION 10.01. Events of Default and Remedies. Except to the extent otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, events of default and remedies with respect to each Series of Bonds shall be as set forth in this Master Indenture.

SECTION 10.02. Events of Default Defined. Each of the following shall be an "Event of Default" under the Indenture, with respect to a Series of Bonds:

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

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

(c) if the Issuer, for any reason, fails in, or is rendered incapable of, fulfilling its obligations under the Indenture or under the Act, as determined by the Majority Holders of such Series of Bonds; or

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

(e) if the Issuer defaults in the due and punctual performance of any other covenant in the Indenture or in any Bond of such Series issued pursuant to the Indenture and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Majority Holders of such Series; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the Issuer shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

(f) written notice shall have been received by the Trustee from a Credit Facility Issuer securing Bonds of such Series that an event of default has occurred under the Credit Facility Agreement, or there shall have been a failure by said Credit Facility Issuer to make said Credit Facility available or to reinstate the interest component of said Credit Facility in accordance with the terms of said Credit Facility, to the extent said notice or failure is established as an event of default under the terms of a Supplemental Indenture; or

(g) if at any time the amount in the Debt Service Reserve Fund or any account therein is less than the Debt Service Reserve Requirement as a result of the Trustee withdrawing an amount therefrom to satisfy the Debt Service Requirement on the Bonds of any Series and such amount has not been restored within ninety (90) days of such withdrawal; or

(h) if on an Interest Payment Date the amount in any Series Interest Account, the related Series Principal Account or the related Series Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on the Bonds of such Series on such Interest Payment Date (without regard to any amount available for such purpose in the applicable Debt Service Reserve Account); and

(i) if, at any time after eighteen months following issuance of the related series of Bonds, more than twenty percent (20%) of the “maintenance special assessments” levied by the Issuer on the District Lands upon which the Special Assessments are levied to secure one or more Series of Bonds pursuant to Section 190.021(3), Florida Statutes, as amended, and collected directly by the Issuer have become due and payable and have not been paid within ninety (90) days of the date when due.

The Trustee shall not be required to rely on any official action, admission or declaration by the Issuer before recognizing that an Event of Default under (c) above has occurred. Furthermore, an Event of Default with respect to a particular Series of Bonds shall not be an Event of Default as to any other Series of Bonds, unless otherwise provided in a Supplemental Indenture.

SECTION 10.03. No Acceleration; Redemption. No Series of Bonds issued under this Master Indenture shall be subject to acceleration. Upon occurrence and continuance of an Event of Default, no optional redemption or extraordinary mandatory redemption of the Bonds pursuant to Article VIII hereof shall occur unless all of the Bonds of the Series where an Event of Default has occurred will be redeemed or if 100% of the Holders of such Series of Bonds agree to such redemption. Provided however nothing in this Section 10.03 shall prevent a pro rata default distribution pursuant to Section 10.12 herein.

SECTION 10.04. Legal Proceedings by Trustee. If any Event of Default with respect to a Series of Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Majority Holders of such Series and receipt of indemnity to its satisfaction shall, in its own name:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Bonds of such Series, including, without limitation, the right to require the Issuer to carry out any agreements with, or for the benefit of, the Bondholders of the Bonds of such Series and to perform its or their duties under the Act;

(b) bring suit upon the Series of Bonds;

(c) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds of such Series;

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds of such Series; and

(e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing such Series of Bonds.

SECTION 10.05. Discontinuance of Proceedings by Trustee. If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, the Issuer, the Trustee, the Paying Agent and the Bondholders shall be restored to their former positions and rights hereunder as though no such proceeding had been taken.

SECTION 10.06. Bondholders May Direct Proceedings. Subject to Section 10.08 below, the Majority Holders of a Series then subject to remedial proceedings under this Article X shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law or the provisions of the Indenture.

SECTION 10.07. Limitations on Actions by Bondholders. No Bondholder shall have any right to pursue any remedy hereunder unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the Majority Holders of the applicable Series shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities (including attorneys’ fees, costs and expenses), and (d) the Trustee shall have failed to comply with such request within a reasonable time.

SECTION 10.08. Trustee May Enforce Rights Without Possession of Bonds. All rights under the Indenture and a Series of Bonds may be enforced by the Trustee without the possession of any of the Bonds of such Series or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Holders of the Bonds of such Series.

SECTION 10.09. Remedies Not Exclusive. Except as limited under Section 15.01 of this Master Indenture, no remedy contained in the Indenture with respect to a Series of Bonds is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 10.10. Delays and Omissions Not to Impair Rights. No delay or omission in respect of exercising any right or power accruing upon any Event of Default shall impair such right or power or be a waiver of such Event of Default, and every remedy given by this Article X may be exercised from time to time and as often as may be deemed expedient.

SECTION 10.11. Application of Moneys in Event of Default. Any moneys received by the Trustee or the Paying Agent, as the case may be, in connection with any proceedings brought under this Article X with respect to a Series of Bonds shall be applied in the following order of priority:

(a) to the payment of the costs of the Trustee and Paying Agent incurred in connection with actions taken under this Article X with respect to such Series of Bonds, including counsel fees, costs and expenses and any disbursements of the Trustee and the Paying Agent and payment of unpaid fees owed to the Trustee, the Registrar or the Paying Agent.

(b) unless the principal of all the Bonds of such Series shall have become or shall have been declared due and payable:

FIRST, to payment of all installments of interest then due on the Bonds of such Series in the order of maturity of such installments of interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons

entitled thereto, without any preference or priority of one installment of interest over any other installment; and

SECOND, to payment to the persons entitled thereto of the unpaid principal or Redemption Price of any of the Bonds of such Series which shall have become due in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full the principal or Redemption Price coming due on such Bonds on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any preference or priority of one such Bond of a Series over another or of any installment of interest over another.

(c) if the principal of all Bonds of a Series shall have become or shall have been declared due and payable, to the payment of principal or Redemption Price (as the case may be) and interest then owing on the Bonds of such Series and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or Redemption Price and interest ratably, without preference or priority of one Bond of such Series over another or of any installment of interest over any other installment of interest.

Any surplus remaining after the payments described above shall be paid to the Issuer or to the Person lawfully entitled to receive the same or as a court of competent jurisdiction may direct, provided however that the Issuer shall be first entitled to recover any fees and costs of foreclosure or other proceedings incurred by the Issuer in connection with enforcement of any delinquent Special Assessments

For purposes of the application of moneys described above, to the extent payments of principal of and interest on a Series of Bonds shall have been made under a Credit Facility relating thereto, the Credit Facility Issuer shall be entitled to moneys in the related Series Accounts in the Debt Service Fund in accordance with the agreement pursuant to which such Credit Facility has been issued (but subject to subsection (a) hereof and Section 11.04 hereof) and the Certified Resolution of the Issuer authorizing the issuance of such Bonds to which such Credit Facility relates.

SECTION 10.13. Trustee's Right to Receiver; Compliance with Act. During the continuance of an Event of Default, the Trustee shall be entitled as of right to the appointment of a receiver and the Trustee, the Bondholders and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the Act and other applicable law of the State. When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 10.14. Trustee and Bondholders Entitled to all Remedies under Act. It is the purpose of this Article to provide such remedies to the Trustee and Bondholders as may be lawfully granted under the provisions of the Act and other applicable laws of the State; if any

remedy herein granted shall be held unlawful, the Trustee and the Bondholders shall nevertheless be entitled to every other remedy provided by the Act and other applicable laws of the State. It is further intended that, insofar as lawfully possible, the provisions of this Article X shall apply to and be binding upon any receiver appointed in accordance with Section 10.13 hereof.

SECTION 10.15. Credit Facility Issuer's Rights Upon Events of Default. Anything in the Indenture to the contrary notwithstanding, if any Event of Default, other than Events of Default described in Section 10.02(a) or (b) hereof, has occurred and is continuing while a Credit Facility securing all or a portion of such Bonds of a Series Outstanding is in effect, the Credit Facility Issuer shall have the right, in lieu of the Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility, by an instrument in writing, executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Indenture, or exercising any trust or power conferred on the Trustee by the Indenture. Said direction shall be controlling to the extent the direction of Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility would have been controlling under this Article. If the Credit Facility Issuer shall be in default in the performance of its obligations under the Credit Facility, said Credit Facility Issuer shall have no rights under this Section.

## ARTICLE XI THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

SECTION 11.01. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article XI, to all of which the parties hereto and the Bondholders and any Credit Facility Issuer agree. The Trustee shall act as Trustee under this Master Indenture. Subject to the provisions of Section 11.03 hereof, the Trustee shall have only such duties as are expressly set forth herein, and no duties shall be implied on the part of the Trustee. The Trustee further agrees to assist the Issuer in complying with the procedures and covenants of the Issuer contained in any arbitrage rebate agreement to which the Issuer is a party and which specifically pertain to the Trustee for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, to the extent applicable.

SECTION 11.02. No Responsibility for Recitals. The recitals, statements and representations in this Master Indenture or in the Bonds, save only the Trustee's Certificate of Authentication, if any, upon the Bonds, have been made by the Issuer and not by the Trustee and the Trustee shall be under no responsibility for the correctness thereof.

SECTION 11.03. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence. The Trustee may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel concerning all questions hereunder and the advice of such Counsel or any opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon; the Trustee shall not be answerable for the default or misconduct of any attorney or agent selected and supervised by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under this Master Indenture and any Supplemental Indenture

nor for anything whatever in connection with the trust hereunder, except only its own negligence or willful misconduct or breach of its obligations hereunder. The Trustee shall not be accountable for the use or application of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds. None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it. The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

SECTION 11.04. Compensation and Indemnity. The Issuer shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements. The Issuer shall additionally, to the extent permitted by law, and to the extent of the limitations of liability set forth in section 728.28, Florida Statutes and without waiving the same, indemnify and hold the Trustee harmless against any liabilities which the Trustee may incur in the proper exercise and performance of its powers and duties hereunder, except with respect to the Trustee's own willful misconduct, negligence or breach of its obligations hereunder. If the Issuer defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys held by the Trustee or coming into its hands but exclusive of the Rebate Fund and moneys from a drawing on any Credit Facility, which right of payment shall be prior to the right of the holders of the Bonds. The Trustee shall promptly provide to the Issuer a periodic report of any moneys the Trustee has deducted for amounts owing to it. This Section 11.04 shall survive the termination of this Master Indenture and any Supplemental Indenture and, as to any Trustee, its removal or resignation as Trustee. No provision of this Master Indenture shall require the Trustee to expend or risk its own funds.

SECTION 11.05. No Duty to Renew Insurance. The Trustee shall be under no duty to effect or to renew any insurance policy nor shall it incur any liability for the failure of the Issuer to require or effect or renew insurance or to report or file claims of loss thereunder.

SECTION 11.06. Notice of Default; Right to Investigate. The Trustee shall give written notice by first-class mail to registered Holders of a Series of Bonds of all defaults known to the Trustee, unless such defaults have been remedied (the term "defaults" for purposes of this

Section and Section 11.07 being defined to include the events specified as "Events of Default" in Article X hereof, but not including any notice or periods of grace provided for therein); provided that, except in the case of a default in payment of principal or interest or Redemption Price, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders. The Trustee shall not be deemed to have notice of any default other than a payment default under this Master Indenture and any Supplemental Indenture or a notification by a Credit Facility Issuer of a default under its Credit Facility, unless notified in writing of such default by the Majority Holders of a Series. The Trustee may, however, at any time require of the Issuer full information as to the performance of any covenant hereunder, and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Issuer, an investigation into the affairs of the Issuer.

SECTION 11.07. Obligation to Act on Defaults. The Trustee shall be under no obligation to take any action in respect of any default or otherwise, unless it is requested in writing to do so by the Majority Holders of the Outstanding Bonds which are or would be, upon the taking of such action, subject to remedial proceedings under Article X of this Master Indenture if in its opinion such action may tend to involve expense or liability, and unless it is also furnished with indemnity satisfactory to it.

SECTION 11.08. Reliance by Trustee. The Trustee may act on any requisition, resolution, notice, telegram, electronic mail, facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed, signed or given by the persons purporting to be authorized (which in the case of the Issuer shall be a Responsible Officer) or to have been prepared and furnished pursuant to any of the provisions of this Master Indenture and any Supplemental Indenture; the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

SECTION 11.09. Trustee May Deal in Bonds. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if the Trustee were not a party to this Master Indenture and any Supplemental Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the Issuer; provided, however, that if the Trustee determines that any such relation is in conflict with its duties under this Master Indenture and any Supplemental Indenture, it shall eliminate the conflict or resign as Trustee.

SECTION 11.10. Construction of Ambiguous Provisions. The Trustee may construe any ambiguous or inconsistent provisions of this Master Indenture and any Supplemental Indenture, and except as otherwise provided in Article XIII of this Master Indenture, any construction by the Trustee shall be binding upon the Bondholders. The Trustee shall give prompt notice to the Issuer of any intention to make such construction.

SECTION 11.11. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Master Indenture and all Supplemental Indentures by written resignation filed with the Secretary of the Issuer not less than sixty (60) days before the date when such resignation is to take effect. Notice of such resignation shall be sent by first-class



mail to each Bondholder as its name and address appears on the Bond Register and to any Paying Agent, Registrar and Credit Facility Issuer, if any, at least sixty (60) days before the resignation is to take effect. Such resignation shall take effect on the day specified in the Trustee's notice of resignation unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor; provided, however, that notwithstanding the foregoing, such resignation shall not take effect until a successor Trustee has been appointed. If a successor Trustee has not been appointed within ninety (90) days after the Trustee has given its notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed. Notice of such resignation shall also be given to any rating agency that shall then have in effect a rating on any of the Bonds.

SECTION 11.12. Removal of Trustee. The Trustee may be removed at any time by either (a) the Issuer, if no default exists under this Master Indenture or any Supplemental Indenture, or (b) an instrument or concurrent instruments in writing, executed by the Majority Holders of the Bonds then Outstanding and filed with the Issuer. A photographic copy of any instrument or instruments filed with the Issuer under the provisions of this paragraph, duly certified by a Responsible Officer, shall be delivered promptly by the Issuer to the Trustee and to any Paying Agent, Registrar and Credit Facility Issuer, if any.

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 material 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 Issuer or the Majority Holders of the Bonds then Outstanding.

SECTION 11.13. Appointment of Successor Trustee. If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the Issuer shall appoint a successor and shall mail notice of such appointment by first-class mail to each Bondholder as its name and address appear on the Bond Register, and to the Paying Agent, Registrar, Credit Facility Issuer, if any, and any rating agency that shall then have in effect a rating on any of the Bonds. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation or removal as the date when such resignation or removal was to take effect, the Majority Holders of all Bonds then Outstanding may appoint a successor Trustee.

SECTION 11.14. Qualification of Successor. A successor Trustee shall be a bank or trust company with trust powers, having a combined net capital and surplus of at least \$50,000,000.

SECTION 11.15. Instruments of Succession. Subject to Section 11.16 hereof, any successor Trustee shall, subject to Section 11.16 hereof, execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder and thereupon, such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust

hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder, after deducting all amounts owed to the Trustee, shall pay over to the successor Trustee all moneys held by it hereunder and, upon written request of the successor Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument or instruments prepared by the Issuer transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the predecessor Trustee, except for its rights to indemnity under Section 11.04 hereof.

SECTION 11.16. Merger of Trustee. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, or any corporation that acquires the Trust Accounts of any Trustee hereunder, shall be the successor Trustee under this Master Indenture and all Supplemental Indentures, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that any such successor corporation continuing to act as Trustee hereunder shall meet the requirements of Section 11.14 hereof, and if such corporation does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article XI. The Trustee may not resign as the Paying Agent or the Registrar without resigning as Trustee.

SECTION 11.17. Extension of Rights and Duties of Trustee to Paying Agent and Registrar. The provisions of Sections 11.02, 11.03, 11.04, 11.08, 11.09 and 11.10 hereof are hereby made applicable to the Paying Agent and the Registrar, as appropriate, and any Person serving as Paying Agent and/or Registrar, hereby enters into and agrees to comply with the covenants and agreements of this Master Indenture and all Supplemental Indentures applicable to the Paying Agent and Registrar, respectively.

SECTION 11.18. Resignation of Paying Agent or Registrar. The Paying Agent or Registrar may resign and be discharged of the duties created by this Master Indenture and all Supplemental Indentures by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the Issuer, the Trustee, and any rating agency that shall then have in effect a rating on any of the Bonds, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving written notice of such resignation not less than three (3) weeks prior to such resignation date to the Bondholders, mailed to their addresses as such appear in the Bond Register. Such resignation shall take effect on the date specified in such instrument and notice, but only if a successor Paying Agent or Registrar shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Registrar. If the successor Paying Agent or Registrar shall not have been appointed within a period of ninety (90) days following the giving of notice, then the Paying Agent or Registrar shall be authorized to petition any court of competent jurisdiction to appoint a successor Paying Agent or Registrar as provided in Section 11.22 hereof.

SECTION 11.19. Removal of Paying Agent or Registrar. The Paying Agent or Registrar may be removed at any time prior to any Event of Default by the Issuer by filing with the Paying Agent or Registrar to be removed, and with the Trustee, an instrument or instruments in writing executed by the Issuer appointing a successor, or an instrument or instruments in writing

designating, and accompanied by an instrument or appointment by the Issuer of, such successor. Such removal shall be effective thirty (30) days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent or Registrar appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder.

SECTION 11.20. Appointment of Successor Paying Agent or Registrar. In case at any time the Paying Agent or Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto exist in the office of the Paying Agent or Registrar, as the case may be, and a successor shall be appointed by the Issuer; and in case at any time the Paying Agent or Registrar shall resign, then a successor shall be appointed by the Issuer. After any such appointment, notice of such appointment shall be given by the Issuer to the predecessor Paying Agent or Registrar, the successor Paying Agent or Registrar, the Trustee, the Credit Facility Issuer, if any, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. Any new Paying Agent or Registrar so appointed shall immediately, and without further act, supersede the predecessor Paying Agent or Registrar.

SECTION 11.21. Qualifications of Successor Paying Agent or Registrar. Every successor Paying Agent or Registrar (a) shall be a commercial bank or trust company (i) duly organized under the laws of the United States or any state or territory thereof, (i) authorized by law to perform all the duties imposed upon it by this Master Indenture and all Supplemental Indentures and (iii) capable of meeting its obligations hereunder, and (b) shall have a combined net capital and surplus of at least \$50,000,000.

SECTION 11.22. Judicial Appointment of Successor Paying Agent or Registrar. In case at any time the Paying Agent or Registrar shall resign and no appointment of a successor Paying Agent or Registrar shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Paying Agent or Registrar may forthwith apply to a court of competent jurisdiction for the appointment of a successor Paying Agent or Registrar. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Paying Agent or Registrar. Notice of such appointment shall be given by the Successor Registrar or Paying Agent to the Issuer, the Trustee, the Credit Facility Issuer, if any, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. In the absence of such an appointment, the Trustee shall become the Registrar or Paying Agent, or and shall so notify the Issuer, any rating agency that shall have issued a rating on the Bonds, and all Bondholders.

SECTION 11.23. Acceptance of Duties by Successor Paying Agent or Registrar. Any successor Paying Agent or Registrar shall become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent or Registrar herein. Upon request of such Paying Agent or Registrar, such predecessor Paying Agent or Registrar and the Issuer shall, after payment of its fees and expenses, execute and deliver an instrument transferring to such successor Paying Agent or Registrar all the estates, property, rights and powers hereunder, except for its rights under

Section 11.04 hereof, as applicable, pursuant to Section 11.17 hereof, of such predecessor Paying Agent or Registrar and such predecessor Paying Agent or Registrar shall pay over and deliver to the successor Paying Agent or Registrar all moneys and other assets at the time held by it hereunder.

SECTION 11.24. Successor by Merger or Consolidation. Any corporation into which any Paying Agent or Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Paying Agent or Registrar hereunder shall be a party, or any corporation which shall have purchased substantially all of the bond administration business of the corporate trust department shall be the successor Paying Agent or Registrar under this Master Indenture and all Supplemental Indentures without the execution or filing of any paper or any further act on the part of the parties thereto, anything in this Master Indenture or any Supplemental Indenture to the contrary notwithstanding.

SECTION 11.25 Patriot Act Requirements of Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that 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 XII ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS

SECTION 12.01. Acts of Bondholders; Evidence of Ownership of Bonds. Any action to be taken by Bondholders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by an agent appointed in writing. The fact and date of the execution by any person of any such instrument may be provided by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Any action by the Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered by the Issuer, Trustee, Paying Agent or Registrar in pursuance thereof.

## ARTICLE XIII AMENDMENTS AND SUPPLEMENTS

SECTION 13.01. Amendments and Supplements Without Bondholders' Consent. This Master Indenture and any Supplemental Indenture may be amended or supplemented, from time to time, without the consent of the Bondholders, by a Supplemental Indenture authorized by a Certified Resolution of the Issuer filed with the Trustee, for one or more of the following purposes:

(a) to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;

(b) for any purpose not inconsistent with the terms of the related Indenture, or to cure any ambiguity or to cure, correct or supplement any defective provision (whether because of any inconsistency with any other provision hereof or otherwise) of the related Indenture, in such manner as shall not impair the security hereof or thereof or adversely affect the rights and remedies of the Bondholders;

(c) to provide for the execution of any and all contracts and other documents as may be required in order to effectuate the conveyance of any Project to the State, the County or any department, agency or branch thereof, or any other unit of government of the State, provided, however, that the Issuer shall have caused to be delivered to the Trustee an opinion of Bond Counsel stating that such conveyance shall not impair the security hereof or adversely affect the rights and remedies of the Bondholders;

(d) to make such changes as may be deemed necessary or desirable as determined by the Issuer in order to provide for the issuance of a Series of Bonds to refund a portion of a Series of Bonds or for the completion of a Project financed with such Series of Bonds, on a parity with the Outstanding Bonds of such Series;

(e) to make any change in connection with the issuance of a new Series of Bonds if such change affects only such Series of Bonds; and

(f) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190 and 197, Florida Statutes, so long as, in the opinion of counsel to the Issuer, such changes either: (i) do not have a material adverse effect on the Holders of the Bonds; or (ii) if such changes do have an adverse effect, that they nevertheless are required to be made as a result of such amendments.

SECTION 13.02. Amendments With Bondholders' Consent. Subject to the provisions of Section 13.01 hereof, this Master Indenture and any Supplemental Indenture may be amended from time to time by a Supplemental Indenture approved by the Majority Holders of the Bonds then Outstanding in the case of the Master Indenture, and of the Series of Bonds then Outstanding and secured by such Supplemental Indenture in the case of an amendment of a Supplemental Indenture including, but not limited to, any material amendment to the Special Assessments and related proceedings which secure a Series of Bonds; provided that with respect to (a) the interest payable upon any Bonds, (b) the dates of maturity or redemption provisions of any Bonds, (c) this Article XIII and (d) the security provisions hereunder or under any Supplemental Indenture, which may only be amended by approval of the Owners of all Bonds to be so amended.

SECTION 13.03. Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel. The Trustee is authorized to join in the execution and delivery of any Supplemental Indenture or amendment permitted by this Article XIII and in so doing may rely on a written opinion of Counsel that such Supplemental Indenture or amendment is so permitted and has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement have been done.

## ARTICLE XIV DEFEASANCE

SECTION 14.01. Defeasance. When interest on, and principal or Redemption Price (as the case may be) of, the Bonds of a Series or any portion thereof to be defeased have been paid, or there shall have been deposited with the Trustee or such other escrow agent designated in a Certified Resolution of the Issuer (the "Escrow Agent") moneys sufficient, or Defeasance Securities, the principal of and interest on which, when due, together with any moneys remaining uninvested, will provide sufficient moneys to fully pay (i) such Bonds of a Series or portion thereof to be defeased, and (ii) any other sums payable hereunder by the Issuer, the right, title and interest of the Trustee with respect to such Bonds of a Series or portion thereof to be defeased shall thereupon cease, the lien of the Indenture on the Pledged Revenues, and the Funds and Accounts established under the Indenture shall be defeased and discharged, and the Trustee, on demand of the Issuer, shall release the Indenture as to such Bonds of a Series or portion thereof to be so defeased and shall execute such documents to evidence such release as may be reasonably required by the Issuer and shall turn over to the Issuer or to such Person, body or authority as may be entitled to receive the same all balances remaining in any Series Funds and Accounts upon the defeasance in whole of all of the Bonds of a Series.

SECTION 14.02. Deposit of Funds for Payment of Bonds. If the Issuer deposits with the Escrow Agent moneys sufficient, or Defeasance Securities, the principal of and interest on which, when due, together with any moneys remaining uninvested, will provide sufficient moneys to pay the principal or Redemption Price of any Bonds of a Series becoming due, either at maturity or by redemption or otherwise, together with all interest accruing thereon to the date of maturity or such prior redemption, and reimburses or causes to be reimbursed or pays or causes to be paid the other amounts required to be reimbursed or paid under Section 14.01 hereof, interest on such Bonds of a Series shall cease to accrue on such date of maturity or prior redemption and all liability of the Issuer with respect to such Bonds of a Series shall likewise cease, except as hereinafter provided; provided, however, that (a) if any Bonds are to be redeemed prior to the maturity thereof, notice of the redemption thereof shall have been duly given in accordance with the provisions of Section 8.02 hereof, or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice, and (b) in the event that any Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days following a deposit of moneys with the Escrow Agent, in accordance with this Section, the Issuer shall have given the Escrow Agent, in form satisfactory to the Escrow Agent, irrevocable instructions to mail to the Owners of such Bonds at their addresses as they appear on the Bond Register, a notice stating that a deposit in accordance with this Section has been made with the Escrow Agent and that the Bonds to which such notice relates are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price (as the case may be) of, and interest on, said Bonds of a Series. Thereafter such Bonds shall be deemed not to be Outstanding hereunder and the Owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Escrow Agent shall hold such funds in trust for such Owners. At the time of the deposit referred to above, there shall be delivered to the Escrow Agent a verification from a firm of independent certified public accountants stating that the principal of and interest on the Defeasance Securities, together with the stated amount of any cash remaining on deposit with the Escrow Agent, will

be sufficient without reinvestment to pay the remaining principal of, redemption premium, if any, and interest on such defeased Bonds.

Money so deposited with the Escrow Agent which remains unclaimed three (3) years after the date payment thereof becomes due shall, upon request of the Issuer, if the Issuer is not at the time to the knowledge of the Escrow Agent in default with respect to any covenant in the Indenture or the Bonds of the Series contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Escrow Agent, before making payment to the Issuer, shall, if so directed by the Issuer, at the expense of the Issuer, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

#### ARTICLE XV MISCELLANEOUS PROVISIONS

SECTION 15.01. Limitations on Recourse. No personal recourse shall be had for any claim based on this Master Indenture or any Supplemental Indenture or the Bonds against any member of the Board of the Issuer, officer, employee or agent, past, present or future, of the Issuer or of any successor body as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

The Bonds of each Series are payable solely from the Pledged Revenues, and any other moneys held by the Trustee under the Indenture for such purpose. There shall be no other recourse under the Bonds, the Indenture or otherwise, against the Issuer or any other property now or hereafter owned by it.

SECTION 15.02. Payment Dates. In any case where an Interest Payment Date or the maturity date of the Bonds or the date fixed for the redemption of any Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 15.03. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Bonds.

SECTION 15.04. Illegal Provisions Disregarded. If any term of Master Indenture or any Supplemental Indenture or the Bonds or the application thereof for any reason or circumstances shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such terms or provisions to Persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

SECTION 15.05. Substitute Notice. If for any reason it shall be impossible to make publication of any notice required hereby in a newspaper or newspapers, then such publication in

lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

SECTION 15.06. Notices. Any notice, demand, direction, request or other communication authorized or required by this Master Indenture or any Supplemental Indenture to be given to or filed with the Issuer or the Trustee (each a "Notice") shall be in writing and shall be delivered, by First Class Mail, postage prepaid, or by overnight delivery service, addressed as follows:

(a) As to the Issuer -

Three Rivers Community Development District  
c/o Governmental Management Services, LLC,  
475 West Town Place, Suite 114  
World Golf Village  
St Augustine, Florida 32092  
Attention: Jim Perry, District Manager

with a copy to -

Hopping Green & Sams P.A.  
119 S. Monroe St., Ste. 300  
Tallahassee, FL 32301  
Phone: 850.425.2345  
Attention: Wes Haber

(b) As to the Trustee -

U.S. Bank National Association  
225 E. Robinson St., Suite 250  
Orlando, Florida 32801  
Attention: Stacey L. Johnson

Except as otherwise provided in this Master Indenture or any Supplemental Indenture, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-Business Day, shall be deemed received on the next Business Day. If any time for giving Notice contained in this Master Indenture or any Supplemental Indenture would otherwise expire on a non-Business Day, the Notice period shall be extended to the next succeeding Business Day. Counsel for the Issuer and counsel for the Trustee may deliver Notice on behalf of the Issuer and the Trustee, respectively. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

All documents received by the Trustee under the provisions of this Master Indenture or any Supplemental Indenture and not required to be redelivered shall be retained in its possession, subject at all reasonable times to the inspection of the Issuer, any Consultant, any Bondholder and the agents and representatives thereof as evidenced in writing.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by the Issuer by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Issuer shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

SECTION 15.07. Controlling Law. This Master Indenture and all Supplemental Indentures shall be governed by and construed in accordance with the laws of the State, without regard to conflict of law principles.

SECTION 15.08. Successors and Assigns. All the covenants, promises and agreements in this Master Indenture and all Supplemental Indentures contained by or on behalf of the Issuer or by or on behalf of the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15.09. Headings for Convenience Only. The table of contents and descriptive headings in this Master Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 15.10. Counterparts. This Master Indenture and any Supplemental Indentures may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 15.11. Appendices and Exhibits. Any and all appendices or exhibits referred to in and attached to this Master Indenture are hereby incorporated herein and made a part hereof for all purposes.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, Three Rivers Community Development District has caused this Master Indenture to be executed by the Chairman of its Board and its corporate seal to be hereunto affixed, attested by the Secretary or Assistant Secretary of its Board and U.S. Bank National Association has caused this Master Indenture to be executed by one of its authorized signatories and, in the case of the Issuer, its seal to be hereunto affixed, all as of the day and year first above written.

**THREE RIVERS COMMUNITY  
DEVELOPMENT DISTRICT**

[SEAL]

Attest:

By: \_\_\_\_\_  
Chairman, Board of Supervisors

By: \_\_\_\_\_  
Secretary,  
Board of Supervisors

**U.S. BANK NATIONAL ASSOCIATION, as  
Trustee, Paying Agent and Registrar**

By: \_\_\_\_\_  
Stacey L. Johnson, Vice President

**EXHIBIT A**

**LEGAL DESCRIPTION OF  
THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT**

The present boundaries of Three Rivers Community Development District are as follows:

**PARCEL A**

A PORTION OF SECTIONS 9 AND 10, TOWNSHIP 2 NORTH, RANGE 26 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF SAID SECTION 9; THENCE SOUTH 88°33'22" WEST, ALONG THE NORTH LINE OF SAID SECTION 9, A DISTANCE OF 974.33 FEET TO THE SOUTHERLY LIMITED ACCESS RIGHT-OF-WAY LINE OF STATE ROAD 200 (A1A) (A VARIABLE WIDTH RIGHT-OF-WAY AS CURRENTLY ESTABLISHED) AND THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 88°33'22" WEST, ALONG THE NORTH LINE OF SAID SECTION 9, A DISTANCE OF 1549.02 FEET TO THE EASTERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 1050, PAGE 800 OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE SOUTH 06°04'20" EAST, ALONG SAID EASTERLY LINE, 296.32 FEET TO THE SOUTHERLY LINE OF SAID LANDS; THENCE SOUTH 88°33'22" WEST, ALONG SAID SOUTHERLY LINE, 299.55 FEET TO THE WESTERLY LINE OF SAID LANDS; THENCE NORTH 06°04'20" WEST, ALONG SAID WESTERLY LINE, 296.32 FEET TO THE AFORESAID NORTH LINE OF SECTION 9; THENCE SOUTH 88°33'22" WEST, ALONG SAID NORTH LINE, 410.50 FEET; THENCE SOUTH 26°32'28" WEST, 110.54 FEET; THENCE SOUTH 27°17'20" EAST, 112.08 FEET; THENCE SOUTH 83°09'20" EAST, 171.14 FEET; THENCE SOUTH 26°57'15" EAST, 189.89 FEET; THENCE SOUTH 13°47'00" EAST, 305.12 FEET; THENCE SOUTH 83°54'46" EAST, 174.52 FEET; THENCE SOUTH 05°49'27" EAST, 199.02 FEET; THENCE SOUTH 81°13'39" EAST, 144.06 FEET; THENCE SOUTH 49°49'29" EAST, 126.55 FEET; THENCE SOUTH 21°07'20" EAST, 130.97 FEET; THENCE SOUTH 38°10'00" EAST, 189.46 FEET; THENCE SOUTH 77°24'55" EAST, 130.05 FEET; THENCE SOUTH 36°38'15" EAST, 95.96 FEET; THENCE SOUTH 23°18'40" EAST, 79.92 FEET; THENCE SOUTH 20°27'40" WEST, 101.47 FEET; THENCE SOUTH 42°31'10" WEST, 208.76 FEET; THENCE SOUTH 31°39'09" EAST, 780 FEET MORE OR LESS, TO THE MEAN HIGH WATER LINE OF TOM MANN CREEK; THENCE SOUTHEASTERLY ALONG SAID MEAN HIGH WATER LINE AND THE MEANDERINGS THEREOF, AND ALONG THE MEAN HIGH WATER LINE OF BOGGY CREEK AND THE MEANDERINGS THEREOF, 3780 FEET, MORE OR LESS, TO THE MOST NORTHERLY CORNER OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 716, PAGE 1633, SAID PUBLIC RECORDS; THENCE SOUTH 57°36'07" EAST, ALONG THE NORTHEASTERLY LINE OF SAID LANDS, 397.69 FEET TO AN ANGLE POINT IN SAID LINE; THENCE SOUTH 58°10'17" EAST, CONTINUING ALONG SAID NORTHEASTERLY LINE, 72.47 FEET TO THE NORTHWESTERLY RIGHT-OF-WAY LINE OF LOGAN ROAD (A 60 FOOT RIGHT-OF-WAY AS ESTABLISHED); THENCE NORTH 51°19'32" EAST, ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE, 433.20 FEET TO AN ANGLE POINT;

THENCE NORTH 51°03'16" EAST, CONTINUING ALONG SAID NORTHWESTERLY LINE, 595.67 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF POLICE LODGE ROAD (A 60 FOOT RIGHT OF WAY AS NOW ESTABLISHED, BEING MORE PARTICULARLY DESCRIBED IN OFFICIAL RECORDS BOOK 711, PAGE 1706, SAID PUBLIC RECORDS); THENCE NORTHERLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE COURSES AND DISTANCES: COURSE NO. 1: NORTH 20°29'45" WEST, 3252.42 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING NORTHERLY; COURSE NO. 2: NORTHERLY ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 996.86 FEET, AN ARC DISTANCE OF 343.00 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 10°38'19" WEST, 341.31 FEET TO THE POINT OF TANGENCY; COURSE NO. 3: NORTH 00°46'53" WEST, 723.06 FEET TO THE AFORESAID SOUTHERLY LIMITED ACCESS RIGHT-OF-WAY LINE OF STATE ROAD 200 (A1A); THENCE NORTH 82°46'55" WEST, ALONG LAST SAID LINE, 275.76 FEET TO THE POINT OF BEGINNING.

CONTAINING 200 ACRES, MORE OR LESS

**PARCEL B**

A PORTION OF SECTIONS 9, 10, 11, 14, 15, THE W. LOFTON GRANT, SECTION 44, AND THE ROBERT HARRIS GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 26 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF SAID SECTION 9; THENCE SOUTH 01°04'10" EAST, ALONG THE EAST LINE OF SAID SECTION 9, A DISTANCE OF 148.29 FEET TO THE SOUTHERLY LIMITED ACCESS RIGHT-OF-WAY LINE OF STATE ROAD 200 (A1A) (A VARIABLE WIDTH RIGHT-OF-WAY AS NOW ESTABLISHED) AND THE POINT OF BEGINNING; THENCE NORTH 82°46'55" WEST, ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, 648.24 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF POLICE LODGE ROAD (A 60 FOOT RIGHT-OF-WAY AS NOW ESTABLISHED); THENCE SOUTHERLY, ALONG SAID EASTERLY RIGHT-OF-WAY LINE, RUN THE FOLLOWING THREE (3) COURSES AND DISTANCES; COURSE NO. 1: SOUTH 00°46'53" EAST, 714.62 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING SOUTHERLY; COURSE NO. 2: SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 936.86 FEET, AN ARC DISTANCE OF 322.36 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 10°38'19" EAST, 320.77 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE NO. 3: SOUTH 20°29'45" EAST, 3315.67 FEET; THENCE SOUTH 69°30'15" WEST, 60.00 FEET TO THE INTERSECTION OF THE WESTERLY RIGHT-OF- LINE OF SAID POLICE LODGE ROAD WITH THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF LOGAN ROAD (A 60 FOOT RIGHT-OF-WAY AS NOW ESTABLISHED); THENCE SOUTH 51°03'16" WEST, ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, 499.11 FEET TO THE EASTERLY BOUNDARY OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS 720, PAGE 1963, OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 01°01'45" EAST, ALONG SAID EASTERLY BOUNDARY, 899.20 FEET TO THE SOUTHEASTERLY CORNER OF SAID LANDS; THENCE SOUTH 88°42'51" WEST, 60.80 FEET TO A POINT

A-40

ON THE WESTERLY LINE OF SECTION 15, SAID POINT HEREINAFTER REFERED TO AS REFERENCE POINT ``A``; THENCE SOUTHEASTERLY ALONG A TRAVERSE LINE FOLLOWING THE MEANDERINGS OF BOGGY CREEK RUN THE FOLLOWING SIX (6) COURSES AND DISTANCES; COURSE NO. 1: SOUTH 65°44'20" EAST, 1108.97 FEET; COURSE NO. 2: SOUTH 73°13'20" EAST, 923.84 FEET; COURSE NO. 3: SOUTH 34°18'04" EAST, 1252.54 FEET; COURSE NO. 4: SOUTH 62°34'44" EAST, 1004.12 FEET; COURSE NO. 5: SOUTH 48°44'48" EAST, 913.35 FEET; COURSE NO. 6: SOUTH 18°11'58" EAST, 1646.63 FEET TO A POINT HEREINAFTER REFERED TO AS REFERENCE POINT ``B``; THENCE RETURN TO THE POINT OF BEGINNING; THENCE EASTERLY AND NORTHERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY OF STATE ROAD 200, RUN THE FOLLOWING THREE (3) COURSES AND DISTANCES; COURSE NO. 1: SOUTH 82°46'55" EAST, 1763.43 FEET; COURSE NO. 2: NORTH 07°13'05" EAST, 34.00 FEET; COURSE NO. 3: SOUTH 82°46'55" EAST, 4306.10 FEET TO THE WESTERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS 1533, PAGE 1651 OF SAID PUBLIC RECORDS; THENCE SOUTHERLY, NORTHEASTERLY AND EASTERLY, ALONG THE WESTERLY AND SOUTHERLY LINES OF LAST SAID LANDS, RUN THE FOLLOWING FIVE (5) COURSES AND DISTANCES: COURSE NO. 1: SOUTH 03°57'30" WEST, 128.96 FEET; COURSE NO. 2: SOUTH 12°29'20" EAST, 472.58 FEET; COURSE NO. 3: SOUTH 27°41'52" EAST, 582.37 FEET; COURSE NO. 4: NORTH 51°40'36" EAST, 402.26 FEET; COURSE NO. 5: NORTH 89°57'51" EAST, 763.55 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF EDWARDS ROAD (AN 80 FOOT RIGHT-OF-WAY AS NOW ESTABLISHED); THENCE SOUTHERLY, ALONG SAID WESTERLY RIGHT-OF-WAY LINE RUN THE FOLLOWING THREE (3) COURSES AND DISTANCES; COURSE NO. 1: SOUTH 08°10'18" EAST, 49.68 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING SOUTHERLY; COURSE NO. 2: SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 4086.51 FEET, AN ARC DISTANCE OF 869.35 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 14°15'58" EAST, 867.71 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE NO. 3: SOUTH 20°21'38" EAST, 168.46 FEET TO THE NORTHWESTERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS 1521, PAGE 1321 OF SAID PUBLIC RECORDS; THENCE SOUTHWESTERLY, SOUTHERLY, EASTERLY, NORTHERLY AND NORTHEASTERLY, ALONG THE NORTHWESTERLY, WESTERLY, SOUTHERLY AND SOUTHEASTERLY LINES OF LAST SAID LANDS, RUN THE FOLLOWING EIGHT (8) COURSES AND DISTANCES: COURSE NO. 1: SOUTH 61°05'54" WEST, 287.49 FEET; COURSE NO. 2: SOUTH 29°25'03" WEST, 66.67 FEET; COURSE NO. 3: SOUTH 22°36'39" WEST, 97.74 FEET; COURSE NO. 4: SOUTH 06°26'34" EAST, 148.74 FEET; COURSE NO. 5: NORTH 80°27'24" EAST, 188.89 FEET; COURSE NO. 6: NORTH 00°03'21" EAST, 95.86 FEET; COURSE NO. 7: NORTH 55°40'09" EAST, 116.85 FEET; COURSE NO. 8: NORTH 28°06'20" EAST, 140.53 FEET TO THE AFORESAID WESTERLY RIGHT-OF-WAY LINE OF EDWARDS ROAD AND THE ARC OF A CURVE LEADING SOUTHERLY; THENCE SOUTHERLY, ALONG SAID WESTERLY RIGHT-OF-WAY LINE RUN THE FOLLOWING THREE (3) COURSES AND DISTANCES; COURSE NO. 1: SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 3779.72 FEET, AN ARC DISTANCE OF 931.38 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 13°03'12" EAST,

929.03 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE NO. 2: SOUTH 05°59'38" EAST, 2635.19 FEET TO AN ANGLE POINT IN SAID RIGHT-OF-WAY LINE; COURSE NO. 3: SOUTH 06°28'24" EAST, 1354.14 FEET TO THE NORTHERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS 518, PAGE 1229, SAID PUBLIC RECORDS; THENCE SOUTH 88°52'12" WEST, ALONG SAID LINE, 203.68 FEET; THENCE NORTH 79°50'18" WEST, 13.73 FEET; THENCE SOUTH 86°11'02" WEST, 57.36 FEET; THENCE SOUTH 88°52'12" WEST, 367.49 FEET; THENCE SOUTH 02°15'50" WEST, 160 FEET MORE OR LESS TO THE MEAN HIGH WATER LINE OF NASSAU RIVER; THENCE SOUTHWESTERLY, WESTERLY, NORTHWESTERLY, SOUTHWESTERLY, AND SOUTHERLY, FOLLOWING THE MEANDERINGS OF SAID MEAN HIGH WATER LINE, 3920 FEET MORE OR LESS TO A POINT ON SAID MEAN HIGH WATER LINE, SAID POINT LYING NORTH 72°32'01" EAST, 1170 FEET MORE OR LESS FROM THE AFOREMENTIONED REFERENCE POINT ``B``; THENCE SOUTH 72°32'01" WEST, THROUGH SAID REFERENCE POINT ``B``, 1215 FEET MORE OR LESS TO THE MEAN HIGH WATER LINE OF BOGGY CREEK; THENCE WESTERLY, NORTHWESTERLY, NORTHERLY, NORTHEASTERLY, EASTERLY, SOUTHERLY, AND SOUTHEASTERLY, FOLLOWING THE MEANDERINGS OF SAID BOGGY CREEK, 11465 FEET MORE OR LESS TO ITS INTERSECTION WITH THE WESTERLY LINE OF SAID SECTION 15, SAID POINT LYING SOUTH 00°12'35" EAST, 270 FEET MORE OR LESS FROM THE AFOREMENTIONED REFERENCE POINT ``A``; THENCE NORTH 00°12'35" WEST, 270 FEET MORE OR LESS TO THE SOUTHERLY BOUNDARY OF AFOREMENTIONED LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS 720, PAGE 1963 OF THE OFFICIAL RECORDS OF SAID COUNTY AND SAID REFERENCE POINT ``A`` TO CLOSE.

CONTAINING 1346 ACRES, MORE OR LESS.

**TOTAL OF PARCEL A AND B IS 1,546 ACRES, MORE OR LESS**

**EXHIBIT B**

**DESCRIPTION OF THE PROJECT**

The Project includes the planning, financing, acquisition, construction, reconstruction, equipping and installation of the following public infrastructure improvements and associated professional fees and incidental costs related thereto pursuant to Chapter 190, Florida Statutes, as amended, including, without limitation, the items listed below, all of which is described in more detail in the Master Engineer's Report prepared for the Board of Supervisors Three Rivers Community Development District, dated as of February 5, 2019, prepared by Dominion Engineering Group, LLC:

**EXHIBIT C**

[FORM OF BOND]

R- \_\_\_\_\_

\$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF FLORIDA**

**THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BOND,  
SERIES \_\_\_\_**

Interest Rate

Maturity Date

Date of Original Issuance

CUSIP

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the Three Rivers Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof (except when the Bonds are in book-entry form in which case presentation shall not be required) at the corporate trust office of U.S. Bank National Association, in Orlando, Florida, as paying agent (said U.S. Bank National Association and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the Principal Amount set forth above with interest thereon at the Interest Rate per annum set forth above, computed on 360-day year of twelve 30-day months, payable on the first day of November of each year. Principal of this Bond is payable at the corporate trust office of U.S. Bank National Association, located in Orlando, Florida, in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed on each Interest Payment Date to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank National Association, as Registrar (said U.S. Bank National Association and any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each interest payment date or the date on which the principal of a Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to \_\_\_\_\_, 20\_\_, in which case from \_\_\_\_\_, 20\_\_, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date.

A-42



Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below).

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, NASSAU COUNTY, FLORIDA (THE "COUNTY"), THE STATE OF FLORIDA (THE "STATE"), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond is one of an authorized issue of Bonds of the Three Rivers Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act"), Ordinance No. 2018-47 enacted by the Board of County Commissioners of Nassau County, Florida on January 14, 2019, and effective as of January 17, 2019, designated as "Three Rivers Community Development District Special Assessment Bonds, Series \_\_\_\_" (the "Bonds"), in the aggregate principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) of like date, tenor and effect, except as to number. The Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act, to finance or refinance costs of the Project. The Bonds shall be issued as fully registered Bonds in authorized denominations, as set forth in the Indenture. The Bonds are issued under and secured by a Master Trust Indenture dated as of September 1, 2019 (the "Master Indenture"), as amended and supplemented by a \_\_\_\_\_ Supplemental Trust Indenture dated as of \_\_\_\_\_ 1, 20\_\_ (the "\_\_\_\_ Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the Issuer and the Trustee, executed counterparts of which are on file at the corporate trust office of the Trustee in Orlando, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds issued under the Indenture, the operation and application of the Debt Service Fund and other Funds and Accounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of, premium, if any, and the interest on the Bonds, the levy and the evidencing and certifying for collection, of Special Assessments, the nature and extent of the security for the Bonds, the terms and conditions on which the Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended

without the consent of the registered owners of Bonds, the conditions under which such Indenture may be amended with the consent of the holders of a majority in aggregate principal amount of the Bonds outstanding, and as to other rights and remedies of the registered owners of the Bonds.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

It is expressly agreed by the owner of this Bond that such owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the County, the State of Florida (the "State") or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the County, the State or any other political subdivision thereof, for the payment of the principal of, premium, if any, and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture, except for Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

By the acceptance of this Bond, the owner hereof assents to all the provisions of the Indenture.

This Bond is payable from and secured by Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. The Indenture provides for the levy and the evidencing and certifying, of non ad valorem assessments in the form of Special Assessments to secure and pay the Bonds.

The Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Bonds shall be made on the dates specified below. Upon any redemption of Bonds other than in accordance with scheduled Sinking Fund Installments, the Issuer shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Bonds. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a Sinking Fund Installment is due, the foregoing recalculation shall not be made to Sinking Fund Installments due in the year in which such redemption or purchase occurs, but shall be made to Sinking Fund Installments for the immediately succeeding and subsequent years.

**Insert Optional & Mandatory Redemption Provisions**

**Extraordinary Mandatory Redemption in Whole or in Part**

The Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any interest payment date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed,

plus interest accrued to the redemption date, (i) from moneys deposited into the Bond Redemption Fund following the payment of Special Assessments on any portion of the District Lands in accordance with the provisions of the Section 9.08 of the Indenture; (ii) when sufficient moneys are on deposit in the related Funds and Accounts (other than the Rebate Fund and any other excluded fund or account as provided in the Supplemental Indenture) to pay and redeem all Outstanding Bonds and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the Indenture; (iii) if made applicable in a Supplemental Indenture, from moneys in excess of the Debt Service Reserve Requirement in the Debt Service Reserve Fund transferred to the Bond Redemption Fund pursuant to the Indenture; (iv) from excess moneys transferred from the Revenue Fund to the Bond Redemption Fund in accordance with the Indenture; (v) from moneys, if any, on deposit in the Bond Redemption Fund following condemnation or the sale of any portion of the District Lands benefited by the Project to a governmental entity under threat of condemnation by such governmental entity or the damage or destruction of all or substantially all of the Project when such moneys are not to be used pursuant to the Indenture to repair, replace or restore the Project; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable; or (vi) from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund in accordance with the Indenture.

#### Notice of Redemption

The Trustee shall cause notice of redemption to be mailed at least thirty (30) but not more than sixty (60) days prior to the date of redemption to all registered owners of Bonds to be redeemed (as such owners appear on the books of the Registrar on the fifth (5th) day prior to such mailing) and to certain additional parties as set forth in the Indenture; provided, however, that failure to mail any such notice or any defect in the notice or the mailing thereof shall not affect the validity of the redemption of the Bonds for which such notice was duly mailed in accordance with the Indenture. If less than all of the Bonds shall be called for redemption, the notice of redemption shall specify the Bonds to be redeemed. On the redemption date, the Bonds called for redemption will be payable at the corporate trust office of the Paying Agent and on such date interest shall cease to accrue, such Bonds shall cease to be entitled to any benefit under the Indenture and such Bonds shall not be deemed to be outstanding under the provisions of the Indenture and the registered owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. If the amount of funds so deposited with the Trustee, or otherwise available, is insufficient to pay the redemption price and interest on all Bonds so called for redemption on such date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and interest on any Bonds not paid shall continue to accrue, as provided in the Indenture.

*Partial Redemption of Bonds.* If less than all the Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of Bonds to be redeemed by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any partial redemption of Bonds pursuant to an optional redemption, such redemption shall be effectuated

by redeeming Bonds of such maturities in such manner as shall be specified by the Issuer in writing, subject to the provisions of the Indenture. In the case of any partial redemption of Bonds pursuant to an extraordinary mandatory redemption, such redemption shall be effectuated by redeeming Bonds pro rata among the maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds to be redeemed multiplied times a fraction the numerator of which is the principal amount of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds outstanding immediately prior to the redemption date.

The Issuer shall keep books for the registration of the Bonds at the corporate trust office of the Registrar in Orlando, Florida. Subject to the restrictions contained in the Indenture, the Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing. Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds. Neither the Issuer nor the Registrar on behalf of the Issuer shall be required (i) to issue transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

The Issuer, the Trustee, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, the Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State applicable thereto, including particularly the Act, and that the issuance

of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee, of the certificate of authentication endorsed hereon.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, Three Rivers Community Development District has caused this Bond to be signed by the facsimile signature of the Chairman of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the facsimile signature of the Secretary of its Board of Supervisors, all as of the date hereof.

**THREE RIVERS COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Chairman, Board of Supervisors

(SEAL)

Attest:

By: \_\_\_\_\_  
Assistant Secretary, Board of Supervisors

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

**STATEMENT OF VALIDATION**

This Bond is one of a series of Bond which were validated by judgment of the Circuit Court of the Fourth Judicial Circuit of Florida, in and for Nassau County, Florida, rendered on the 15th day of April, 2019.

\_\_\_\_\_  
Chairman, Board of Supervisors

\_\_\_\_\_  
ASSISTANT SECRETARY

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with rights of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

Under Uniform Transfer to Minors  
Act \_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

\_\_\_\_\_  
(please print or typewrite name and address of assignee)  
\_\_\_\_\_

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_  
Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature Guarantee:

\_\_\_\_\_  
**NOTICE:** Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

\_\_\_\_\_  
**NOTICE:** The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

\_\_\_\_\_  
Please insert social security or other identifying number of Assignee.

**EXHIBIT D**  
**FORM OF REQUISITION**

THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS, SERIES 2019

The undersigned, a Responsible Officer of the Three Rivers Community Development District (the "Issuer") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the Issuer to U.S. Bank National Association, as trustee (the "Trustee"), dated as of September 1, 2019, as supplemented by that certain \_\_\_\_ Supplemental Trust Indenture dated as of \_\_\_\_ 1, 20\_\_ (the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

- (1) Requisition Number:
- (2) Name of Payee pursuant to Acquisition Agreement:
- (3) Amount Payable:
- (4) 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):
- (5) Fund or Account and subaccount, if any, from which disbursement to be made:
- (6) Indicate if this requisition is for Deferred Obligations and, if so, the amount:

The undersigned hereby certifies that:

1. ☐ obligations in the stated amount set forth above have been incurred by the Issuer,  
or  
☐ this requisition is for Costs of Issuance payable from the Acquisition and Construction Fund that have not previously been paid;
2. each disbursement set forth above is a proper charge against the Acquisition and Construction Fund;
3. each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Project;
4. each disbursement represents a Cost of the Project which has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the Issuer notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the Issuer is at the date of such certificate entitled to retain.

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

**THREE RIVERS COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Responsible Officer

A-48

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

If this requisition is for a disbursement from other than Costs of Issuance, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the Project with respect to which such disbursement is being made; and (iii) the report of the Consulting Engineer, as such report shall have been amended or modified on the date hereof.

\_\_\_\_\_  
Consulting Engineer

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]



**FIRST SUPPLEMENTAL TRUST INDENTURE**  
**BETWEEN**  
**THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT**  
**AND**  
**U.S. BANK NATIONAL ASSOCIATION,**  
**AS TRUSTEE**

**Dated as of September 1, 2019**

## TABLE OF CONTENTS

This Table of Contents is incorporated herein for ease of reference only and shall not be deemed a part of the First Supplemental Trust Indenture.

<b>ARTICLE I DEFINITIONS.....</b>	<b>3</b>
Section 101. Definitions.....	3
<b>ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2019A BONDS.....</b>	<b>7</b>
Section 201. Authorization of Series 2019A Bonds; Book-Entry Only Form .....	7
Section 202. Terms of Series 2019A Bonds .....	8
Section 203. Dating; Interest Accrual.....	8
Section 204. Denominations .....	8
Section 205. Paying Agent.....	9
Section 206. Bond Registrar .....	9
Section 207. Conditions Precedent to Issuance of Series 2019A Bonds .....	9
Section 208. Continuing Disclosure .....	10
<b>ARTICLE III REDEMPTION AND PURCHASE OF SERIES 2019A BONDS.....</b>	<b>10</b>
<b>ARTICLE IV DEPOSIT OF SERIES 2019A BOND PROCEEDS AND APPLICATION</b>	
<b>THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION</b>	
<b>THEREOF .....</b>	<b>10</b>
Section 401. Establishment of Accounts .....	10
Section 402. Use of 2019A Bond Proceeds .....	11
Section 403. 2019A Acquisition and Construction Account.....	11
Section 404. Costs of Issuance Account.....	12
Section 405. 2019A-1 Capitalized Interest Subaccount and 2019A-2 Capitalized Interest Subaccount .....	12
Section 406. 2019A Reserve Accounts.....	12
Section 407. Application of Prepayment Principal; 2019A Prepayment Accounts.....	13
Section 408. Tax Covenants and Rebate Account .....	14
Section 409. Application of Series 2019A Revenue Account in Revenue Fund.....	14
<b>ARTICLE V CONCERNING THE TRUSTEE.....</b>	<b>17</b>
Section 501. Acceptance by Trustee.....	17
Section 502. Limitation of Trustee's Responsibility .....	17
Section 503. Trustee's Duties .....	17
<b>ARTICLE VI MISCELLANEOUS.....</b>	<b>17</b>
Section 601. Confirmation of Master Indenture .....	17
Section 602. Additional Covenant Regarding 2019A Assessments .....	17
Section 603. Limitation on Additional Debt.....	17
Section 604. Acknowledgement Regarding 2019A Acquisition and Construction Account Moneys Following an Event of Default .....	18

Section 605. Enforcement of True-Up Agreement and Completion Agreement.....	18
Section 606. Payment Dates .....	19
Section 607. Additional Matters Relating to Delinquent Assessments .....	19
Section 608. Additional Matters Relating to Series 2019A Assessments and Assessment Proceedings .....	19
Section 609. Assignment of Collateral Assignment .....	20
Section 610. Third Party Beneficiaries .....	20

<b>Exhibit "A"</b>	Description of the Capital Improvement Plan and the Series 2019A Project
<b>Exhibit "B"</b>	Forms of the Series 2019A Bonds
<b>Exhibit "C"</b>	Form of 2019A Acquisition and Construction Account Requisition

## FIRST SUPPLEMENTAL TRUST INDENTURE

THIS **FIRST SUPPLEMENTAL TRUST INDENTURE** (the “First Supplemental Indenture”) dated as of September 1, 2019, from **THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special purpose government organized and existing under the laws of the State of Florida (the “Issuer” and/or “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 out within the State of Florida.

**WHEREAS**, the Issuer has entered into a Master Trust Indenture dated as of September 1, 2019 (the “Master Indenture”), with the Trustee to secure the issuance of its Three Rivers Community Development District Special Assessment Bonds (the “Bonds”), issuable in one or more Series from time to time; and

**WHEREAS**, pursuant to Resolution 2019-26 adopted by the Board of Supervisors of the Issuer (the “Board”) on February 8, 2019 (the “Bond Resolution”), the Issuer has authorized the issuance of its not exceeding \$179,515,000 Three Rivers Community Development District Special Assessment Bonds, in one or more Series, and authorized the execution and delivery of the Master Indenture to secure the issuance of the Bonds; and

**WHEREAS**, the Bonds were validated by the Circuit Court of the Fourth Judicial Circuit of the State of Florida in and for Clay, Duval and Nassau Counties in a final judgment rendered on April 15, 2019, and the appeal period from such final judgment has expired with no appeal being taken; and

**WHEREAS**, the Issuer has not previously issued any Bonds; and

**WHEREAS**, the Board of the Issuer has duly adopted resolutions pursuant to Sections 170.03, 170.07 and 170.08, Florida Statutes, providing for the acquisition, construction and installation of certain public infrastructure improvements more particularly described in Exhibit A hereto (the “CIP”), defining the portion of the Cost of the CIP with respect to which Special Assessments will be imposed and the manner in which such Special Assessments shall be levied against such benefited property within the boundaries of the District, directing the preparation of an assessment roll calling for a public hearing of the Issuer at which owners of property to be subject to the Special Assessments may be heard as to the propriety and advisability of undertaking the CIP, as to the cost thereof, the manner of payment therefor, and the amount to be assessed against each property improved by the CIP, and stating the intent of the Issuer to issue Bonds secured by such Special Assessments to finance the costs of the acquisition and construction of the CIP and the Board of the Issuer has duly adopted a resolution, following a public hearing conducted in accordance with the Act, to fix and establish the Special Assessments and the benefited property, as supplemented with respect to the Series 2019A Bonds (as defined below) (collectively the “Assessment Resolution”); and

**WHEREAS**, pursuant to the Bond Resolution, as supplemented by Resolution No. 2019-44 the Issuer has authorized the issuance, sale and delivery of its \$16,170,000 Three Rivers Community Development District Special Assessment Bonds, Series 2019A-1 (the “Series 2019A-1 Bonds”) and its \$1,575,000 Three Rivers Community Development District Special

Assessment Bonds, Series 2019A-2 (the “Series 2019A-2 Bonds;” collectively with the Series 2019A-1 Bonds, the “Series 2019A Bonds”) as a Series of Bonds under the Master Indenture and authorized the execution and delivery of this First Supplemental Indenture (collectively with the Master Indenture, the “Indenture”) to secure the issuance of the Series 2019A Bonds for the principal purpose of acquiring and constructing a portion of the CIP (the “2019A Project”) and to set forth the terms of the Series 2019A Bonds; and

**WHEREAS**, the Issuer will apply the proceeds of the Series 2019A Bonds to: (i) finance the Cost of the acquisition, construction, installation and equipping of the 2019A Project, (ii) pay certain costs associated with the issuance of the Series 2019A Bonds; (iii) pay a portion of the interest accruing on the Series 2019A Bonds, respectively; and (iv) fund the 2019A-1 Reserve Account and 2019A-2 Reserve Account as herein provided; and

**WHEREAS**, the execution and delivery of the Series 2019A Bonds and of this First Supplemental Indenture have been duly authorized by the Board and all things necessary to make the Series 2019A Bonds, when executed by the Issuer and authenticated by the Trustee, valid and binding legal obligations of the Issuer and to make this First Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the 2019A Trust Estate (as hereinafter defined) have been done;

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

That the Issuer, 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 2019A 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 2019A Bonds Outstanding (as defined in the Master Indenture) 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 Issuer of all the covenants, expressed or implied in the Master Indenture, in this First Supplemental Indenture and in the Series 2019A Bonds: (a) has executed and delivered this First 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 interest the trusts under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the Issuer, in, to and under, subject to the terms and conditions of the Master Indenture and the 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 Issuer from the Series 2019A Assessments levied and imposed pursuant to the Assessment Proceedings as the same may be amended from time to time (the “2019A Pledged Revenues”) and the Funds and Accounts (except for the 2019A Rebate Account and the 2019A Costs of Issuance Account) established hereby (the “2019A Pledged Funds” and collectively with the “2019A Pledged Revenues,” the “2019A Trust Estate”) securing only the Series 2019A Bonds;

**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 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 Master Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2019A Bonds issued or to be issued under and secured by this First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one Series 2019A Bond over any other Series 2019A Bond by reason of priority in their issue, sale or execution;

**PROVIDED HOWEVER**, that if the Issuer, its successors or assigns, shall well and duly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2019A Bonds or any Series 2019A Bond of a particular maturity issued, secured and Outstanding under this First Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2019A Bonds and this First 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 First 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 provision of the Master Indenture and this First Supplemental Indenture, then upon such final payments, this First Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2019A Bonds or any Series 2019A Bond of a particular maturity, otherwise this First Supplemental Indenture shall remain in full force and effect;

**THIS FIRST SUPPLEMENTAL INDENTURE FURTHER WITNESSETH**, and it is expressly declared, that all Series 2019A 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 First Supplemental Indenture), including this First Supplemental Indenture, expressed, and the Issuer 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 2019A 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:

“Acquisition Agreement” shall mean the Acquisition and Completion Agreement between the Issuer and the Developer dated September 30, 2019.

“Amortization Installments” shall mean the moneys required to be deposited in the Sinking Fund Account within the Debt Service Fund for the purpose of redeeming and paying when due any Term Bonds.

“Assessment Interest” shall mean the interest on Series 2019A Assessments received by the Issuer which is pledged to the Series 2019A Bonds, other than Delinquent 2019A-1 Assessment Interest and Delinquent 2019A-2 Assessment Interest. Assessment Interest corresponding in amount to the interest on the Series 2019A-1 Bonds is referred to herein as “2019A-1 Assessment Interest”, and Assessment Interest corresponding in amount to the interest on the Series 2019A-2 Bonds is referred to herein as “2019A-2 Assessment Interest.”

“Assessment Principal” shall mean the principal amount of Series 2019A Assessments received by the Issuer which are pledged to the Series 2019A Bonds, other than Delinquent 2019A-1 Assessment Principal, Delinquent 2019A-2 Assessment Principal, Series 2019A-1 Prepayment Principal and Series 2019A-2 Prepayment Principal. Assessment Principal corresponding in amount to the principal of the Series 2019A-1 Bonds is referred to herein as “2019A-1 Assessment Principal” and Assessment Principal corresponding in amount to the principal on the Series 2019A-2 Bonds is referred to herein as “2019A-2 Assessment Principal.”

“Assessment Proceedings” shall mean the proceedings of the Issuer with respect to the establishment, levy and collection of the Special Assessments, including the Assessment Resolution and any supplemental proceedings undertaken by the Issuer with respect to the Series 2019A Assessments.

“Bond Depository” shall mean the securities depository existing from time to time under Section 201 hereof.

“Bond Participants” shall mean that those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds Series 2019A Bonds as securities depository.

“Collateral Assignment” shall mean that certain Collateral Assignment and Assumption of Development Rights dated September 30, 2019, between the Issuer and the Developer, as amended from time to time.

“Completion Agreement” shall mean the Completion Agreement by and between the Issuer and the Developer, dated September 30, 2019, as such agreement may be modified from time to time.

“Continuing Disclosure Agreement” means that certain Continuing Disclosure Agreement dated the date of issuance and delivery of the Series 2019A Bonds, among the Issuer, the dissemination agent named therein and the Developer and joined in by the Trustee, as originally executed and as amended from time to time in accordance with the terms thereof.

“Delinquent 2019A-1 Assessment Interest” shall mean 2019A-1 Assessment Interest deposited with the Trustee after the date on which such 2019A-1 Assessment Interest has become due and payable in accordance with applicable law or proceedings of the Issuer.

“Delinquent 2019A-2 Assessment Interest” shall mean 2019A-2 Assessment Interest deposited with the Trustee after the date on which such 2019A-2 Assessment Interest has become due and payable in accordance with applicable law or proceedings of the Issuer.

“Delinquent 2019A-1 Assessment Principal” shall mean 2019A-1 Assessment Principal deposited with the Trustee after the date on which such 2019A-1 Assessment Principal has become due and payable in accordance with applicable law or proceedings of the Issuer.

“Delinquent 2019A-2 Assessment Principal” shall mean 2019A-2 Assessment Principal deposited with the Trustee after the date on which such 2019A-2 Assessment Principal has become due and payable in accordance with applicable law or proceedings of the Issuer.

“Developer” shall mean Three Rivers Developers, LLC, a Delaware limited liability company, or any successor or assign thereof.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

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

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

“Participating Underwriter” shall have the meaning ascribed to it in the Continuing Disclosure Agreement.

“Redemption Date” shall mean each February 1, May 1, August 1 and November 1.

“Reserve Account Release Conditions” shall mean (i) all of the Series 2019A-1 Assessments have been allocated to single-family or multifamily residential lots which are developed and platted as certified in writing by the Consulting Engineer; (ii) all of the platted single-family residential lots subject to the Series 2019A-1 Assessments have closed with homebuilders; and (iii) no Event of Default has occurred and is continuing with respect to any outstanding Series 2019A Bonds.

“Series 2019A Assessments” shall mean collectively the Series 2019A-1 Assessments and the Series 2019A-2 Assessments.

“Series 2019A-1 Assessments” shall mean the Special Assessments levied on that portion of the District Lands specially benefitted by the 2019A Project or any portion thereof, which Special Assessments correspond in amount to the debt service on the Series 2019A-1 Bonds.

“Series 2019A-2 Assessments” shall mean the Special Assessments levied on that portion of the District Lands specially benefitted by the 2019A Project or any portion thereof, which Special Assessments correspond in amount to the debt service on the Series 2019A-2 Bonds.

“Series 2019A-1 Prepayment Principal” shall mean the excess amount of 2019A-1 Assessment Principal received by the Issuer over the 2019A-1 Assessment Principal then due, including optional prepayments and prepayments which become due pursuant to the “true-up” mechanism contained in the Assessment Proceedings but shall not include Delinquent 2019A-1 Assessment Principal. Series 2019A-1 Prepayment Principal shall not include the proceeds of any refunding bonds.

“Series 2019A-2 Prepayment Principal” shall mean the excess amount of 2019A-2 Assessment Principal received by the Issuer over the 2019A-2 Assessment Principal then due, including optional prepayments and prepayments which become due pursuant to the “true-up” mechanism contained in the Assessment Proceedings but shall not include Delinquent 2019A-2 Assessment Principal. Series 2019A-2 Prepayment Principal shall not include the proceeds of any refunding bonds.

“Substantially Absorbed” shall mean the date when at least ninety percent (90%) of the principal portion of the Series 2019A-1 Assessments have been assigned to residential units within the District that have each received a certificate of occupancy.

“Term Bonds” shall mean the Series 2019A Bonds that mature on one date and that are subject to mandatory redemption from Amortization Installments.

“True-Up Agreement” shall mean the True-Up Agreement, between the Issuer and the Developer, dated September 30, 2019.

“2019A Investment Obligations” shall mean those obligations described under the definition of “Investment Securities” in the Master Indenture.

“2019A-1 Reserve Account Requirement” shall mean (i) initially, an amount equal to the maximum annual Debt Service Requirements for the Series 2019A-1 Bonds and (ii) upon satisfaction of the Reserve Account Release Conditions, an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirement for the Series 2019A-1 Bonds. Such maximum annual Debt Service Requirement shall be re-determined by the Trustee upon any optional prepayment by the owner of a lot or parcel of land of a 2019A-1 Special Assessment against such lot or parcel as provided in Section 4.05. Any excess in the 2019A-1 Reserve Account as a result of satisfaction of the Reserve Account Release Conditions shall be deposited into the Master Infrastructure Subaccount of the 2019A Acquisition and Construction Account. The District or the District Manager, on behalf of the District, shall provide written notice to the Trustee when the Reserve Account Release Conditions have been satisfied, upon which notice the Trustee may conclusively rely. The 2019A-1 Reserve Account Requirement is initially \$1,001,062.50.

“2019A-2 Reserve Account Requirement” shall mean an amount equal to the maximum annual interest due on the Series 2019A-2 Bonds as calculated by the Issuer as of the time of any such calculation. The 2019A-2 Reserve Account Requirement is initially \$74,812.50.

## ARTICLE II

### AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2019A BONDS

Section 201. Authorization of Series 2019A Bonds: Book-Entry Only Form. The Series 2019A Bonds are hereby authorized to be issued in the aggregate principal amount of \$17,745,000 (\$16,170,000 aggregate principal amount of Series 2019A-1 Bonds and \$1,575,000 aggregate principal amount of Series 2019A-2 Bonds) for the purposes enumerated in the recitals hereto. The Series 2019A Bonds shall be substantially in the forms set forth as **Exhibit B** to this First Supplemental Indenture.

The Series 2019A-1 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2019A-1 Bond for each maturity of Series 2019A-1 Bonds. The Series 2019A-2 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2019A-2 Bond for each maturity of Series 2019A-2 Bonds. Upon initial issuance, the ownership of such Series 2019A Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of The Depository Trust Company, New York, New York ("DTC"), the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2019A 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 2019A Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the Issuer, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any Beneficial Owner. Without limiting the immediately preceding sentence, the Issuer, 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 2019A 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 2019A 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 2019A Bonds. The Issuer, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Series 2019A Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such Series 2019A Bond for the purpose of payment of principal, premium and interest with respect to such Series 2019A Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2019A Bond, for the purpose of registering transfers with respect to such Series 2019A Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2019A 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 Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2019A 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, shall receive a certificated Series 2019A Bond evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC

to the Issuer 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 First Supplemental Indenture shall refer to such new Nominee of DTC; and upon receipt of such a notice the Issuer shall promptly deliver a copy of the same to the Trustee, Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the Issuer of written notice from DTC: (i) confirming that DTC has received written notice from the Issuer to the effect that a continuation of the requirement that all of the Outstanding Series 2019A 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 2019A 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 2019A 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 the Beneficial Owners shall designate, in accordance with the provisions hereof and the Master Indenture.

Section 202. Terms of Series 2019A Bonds. The Series 2019A-1 Bonds shall be issued as four (4) Term Bonds as set forth below and shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

\$1,140,000, 3.875% Term Bond due May 1, 2024

\$1,705,000, 4.125% Term Bond due May 1, 2029

\$4,775,000, 4.500% Term Bond due May 1, 2039

\$8,550,000, 4.750% Term Bond due May 1, 2050

The Series 2019A-2 Bonds shall be issued in the principal amount of \$1,575,000, mature on May 1, 2029 and shall bear interest at the fixed rate of 4.750% per annum.

Section 203. Dating; Interest Accrual. Each Series 2019A Bond shall be dated September 30, 2019. Each Series 2019A Bond shall also bear its date of authentication. Each Series 2019A 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 2019A Bond has been paid, in which event such Series 2019A Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2019A Bonds, in which event such Series 2019A Bond shall bear interest from its date. Interest on the Series 2019A 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. The Series 2019A-1 Bonds shall be numbered consecutively from RA1-1 and upwards. The Series 2019A-2 Bonds shall be numbered RA2-1.

Section 204. Denominations. The Series 2019A Bonds shall be issued in Authorized Denominations. Delivery of Series 2019A Bonds to the initial purchasers thereof shall be in minimum denominations of \$100,000 or integral multiples of \$5,000 in excess thereof.

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

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

Section 207. Conditions Precedent to Issuance of Series 2019A Bonds. In addition to complying with the requirements set forth in Section 3.01 of the Master Indenture in connection with the issuance of the Series 2019A Bonds, all the Series 2019A Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

(a) Certified copies of the Assessment Proceedings;

(b) A Bond Counsel opinion addressed to the Trustee substantially to the effect that: (i) the Indenture has been duly authorized and executed by the Issuer and constitutes a valid and binding obligation of the Issuer; (ii) the Series 2019A Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer, payable solely from the sources provided therefor in the Indenture; (iii) the interest on the Series 2019A Bonds is excludable from gross income for federal income tax purposes; and (iv) the Series 2019A Bonds and the interest paid thereon are exempt from all taxes imposed by the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes on corporations and other entities, as defined therein.

(c) An opinion of Counsel to the Issuer addressed to the Trustee substantially to the effect that: (i) the Issuer has been duly established and validly exists as a community development district under the Act, (ii) the Issuer has good right and lawful authority under the Act to undertake the 2019A Project being financed with the proceeds of the Series 2019A Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to undertake the 2019A Project, (iii) all proceedings undertaken by the Issuer with respect to the Series 2019A Assessments have been in accordance with Florida law, (iv) the Issuer has taken all action necessary to levy and impose the Series 2019A Assessments, and (v) the Series 2019A Assessments are legal, valid and binding liens upon the property against which such Series 2019A Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;

(d) A certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the Series 2019A Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this First Supplemental Indenture; and

(e) An Engineers' Certificate or Engineers' Certificates certifying as to the accuracy of the information set forth in the District Engineer's Report regarding the CIP.

Delivery to the Trustee of the net proceeds from the issuance of the Series 2019A Bonds shall constitute conclusive proof of the delivery of the items described above to the satisfaction of the Issuer and underwriter.

Section 208. Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provisions of the Indenture, failure of the Issuer to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may and, at the request of any Participating Underwriter or the Majority Holders of Outstanding Series 2019A Bonds, and receipt of indemnity satisfactory to the Trustee shall, or any such Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Section.

### ARTICLE III REDEMPTION AND PURCHASE OF SERIES 2019A BONDS

The Series 2019A Bonds are subject to redemption prior to maturity as provided in the forms thereof set forth as **Exhibit B** to this First Supplemental Indenture. Series 2019A Bonds may be purchased as provided in Article VIII of the Master Indenture.

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

Section 401. Establishment of Accounts.

(a) There are hereby established within the Acquisition and Construction Fund held by the Trustee the following accounts:

(i) a 2019A Acquisition and Construction Account, within the 2019 Acquisition and Construction Account a 2019 Master Infrastructure Account and a 2019 Neighborhood Infrastructure Account; and

(ii) a 2019A Costs of Issuance Account;

(b) There are hereby established within the Debt Service Fund held by the Trustee a 2019A-1 Sinking Fund Account, a 2019A-2 Principal Account, a 2019A-1 Interest Account, and a 2019A-2 Interest Account, and within the 2019A-1 Interest Account a 2019A-1 Capitalized Interest Subaccount and within the 2019A-2 Interest Account a 2019A-2 Capitalized Interest Subaccount;

(c) There is hereby established within the Bond Redemption Fund held by the Trustee a 2019A-1 Prepayment Account and a 2019A-2 Prepayment Account;

(d) There is hereby established within the Debt Service Reserve Fund held by the Trustee a 2019A-1 Reserve Account and a 2019A-2 Reserve Account, which accounts shall be held for the benefit of all of the Series 2019A Bonds without distinction as to Series 2019A Bonds and without privilege or priority of one Series 2019A Bond over another;

(e) There is hereby established within the Revenue Fund held by the Trustee a 2019A Revenue Account; and

(f) There is hereby established within the Rebate Fund the 2019A Rebate Account.

Section 402. Use of 2019A Bond Proceeds. Following the Trustee's receipt of the items set forth in Section 3.01 of the Master Indenture and Section 207 hereof; the net proceeds of sale of the Series 2019A Bonds, 17,317,952.55 (face amount of Series 2019A Bonds less underwriter's discount of \$354,900.00 and an original issue discount of \$72,147.45, shall be delivered to the Trustee by the Issuer and be applied as follows:

(a) \$798,841.52, representing Capitalized Interest on the Series 2019A-1 Bonds, shall be deposited in the 2019A-1 Capitalized Interest Subaccount of the Debt Service Fund;

(b) \$81,254.69, representing Capitalized Interest on the Series 2019A-2 Bonds, shall be deposited in the 2019A-2 Capitalized Interest Subaccount of the Debt Service Fund;

(c) \$1,001,062.50, which is an amount equal to the initial Reserve Requirement in respect of the Series 2019A-1 Bonds, shall be deposited in the 2019A-1 Reserve Account of the Debt Service Reserve Fund;

(d) \$74,812.50, which is an amount equal to the initial Reserve Requirement in respect of the Series 2019A-2 Bonds, shall be deposited in the 2019A-2 Reserve Account of the Debt Service Reserve Fund;

(e) \$207,255.00 shall be deposited to the credit of the 2019 Costs of Issuance Account and used to pay the cost of issuance of the Series 2019A Bonds; and

(f) \$7,559,237.34, shall be deposited in the 2019 Master Infrastructure Account of the Acquisition and Construction Fund to be applied to Costs of the 2019A Project in accordance with Article V of the Master Indenture and Section 405 of the First Supplemental Indenture.

(g) \$7,595,489.00, shall be deposited in the 2019 Neighborhood Infrastructure Account of the Acquisition and Construction Fund to be applied to Costs of the 2019A Project in accordance with Article V of the Master Indenture and Section 405 of the First Supplemental Indenture,

Section 403. 2019A Acquisition and Construction Account.

(a) Amounts on deposit in the 2019A Acquisition and Construction Account shall be applied to pay the Costs of the 2019A Project upon compliance with the requirements of the requisition provisions set forth in Section 5.01(b) of the Master Indenture. Amounts in the 2019 Master Infrastructure Subaccount shall be used only to pay master infrastructure Costs, as set forth in the CIP. Amounts in the 2019 Neighborhood Infrastructure Subaccount shall be used only to pay neighborhood infrastructure Costs, as set forth in the CIP. Each requisition shall be substantially in the form of Exhibit C hereto.

(b) Any balance remaining in the subaccounts of the 2019A Acquisition and Construction Account after the Completion Date of the 2019A Project and after retaining the

amount, if any, of all remaining unpaid Costs of the 2019A Project set forth in the Engineers' Certificate establishing such Completion Date, shall be transferred to and deposited in the 2019A-2 Prepayment Account in the Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2019A-2 Bonds, and if all Series 2019A-2 Bonds have been retired, into the Series 2019A-1 Prepayment Account in the Bond Redemption Fund and applied to the extraordinary mandatory redemption of Series 2019A-1 Bonds; provided, however, that if on the date of such proposed transfer an Event of Default exists such amounts shall remain on deposit in the 2019A Acquisition and Construction Account. When no monies remain in the 2019A Acquisition and Construction Account or a subaccount thereof, the 2019A Acquisition and Construction Account or such subaccount, as applicable, shall be closed.

Section 404. Costs of Issuance Account. There shall be deposited in the 2019A Costs of Issuance Account \$207,255.00 which shall, at the written direction of a Responsible Officer to the Trustee, be used to pay the costs of issuance relating to the Series 2019A Bonds. Any amounts on deposit in the 2019A Costs of Issuance Account ninety (90) days after the date of initial delivery of the Series 2019A Bonds, for which the Trustee has not provided a pending requisition, shall be transferred over and deposited into the Master Infrastructure Subaccount of the 2019A Acquisition and Construction Account and used for the purposes permitted therefor and the 2019A Costs of Issuance Account shall be closed.

Section 405. 2019A-1 Capitalized Interest Subaccount and 2019A-2 Capitalized Interest Subaccount. Except as provided elsewhere in the Master Indenture or in this First Supplemental Indenture, (i) amounts on deposit in the 2019A-1 Capitalized Interest Subaccount shall be applied by the Trustee only for the purpose of paying interest on the Series 2019A-1 Bonds when due, and (ii) amounts on deposit in the 2019A-2 Capitalized Interest Subaccount shall be applied by the Trustee only for the purpose of paying interest on the Series 2019A-2 Bonds when due. If a Series 2019A Bond is redeemed, the amount, if any, in the 2019A-1 Capitalized Interest Subaccount or 2019A-2 Capitalized Interest Subaccount representing interest thereon shall be applied to payment of the accrued interest in connection with such redemption. Any amounts remaining in the 2019A-1 Capitalized Interest Subaccount or the 2019A-2 Capitalized Interest Subaccount after payment of interest on the Series 2019A Bonds on November 1, 2020 shall be transferred to the Master Infrastructure Subaccount of the 2019A Acquisition and Construction Account.

Section 406. 2019A Reserve Accounts. Amounts on deposit in the 2019A-1 Reserve Account and 2019A-2 Reserve Account, except as provided elsewhere in the Master Indenture or in this First Supplemental Indenture, shall be used only for the purpose of making payments into the 2019A-1 Interest Account, the 2019A-2 Interest Account, the 2019A-1 Sinking Fund Account and 2019A-2 Principal Account to pay the Series 2019A Bonds, without distinction as to Series 2019A Bonds and without privilege or priority of one Series 2019A Bond over another, when due when the moneys on deposit in such Accounts and available therefor are insufficient.

The Trustee, on or before the forty-fifth day (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2019A Reserve Accounts and shall promptly notify the Issuer of the amount of any deficiency or surplus as of such date in such accounts. The Issuer shall immediately pay the amount of any deficiency to the Trustee, for deposit in the applicable 2019A Reserve Account, from the first legally available



sources of the Issuer. Any surplus in either 2019A Reserve Account (other than any surplus resulting from investment earnings and any surplus resulting from prepayment of Series 2019A Assessments as provided in the immediately following paragraph which shall be applied as provided below) shall be deposited to the applicable Prepayment Account to be used for the extraordinary mandatory redemption of the applicable Series of 2019A Bonds.

Notwithstanding the foregoing paragraph, so long as no Event of Default has occurred which has not been cured, upon an optional prepayment by the owner of a lot or parcel of land of a Series 2019A-1 Assessment or a Series 2019A-2 Assessment against such lot or parcel, on the date that is forty-five (45) days prior to each Redemption Date (or, if such date is not a Business Day, on the Business Day next preceding such day), the Issuer shall determine the Reserve Account Requirement for the Series 2019A-1 Bonds and the Series 2019A-2 Bonds, respectively, taking into account such optional prepayment and shall direct the Trustee in writing to transfer any amount on deposit (a) in the 2019A-1 Reserve Account in excess of the 2019A-1 Reserve Account Requirement (except for excess resulting from interest earnings) from the 2019A-1 Reserve Account to the Series 2019A-1 Prepayment Account as a credit against the 2019A-1 Assessment Principal otherwise required to be paid by the owner of such lot or parcel and (b) in the 2019A-2 Reserve Account in excess of the 2019A-2 Reserve Account Requirement (except for excess resulting from interest earnings) from the 2019A-2 Reserve Account to the Series 2019A-2 Prepayment Account as a credit against the 2019A-2 Assessment Principal otherwise required to be paid by the owner of such lot or parcel. If the Issuer fails to provide such transfer direction as provided in this paragraph, Trustee may assume any excess in the 2019A-1 Reserve Account and 2019A-2 Reserve Account shall be transferred as provided in the immediately preceding paragraph.

All earnings on investments in either 2019A Reserve Account shall be deposited to the 2019A Revenue Account provided no deficiency exists in a 2019A Reserve Account and if a deficiency does exist earnings shall remain on deposit in such 2019A Reserve Account until the deficiency is cured. Such Accounts shall consist only of cash and Investment Securities.

Notwithstanding the foregoing on the earliest date on which there is on deposit in the 2019A-1 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2019A-1 Bonds, together with accrued interest on such Series 2019A-1 Bonds to the earliest date of redemption, then the Trustee shall transfer to the 2019A-1 Prepayment Account the amount on deposit in the 2019A-1 Reserve Account to pay and redeem all of the Outstanding Series 2019A-1 Bonds on the earliest such date.

Notwithstanding the foregoing on the earliest date on which there is on deposit in the 2019A-2 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2019A-2 Bonds, together with accrued interest on such Series 2019A-2 Bonds to the earliest date of redemption, then the Trustee shall transfer to the 2019A-2 Prepayment Account the amount on deposit in the 2019A-2 Reserve Account to pay and redeem all of the Outstanding 2019A-2 Bonds on the earliest such date.

Section 407. Application of Prepayment Principal; 2019A Prepayment Accounts. All Series 2019A-1 Prepayment Principal shall upon receipt by the Trustee be deposited to the 2019A-1 Prepayment Account of the Bond Redemption Fund. All Series 2019A-2 Prepayment Principal

shall upon receipt by the Trustee be deposited to the 2019A-2 Prepayment Account of the Bond Redemption Fund. At the time the Issuer deposits Prepayment Principal with the Trustee it shall notify the Trustee in writing as to the amount of Series 2019A-1 Prepayment Principal and/or Series 2019A-2 Prepayment Principal. Amounts on deposit in the 2019A-1 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2019A-1 Bonds as provided in **Exhibit “B”** hereto. Amounts on deposit in the 2019A-2 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2019A-2 Bonds as provided in **Exhibit “B”** hereto.

Section 408. Tax Covenants and Rebate Account. The Issuer shall comply with the Federal Tax Certificate (including deposits to and payments from the 2019A Rebate Account) included as part of the closing transcript for the Series 2019A Bonds, as amended and supplemented from time to time in accordance with its terms. Amounts in the 2019A Rebate Account shall be directed by the Issuer for investment only in Government Obligations. To the extent any amounts in the 2019A Rebate Account are not needed to comply with the Arbitrage Certificate, such amounts shall be transferred as directed by the Issuer to any other fund or account created hereunder.

Notwithstanding anything to the contrary contained in the Master Indenture, the Issuer covenants with the holders of the Series 2019A Bonds that it shall comply with the requirements of Code necessary to maintain the exclusion of interest on the Series 2019A Bonds from gross income for purposes of federal income taxation, including the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code, and, in particular, that it shall not make or direct the making of any investment or other use of proceeds of such Series 2019A Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the interest on such Series 2019A Bonds to be or become subject to federal income taxation, nor shall it fail to do any act which is necessary to prevent such interest from becoming subject to federal income taxation. The Issuer further covenants that neither the Issuer nor any other person under its control or direction will make any investment or other use of the proceeds of the Series 2019A Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the Series 2019A Bonds to be “private activity bonds” as that term is defined in Section 141 of the Code (or any successor provision thereto), or “arbitrage bonds” as that term is defined in Section 148 of the Code (or any successor provision thereto) and that it will comply with such sections of the Code throughout the term of the Series 2019A Bonds.

Section 409. Application of Series 2019A Revenue Account in Revenue Fund.

(a) Upon deposit of the revenues from the Series 2019A Assessments including the interest thereon with the Trustee, the Issuer shall provide the Trustee a written accounting setting forth the amounts of such Series 2019A Assessments in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

(i) 2019A-1 Assessment Interest which shall be deposited into the 2019A-1 Interest Account and 2019A-2 Assessment Interest which shall be deposited into the 2019A-2 Interest Account;

(ii) 2019A-1 Assessment Principal, which shall be deposited into the 2019A-1 Sinking Fund Account and 2019A-2 Assessment Principal which shall be deposited into the 2019A-2 Principal Account;

(iii) Series 2019A-1 Prepayment Principal which shall be deposited into the 2019A-1 Prepayment Account and Series 2019A-2 Prepayment Principal which shall be deposited into the 2019A-2 Prepayment Account;

(iv) Delinquent 2019A-1 Assessment Principal shall first be applied to restore the amount of any withdrawal from the 2019A-1 Reserve Account to pay the principal of Series 2019A Bonds to the extent that less than the 2019A-1 Reserve Account Requirement is on deposit in the 2019A-1 Reserve Account, and, the balance, if any, shall be deposited into the 2019A-1 Sinking Fund Account;

(v) Delinquent 2019A-2 Assessment Principal shall first be applied to restore the amount of any withdrawal from the 2019A-2 Reserve Account to pay the principal of Series 2019A Bonds to the extent that less than the 2019A-2 Reserve Account Requirement is on deposit in the 2019A-2 Reserve Account, and, the balance, if any, shall be deposited into the 2019A-2 Principal Account;

(vi) Delinquent 2019A-1 Assessment Interest shall first be applied to restore the amount of any withdrawal, from the 2019A-1 Reserve Account to pay the interest of Series 2019A Bonds to the extent that less than the 2019A-1 Reserve Account Requirement is on deposit in the 2019A-1 Reserve Account, and, the balance, if any, shall be deposited into the 2019A-1 Interest Account;

(vii) Delinquent 2019A-2 Assessment Interest shall first be applied to restore the amount of any withdrawal from the 2019A-2 Reserve Account to pay the interest of Series 2019A Bonds to the extent that less than the 2019A-2 Reserve Account Requirement is on deposit in a 2019A-2 Reserve Account, and, the balance, if any, shall be deposited into the 2019A-2 Interest Account;

(viii) The balance shall be deposited in the 2019A Revenue Account.

(b) On or before the forty-fifth day (or if such day is not a Business Day, on the Business Day next preceding such day), next preceding each Redemption Date, the Trustee shall determine the amount on deposit in each 2019A Prepayment Account and, if the balance therein is greater than zero, shall transfer, but only after transferring sufficient amounts as directed by the Issuer to the appropriate accounts to pay amounts due on the next Interest Payment Date, from the 2019A Revenue Account for deposit into such Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of Series 2019A-1 Bonds and the Series 2019A-2 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Account in accordance with the provisions for extraordinary redemption of Series 2019A-1 Bonds and Series 2019A-2 Bonds as set forth in **Exhibit B** hereto. All interest due in regard to such prepayments shall be

paid from the applicable 2019A Interest Account or, if insufficient amounts are on deposit in the applicable 2019A Interest Account to pay such interest then from the 2019A Revenue Account.

(c) On each May 1 (or if such May 1 is not a Business Day, on the Business Day preceding such May 1), the Trustee shall transfer from amounts on deposit in the 2019A Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, to the 2019A-1 Interest Account and 2019A-2 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2019A-1 Bonds and 2019A-2 Bonds then Outstanding on such May 1 and the next successive November 1, less any other amount already on deposit in such 2019A-1 Interest Account or 2019A-2 Interest Account not previously credited;

SECOND, beginning on May 1, 2021, and no later than the Business Day next preceding each May 1 thereafter while Series 2019A-1 Bonds remain Outstanding, to the 2019A-1 Sinking Fund Account an amount equal to the Amortization Installment on the Series 2019A-1 Bonds due on such May 1 or the principal maturing on the Series 2019A-1 Bonds on such May 1, less any amount on deposit in the Series 2019A-1 Sinking Fund Account not previously credited, and on May 1, 2029, to the 2019A-2 Principal Account the principal maturing on May 1, 2029 less any amount on deposit in such 2019A-2 Principal Account not previously credited;

THIRD, to the 2019A-1 Reserve Account and the 2019A-2 Reserve Account the amount, if any, which is necessary to make the amount on deposit therein equal to the applicable 2019A Reserve Account Requirement; and

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

Anything herein to the contrary notwithstanding, it shall not constitute an Event of Default hereunder if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor; provided, however, that nothing in this paragraph is meant to change what are otherwise Events of Default as provided for in Article X of the Master Trust Indenture and Section 611 hereof.

(d) Anything herein or in the Master Indenture to the contrary notwithstanding, amounts on deposit in all of the Funds and Accounts and any subaccounts therein held as security for the Series 2019A Bonds shall be invested only in Investment Securities, and further, earnings on investments in the 2019A Acquisition and Construction Account and the 2019A Cost of Issuance Account shall be retained as realized, in such Accounts and subaccounts and used for the purpose of such Accounts and subaccounts. Earnings on investments in (i) the 2019A Revenue Account of the Revenue Fund, (ii) the 2019A-1 Sinking Fund Account and 2019A-2 Principal Account of the Debt Service Fund, (iii) the 2019A-1 and 2019A-2 Interest Accounts of the Debt Service Fund and (iv) the 2019A-1 and 2019A-2 Prepayment Accounts in the Bond Redemption Fund, shall be deposited, as realized, to the credit of the 2019A Revenue Account of the Revenue Fund and used for the purpose of such Account.

Earnings on investments in the 2019A Reserve Accounts shall be disposed of as provided in Section 405 hereof.

## ARTICLE V CONCERNING THE TRUSTEE

Section 501. Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this First Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth in the Master Indenture as modified by this First Supplemental Indenture.

Section 502. Limitation of Trustee's Responsibility. The Trustee shall not be responsible in any manner for the due execution of this First Supplemental Indenture by the Issuer or for the recitals contained herein, all of which are made solely by the Issuer.

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 XI thereof, all of which shall apply to the actions of the Trustee under this First Supplemental Indenture.

## ARTICLE VI MISCELLANEOUS

Section 601. Confirmation of Master Indenture. As supplemented by this First Supplemental Indenture, the Master Indenture is in all respect ratified and confirmed, and this First 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 First Supplemental Indenture and to the Series 2019A Bonds issued hereunder. To the extent of any conflicts between the terms and provisions of the Master Indenture and this First Supplemental Indenture the terms and provisions hereof shall control.

Section 602. Additional Covenant Regarding 2019A Assessments. In addition, and not in limitation of, the covenants contained elsewhere in this First Supplemental Indenture and in the Master Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2019A Assessments, including the assessment methodology, prepared by Governmental Management Services, LLC (the "Report"), and to levy the Series 2019A Assessments and any required true up payments as set forth in the Report, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2019A Bonds, when due. The Issuer also agrees that it shall not amend the Report in any material manner without the written consent of the Majority Holders, except as may be required by law.

Section 603. Limitation on Additional Debt. Other than Bonds issued to refund all or a portion of Outstanding Series 2019A Bonds, the issuance of which as determined by the Issuer results in present value debt service savings, the Issuer shall not, while any Series 2019A Bonds are Outstanding, issue or incur any debt payable in whole or in part from the 2019A Trust Estate. The Issuer further covenants and agrees not to issue Bonds for capital projects secured by new Special Assessments on assessable lands which are also encumbered by the Series 2019A Special Assessments ("Additional Bonds") without the consent of the Majority Holders of the Series 2019A Bonds, provided that the Issuer may issue such Additional Bonds without the consent of the Majority Holders if:

- (i) such Additional Bonds are secured by new Special Assessments on assessable lots that are not encumbered by the Series 2019A-2 Assessments and the amount of such new Special Assessments is, on a per lot basis, not in excess of Series 2019A-2 Assessments as set forth in the Report, or
- (ii) the Series 2019A-1 Assessments have been Substantially Absorbed and the Series 2019A-2 Assessments have been paid off.

Notwithstanding the prior sentence, the foregoing shall not preclude the imposition of capital Special Assessments on property subject to the Series 2019A Assessments which are necessary, as determined by the Issuer, for health, safety or welfare reasons or to remediate a natural disaster or operation and maintenance assessments. The Trustee is entitled to assume that the Series 2019A-1 Assessments have not been Substantially Absorbed absent delivery to the Trustee of a certificate of the District Manager to the contrary on which the Trustee may conclusively rely.

Section 604. Acknowledgement Regarding 2019A Acquisition and Construction Account Moneys Following an Event of Default. In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2019A Bonds, the Series 2019A Bonds are payable solely from the 2019A Trust Estate, which includes the 2019A Pledged Revenues and the 2019A Pledged Funds. Anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Series 2019A Bonds, (i) the 2019A Pledged Funds which includes, without limitation, all amounts on deposit in the 2019A Acquisition and Construction Account, may not be used by the Issuer (whether to pay Costs of the 2019A Project or otherwise) without the consent of the Majority Holders of the Series 2019A 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 2019A Project and payment is for such work, and (ii) the 2019A Pledged Funds may be used by the Trustee, at the written direction or with the written approval of the Majority Holders of the Series 2019A Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture or as otherwise provided in the Indenture, provided, however notwithstanding anything herein to the contrary the Trustee is also authorized to utilize the Series 2019 Pledged Revenues to pay fees and expenses as provided in Section 10.12 of the Master Indenture.

Section 605. Enforcement of True-Up Agreement and Completion Agreement. The Issuer, 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 such Agreements, the Issuer covenants and agrees that the Trustee, at the written direction of the Majority Holders of the Series 2019A Bonds shall act on behalf of, and in the Issuer'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 Issuer to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreement and the True-Up Agreement upon demand of the Majority Holders of the Series 2019A Bonds, or the Trustee at the written direction of the Majority Holders of the Series 2019A Bonds, shall constitute an Event of Default under the Indenture without benefit of any period of cure.

Section 606. Payment Dates. If an Interest Payment Date, principal payment date or the maturity date of the Series 2019A Bonds or the date fixed for the redemption of any Series 2019A Bonds shall be other than a Business Day, then payment of interest, principal, or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as it made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

Section 607. Additional Matters Relating to Delinquent Assessments. The Issuer acknowledges and agrees that (i) upon failure of any property owner to pay when due any installment of Series 2019A Assessments that are billed directly by the Issuer, that the entire Series 2019A Assessments levied on the property for which such installment of Series 2019A Assessments is due and unpaid, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and, with the written consent of the Trustee, acting at the direction of the Majority Holders of the Series 2019A Bonds Outstanding, the Issuer shall promptly, but in any event within one hundred twenty (120) days of the receipt of such consent, cause to be brought the necessary legal proceedings for the foreclosure of liens of the delinquent Series 2019A Assessments, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages. The Trustee shall be deemed to have consented to the proposed action if the Issuer does not received written direction from the Trustee within one hundred and twenty (120) days (or such shorter time as would be required to comply with ant applicable court ruling) following receipt by the Trustee of a written request for direction.

Section 608. Additional Matters Relating to Series 2019A Assessments and Assessment Proceedings. The District covenants and agrees that upon the occurrence and continuance of an Event of Default with respect to the Series 2019A Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Series 2019A Assessments that are directly billed and collected by the District, as well as delinquent direct billed operation and maintenance assessments, and the provisions for the foreclosure of liens of delinquent Series 2019A Assessments that are directly billed and collected by the District, as well as delinquent direct billed operation and maintenance assessments, all in a manner consistent with the Master Indenture and this First Supplemental Indenture.

The Series 2019A-1 Assessments levied for each full year on platted lots shall be collected pursuant to the uniform method provided for in Sections 197.3632 and 197.3635 Florida Statutes, (the "Uniform Method") unless the District determines that it is in its best interests to collect directly. The Series 2019A-1 Assessments levied on unplatted lots or lands and the Series 2019A-2 Assessments shall be billed and collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method unless the District determines that it is in its best interests not to do so. Prior to an Event of Default, the election to collect and enforce Series 2019A Assessments in any year pursuant to any one method shall not, to the extent permitted by law, preclude the District from electing to collect and enforce Series 2019A Assessments pursuant to any other method permitted by law in any subsequent year. Following an Event of Default, Series 2019A-1 Assessments levied on platted lots shall be collected pursuant to the Uniform Method and Series 2019A-1 Assessments levied on unplatted lots and Series 2019A-2 Assessments shall be billed and 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 the Trustee, acting at the direction of the Majority Holders of the Series 2019A Bonds Outstanding, provides written direction to use a different method of collection. All Series 2019A Assessments that are billed and 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; provided, however, that such Series 2019A Assessments shall not be deemed to be delinquent Series 2019A Assessments unless and until same are not paid by the applicable Interest Payment Date with respect to which they have been billed.

Section 609. Assignment of Collateral Assignment. The Issuer hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2019A Bonds. Such assignment shall not be considered an assumption by the Trustee of any obligations thereunder.

Section 610. Third Party Beneficiaries. This First Supplemental Indenture shall inure solely to the benefit of the Issuer, the Trustee and the Holders from time to time of the Series 2019A Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT has caused these presents to be signed in its name and on its behalf by its Chairman, 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 signatory.

**THREE RIVERS COMMUNITY  
DEVELOPMENT DISTRICT**

[SEAL]

By: \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

By: \_\_\_\_\_  
Assistant Secretary

**U.S. BANK NATIONAL ASSOCIATION, as  
Trustee**

By: \_\_\_\_\_  
Vice President

**EXHIBIT "A"**

Description of the Capital Improvement Program and 2019A Project

**PUBLIC IMPROVEMENTS CONSTITUTING ASSESSABLE  
IMPROVEMENTS WITHIN THE MEANING OF  
CHAPTER 190, FLORIDA STATUTES,  
INCLUDING BUT NOT LIMITED TO:**

**THOSE DESCRIBED IN THE ENGINEER'S REPORT  
DATED FEBRUARY 2, 2019 PREPARED BY  
DOMINION ENGINEERING GROUP, LLC AS SUPPLEMENTED AND AMENDED  
FROM TIME TO TIME, PARTICULARLY AS SUPPLEMENTED BY THE  
SUPPLEMENTAL ENGINEER'S REPORT, PHASE 1A, DATED SEPTEMBER 9, 2019.**

**EXHIBIT “B”**Form of the Series 2019A Bonds

See Attached

No. 2019RA1-\_\_

\$ \_\_\_\_\_

United States of America  
State of Florida  
THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BOND, SERIES 2019A-1

<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Dated</u> <u>Date</u>	<u>CUSIP</u>
____%	May 1, ____	September __, 2019	_____

Registered Owner: CEDE &amp; CO.

Principal Amount: \_\_\_\_\_ MILLION \_\_\_\_\_ HUNDRED \_\_\_\_\_ THOUSAND AND  
NO/100 DOLLARS

THE THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS SERIES 2019A-1 BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE INDENTURE, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), WILL BE THE REGISTERED OWNER AND WILL HOLD THIS SERIES 2019A-1 BOND ON BEHALF OF EACH BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS SERIES 2019A-1 BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED OWNER OF THIS SERIES 2019A-1 BOND, MAY BE TREATED AS THE OWNER OF IT FOR ALL PURPOSES.

UNLESS THIS SERIES 2019A-1 BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, WITH RESPECT TO ANY SERIES 2019A-1 BOND REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT, a community development district duly created 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 Series 2019A-1 Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture mentioned hereinafter) 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; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) and/or (b) of Section 10.02 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price 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 or interest shall be made only in accordance with standard DTC practices. Interest on this Bond will be computed on the basis of a 360-day year of twelve 30- day months.

This Bond is one of a duly authorized issue of bonds of the District designated “Special Assessment Bonds, Series 2019A-1” (the “Series 2019A-1 Bonds”) issuable under and governed by the terms of a Master Trust Indenture, dated as of September 1, 2019 (the “Master Indenture”), between the District and U.S. Bank National Association as trustee (the “Trustee”), as supplemented by a First Supplemental Trust Indenture, dated as of September 1, 2019 (the “Supplemental Indenture”), between the District and the Trustee (the Master Indenture as supplemented by the Supplemental Indenture is hereafter referred to as the “Indenture”). The Series 2019A-1 Bonds are issued in an aggregate principal amount together with the District Special Assessment Bonds, Series 2019A-2 (the “Series 2019A-2 Bonds, collectively with the Series 2019A-1 Bonds the “Series 2019A Bonds”) of \$17,745,000 for the purposes of (i) financing the Cost of acquiring, constructing and equipping the 2019A Project; (ii) paying certain costs associated with the issuance of the Series 2019A Bonds; (iii) paying a portion of the interest to accrue on the Series 2019A Bonds; and (iv) making a deposit into the 2019A-1 Reserve Account and 2019A-2 Reserve Account for the benefit of all of the Series 2019A Bonds.

This Series 2019A-1 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 designated 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 2019A-1 Bonds, the collection, receipt 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 Series 2019A-1 Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of the 2019A Pledged Revenues (as defined in the Indenture), the terms and conditions under which the Series 2019A-1 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 Registered Owners and Beneficial Owners of the Series 2019A-1 Bonds, and, by the

acceptance of this Series 2019A-1 Bond, the Registered Owner and Beneficial Owners hereof assents to all of the provisions of the Indenture. Terms not otherwise defined herein shall have the meaning ascribed to them in the Indenture. The Series 2019A Bonds are equally and ratably secured by the 2019A Trust Estate, without preference or priority of one Series 2019A Bond over another.

The Series 2019A-1 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 that delivery of the Series 2019A-1 Bonds to the initial purchases shall be in minimum denominations of \$100,000 or integral multiples of \$5,000 in excess thereof. This Series 2019A-1 Bond is transferable by the Registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee as Bond Registrar (the “Bond Registrar”), upon surrender of this Series 2019A-1 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. Upon any such transfer a new Series 2019A-1 Bond or Series 2019A-1 Bonds, in the same aggregate principal amount and of the same maturity as the Series 2019A-1 Bond or Series 2019A-1 Bonds transferred, will be issued to the transferee. At the designated corporate trust office of the Bond Registrar in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, Series 2019A-1 Bonds may be exchanged for an equal aggregate principal amount of Series 2019A-1 Bonds of the same maturity and series, in Authorized Denominations and bearing interest at the same rate or rates.

The District has established a book-entry system of registration for the Series 2019A Bonds. Except as specifically provided otherwise in the Indenture, an agent will hold this Series 2019A-1 Bond on behalf of the Beneficial Owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, the Beneficial Owner of this Series 2019A-1 Bond shall be deemed to have agreed to such arrangement.

#### Optional Redemption

The Series 2019A-1 Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, on any date on or after May 1, 2029 at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

#### Mandatory Redemption

The Series 2019A-1 Bonds maturing May 1, 2024 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2019A-1 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Amortization Installment</u>
2021	\$270,000
2022	280,000
2023	290,000
2024*	300,000

\*Maturity

The Series 2019A-1 Bonds maturing May 1, 2029 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2019A-1 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Amortization Installment</u>
2025	\$315,000
2026	325,000
2027	340,000
2028	355,000
2029*	370,000

\*Maturity

The Series 2019A-1 Bonds maturing May 1, 2039 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2019A-1 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Amortization Installment</u>
2030	\$385,000
2031	405,000
2032	425,000
2033	440,000
2034	465,000
2035	485,000
2036	505,000
2037	530,000
2038	555,000
2039*	580,000

\*Maturity

The Series 2019A-1 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 2019A-1 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Amortization Installment</u>
2040	\$605,000
2041	635,000
2042	665,000
2043	700,000
2044	735,000
2045	770,000
2046	805,000
2047	845,000
2048	885,000
2049	930,000
2050*	975,000

\*Maturity

Any Series 2019A-1 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 2019A-1 Bonds.

Upon redemption or purchase of a portion of the Series 2019A-1 Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that debt service on the Series 2019A-1 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2019A-1 Bonds.

#### Extraordinary Mandatory Redemption

The Series 2019A-1 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Redemption Date, and if in part on a pro rata basis calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the Series 2019A-1 Bonds treating for such purposes each Amortization Installment as a maturity divided by the aggregate principal amount of Outstanding Series 2019A-1 Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, if and to the extent that any one or more of the following shall have occurred:



(i) On or after the Completion Date of the 2019A Project by application of moneys transferred from the 2019A Acquisition and Construction Account to the 2019A-1 Prepayment Account in accordance with the terms of the Indenture; or

(ii) Amounts are deposited into the 2019A-1 Prepayment Account from the prepayment of Series 2019A-1 Assessments and from amounts deposited into the 2019A-1 Prepayment Account from other sources; or

(iii) When the amount on deposit in the 2019A-1 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2019A-1 Bonds then Outstanding as provided in the Supplemental Indenture.

Moneys in the 2019A Acquisition and Construction Account are to be applied first to the extraordinary mandatory redemption of Series 2019A-2 Bonds until all Series 2019A-2 Bonds have been retired and then to redeem Outstanding Series 2019A-1 Bonds.

Except as otherwise provided in the Indenture, if less than all of the Series 2019A Bonds of a maturity subject to redemption shall be called for redemption, the particular such Series 2019A Bonds or portions of such Series 2019A Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of Series 2019A Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of Series 2019A 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 2019A 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 2019A Bonds or such portions thereof on such date, interest on such Series 2019A Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2019A 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 2019A Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent.

The Owner of this Series 2019A-1 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

Any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any Series 2019A-1 Bond which remain unclaimed for three (3) years after the date when such Series 2019A-1 Bond has become due and payable, either at its stated maturity date or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or

for three (3) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Series 2019A-1 Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee funds or Defeasance Securities (as defined in the Indenture) sufficient to pay the principal or Redemption Price of any Series 2019A-1 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 such Series 2019A-1 Bonds as to the 2019A Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Series 2019A-1 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 Series 2019A-1 Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

NEITHER THIS SERIES 2019A-1 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 SERIES 2019A-1 BOND AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON 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 2019A-1 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2019A-1 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2019A PLEDGED REVENUES AND THE 2019A PLEDGED FUNDS PLEDGED TO THIS SERIES 2019A-1 BOND, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Series 2019A-1 Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Series 2019A-1 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.

IN WITNESS WHEREOF, Three Rivers Community Development District has caused this Series 2019A-1 Bond to bear the signature of the Chairman 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 Secretary of its Board of Supervisors.

**THREE RIVERS COMMUNITY  
DEVELOPMENT DISTRICT**

(SEAL)

By: \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

By: \_\_\_\_\_  
Secretary to Board of Supervisors

**CERTIFICATE OF AUTHENTICATION**

This Series 2019A-1 Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

**U.S. BANK NATIONAL ASSOCIATION  
as Registrar**

By: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Date of Authentication:

CERTIFICATE OF VALIDATION

This Series 2019A-1 Bond is one of a Series of Bonds which were validated by judgment of the Fourth Judicial Court in and for Clay, Duval and Nassau Counties, Florida, rendered on April 15, 2019.

THREE RIVERS COMMUNITY  
DEVELOPMENT DISTRICT

By: \_\_\_\_\_  
Chairman, Board of Supervisors

[FORM OF ABBREVIATIONS FOR SERIES 2019A-1 BONDS]

The following abbreviations, when used in the inscription on the face of the within Series 2019A-1 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 tenant by the entireties
- JT TEN as joint tenants with the right of survivorship and not as tenants in common
- UNIFORM TRANS MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_ under Uniform Transfers to Minors Act \_\_\_\_\_ (State)

Additional abbreviations may also be used though not in the above list.

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Series 2019A-1 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney to transfer the said Series 2019A-1 Bond on the books of the District, with full power of substitution in the premises.

Date: \_\_\_\_\_

Social Security Number of Employer

Identification Number of Transferee:

Signature guaranteed:

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Series 2019A-1 Bond in every particular without alteration or any change whatever.

By: \_\_\_\_\_  
Authorized Signatory

No. 2019A2-1

\$ \_\_\_\_\_

United States of America  
State of Florida  
THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BOND, SERIES 2019A-2

Interest <u>Rate</u>	Maturity <u>Date</u>	Dated <u>Date</u>	<u>CUSIP</u>
____ %	May 1, 20__	September __, 2019	_____

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_ MILLION \_\_\_\_ HUNDRED \_\_\_\_\_ THOUSAND AND NO/100 DOLLARS

THE THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS SERIES 2019A-2 BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE INDENTURE, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), WILL BE THE REGISTERED OWNER AND WILL HOLD THIS SERIES 2019A-2 BOND ON BEHALF OF EACH BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS SERIES 2019A-2 BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED OWNER OF THIS SERIES 2019A-2 BOND, MAY BE TREATED AS THE OWNER OF IT FOR ALL PURPOSES.

UNLESS THIS SERIES 2019A-2 BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, WITH RESPECT TO ANY SERIES 2019A-2 BOND REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT, a community development district duly created 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 Series 2019A-2 Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture mentioned hereinafter) 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; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) and/or (b) of Section 10.02 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price 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 or interest shall be made only in accordance with standard DTC practices. Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the District designated “Special Assessment Bonds, Series 2019A-2” (the “Series 2019A-2 Bonds”) issuable under and governed by the terms of a Master Trust Indenture, dated as of September 1, 2019 (the “Master Indenture”), between the District and U.S. Bank National Association as trustee (the “Trustee”), as supplemented by a First Supplemental Trust Indenture, dated as of September 1, 2019 (the “Supplemental Indenture”), between the District and the Trustee (the Master Indenture as supplemented by the Supplemental Indenture is hereafter referred to as the “Indenture”). The Series 2019A-2 Bonds are issued in an aggregate principal amount together with the District Special Assessment Bonds, Series 2019A-1 (the Series 2019A-1 Bonds, collectively with the Series 2019A-2 Bonds the “Series 2019A Bonds”) of \$17,745,000 for the purposes of (i) financing the Cost of acquiring, constructing and equipping the 2019A Project; (ii) paying certain costs associated with the issuance of the Series 2019A Bonds; (iii) paying a portion of the interest to accrue on the Series 2019A Bonds; and (iv) making a deposit into the 2019A-1 Reserve Account and 2019A-2 Reserve Account for the benefit of all of the Series 2019A Bonds.

This Series 2019A-2 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 designated 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 2019A-2 Bonds, the collection, receipt 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 Series 2019A-2 Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of the 2019A Pledged Revenues (as defined in the Indenture), the terms and conditions under which the Series 2019A-2 Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights

A-70

of the Registered Owners and Beneficial Owners of the Series 2019A-2 Bonds, and, by the acceptance of this Series 2019A-2 Bond, the Registered Owner and Beneficial Owners hereof assents to all of the provisions of the Indenture. Terms not otherwise defined herein shall have the meaning ascribed to them in the Indenture. The Series 2019A Bonds are equally and ratably secured by the 2019A Trust Estate, without preference or priority of one Series 2019A Bond over another.

The Series 2019A-2 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 that delivery of the Series 2019A-2 Bonds to the initial purchases shall be minimum denominations of \$100,000 or integral multiples of \$5,000 in excess thereof. This Series 2019A-2 Bond is transferable by the Registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee as Bond Registrar (the "Bond Registrar"), upon surrender of this Series 2019A-2 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. Upon any such transfer a new Series 2019A-2 Bond or Series 2019A-2 Bonds, in the same aggregate principal amount and of the same maturity as the Series 2019A-2 Bond or Series 2019A-2 Bonds transferred, will be issued to the transferee. At the designated corporate trust office of the Bond Registrar in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, Series 2019A-2 Bonds may be exchanged for an equal aggregate principal amount of Series 2019A-2 Bonds of the same maturity and series, in Authorized Denominations and bearing interest at the same rate or rates.

The District has established a book-entry system of registration for the Series 2019A Bonds. Except as specifically provided otherwise in the Indenture, an agent will hold this Series 2019A-2 Bond on behalf of the Beneficial Owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, the Beneficial Owner of this Series 2019A-2 Bond shall be deemed to have agreed to such arrangement.

#### No Optional Redemption

The Series 2019A-2 Bonds are not subject redemption prior to scheduled maturity at the option of the Issuer.

#### Extraordinary Mandatory Redemption

The Series 2019A-2 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Redemption Date, and if in part by lot and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, if and to the extent that any one or more of the following shall have occurred:

(i) On or after the Completion Date of the 2019A Project by application of moneys transferred from the 2019A Acquisition and Construction Account to the 2019A-2 Prepayment Account in accordance with the terms of the Indenture; or

(ii) Amounts are deposited into the 2019A-2 Prepayment Account from the prepayment of Series 2019A-2 Assessments and from amounts deposited into the 2019A-2 Prepayment Subaccount from other sources; or

(iii) When the amount on deposit in the 2019A-2 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2019A-2 Bonds then Outstanding as provided in the Supplemental Indenture.

Moneys in the 2019A Acquisition and Construction Account are to be applied first to the extraordinary mandatory redemption of Series 2019A-2 Bonds until all Series 2019A-2 Bonds have been retired and then to redeem Outstanding Series 2019A-1 Bonds.

Notice of each redemption of Series 2019A Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of Series 2019A 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 2019A 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 2019A Bonds or such portions thereof on such date, interest on such Series 2019A Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2019A 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 2019A Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent.

The Owner of this Series 2019A-2 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

Any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any Series 2019A-2 Bond which remain unclaimed for three (3) years after the date when such Series 2019A-2 Bond has become due and payable, either at its stated maturity date or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for three (3) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Series 2019A-2 Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee funds or Defeasance Securities (as defined in the Indenture) sufficient to pay the principal or Redemption Price of any Series 2019A-2 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 such Series 2019A-2 Bonds as to the 2019A Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Series 2019A-2 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 Series 2019A-2 Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

NEITHER THIS SERIES 2019A-2 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 SERIES 2019A-2 BOND AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON 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 2019A-2 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2019A-2 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2019A PLEDGED REVENUES AND THE 2019A PLEDGED FUNDS PLEDGED TO THIS SERIES 2019A-2 BOND, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Series 2019A-2 Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Series 2019A-2 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.

IN WITNESS WHEREOF, Three Rivers Community Development District has caused this Series 2019A-2 Bond to bear the signature of the Chairman 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 Secretary of its Board of Supervisors.

**THREE RIVERS COMMUNITY  
DEVELOPMENT DISTRICT**

(SEAL)

By: \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

By: \_\_\_\_\_  
Secretary to Board of Supervisors

**CERTIFICATE OF AUTHENTICATION**

This Series 2019A-2 Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

**U.S. BANK NATIONAL ASSOCIATION  
as Registrar**

By: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Date of Authentication:

A-73

**CERTIFICATE OF VALIDATION**

This Series 2019A-2 Bond is one of a Series of Bonds which were validated by judgment of the Fourth Judicial Circuit Court in and for Clay, Duval and Nassau Counties, Florida, rendered on April 15, 2019.

**THREE RIVERS COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Chairman, Board of Supervisors

[FORM OF ABBREVIATIONS FOR SERIES 2019A-2 BONDS]

The following abbreviations, when used in the inscription on the face of the within Series 2019A-2 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 tenant by the entireties

JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_ under Uniform  
Transfers to Minors Act \_\_\_\_\_ (State)

Additional abbreviations may also be used  
though not in the above list.

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Series 2019A-2 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney to transfer the said Series 2019A-2 Bond on the books of the District, with full power of substitution in the premises.

Date: \_\_\_\_\_

Social Security Number of Employer \_\_\_\_\_

Identification Number of Transferee: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Series 2019A-2 Bond in every particular without alteration or any change whatever.

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT C**

**2019A ACQUISITION AND CONSTRUCTION  
REQUISITION**

**THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS, SERIES 2019**

The undersigned, a Responsible Officer of the Three Rivers Community Development District (the "Issuer") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the Issuer to U.S. Bank National Association, as trustee (the "Trustee"), dated as of September 1, 2019, as supplemented by that certain First Supplemental Trust Indenture dated as of September 1, 2019 (the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

- (1) Requisition Number:
- (2) Name of Payee pursuant to Acquisition Agreement:
- (3) Amount Payable:
- (4) 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):
- (5) Fund or Account and subaccount, if any, from which disbursement to be made:
- (6) Indicate if this requisition is for Deferred Obligations and, if so, the amount:

The undersigned hereby certifies that:

1. ☐ obligations in the stated amount set forth above have been incurred by the Issuer,  
or  
☐ this requisition is for Costs of Issuance payable from the Acquisition and Construction Fund that have not previously been paid;
2. each disbursement set forth above is a proper charge against the Acquisition and Construction Fund and the applicable subaccount thereof;
3. each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Project;
4. each disbursement represents a Cost of the Project which has not previously been paid.



The undersigned hereby further certifies that there has not been filed with or served upon the Issuer notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the Issuer is at the date of such certificate entitled to retain.

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

**THREE RIVERS COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Responsible Officer

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

If this requisition is for a disbursement from other than Costs of Issuance, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the Project with respect to which such disbursement is being made; and (iii) the report of the Consulting Engineer, as such report shall have been amended or modified on the date hereof.

DOMINION ENGINEERING GROUP, LLC,  
CONSULTING ENGINEER

Title: \_\_\_\_\_

[THIS PAGE INTENTIONALLY LEFT BLANK]

## **APPENDIX B**

### **FORM OF OPINION OF BOND COUNSEL**

[THIS PAGE INTENTIONALLY LEFT BLANK]

**[Proposed Form of Bond Counsel Opinion]**

Akerman LLP  
50 North Laura Street  
Suite 3100  
Jacksonville, FL 32202-3646

September \_\_, 2019

Board of Supervisors  
Three Rivers Community Development District

**RE: Three Rivers Community Development District (Nassau County, Florida) Special Assessment Bonds, Series 2019A-1 and Special Assessment Bonds, Series 2019A-2 (the “Series 2019A Bonds”)**

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Three Rivers Community Development District (the “District”) of the Series 2019A Bonds pursuant to the Constitution and laws of the State of Florida, including particularly the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the “Act”), Resolution 2019-26 adopted by the Board of Supervisors of the District (the “Board”) on February 8, 2019, as supplemented (collectively, the “Resolution”) and a Master Trust Indenture dated as of September 1, 2019 (the “Master Indenture”), as supplemented by a First Supplemental Trust Indenture dated as of September 1, 2019 (together with the Master Indenture, the “Indenture”), each between the District and U.S. Bank National Association, as trustee (the “Trustee”). Any capitalized undefined term used herein shall have the same meaning as such term has under the Indenture.

As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Indenture and in the certified proceedings and other certifications of officials furnished to us, without undertaking to verify the same by independent investigation.

Reference is made to the opinion of even date herewith of Hopping Green & Sams, P.A., Counsel to the District, on which we have solely relied, as to the due creation and valid existence of the District, the due authorization, execution and delivery of the Indenture by the District and the due adoption of the Resolution and other resolutions of the District.

We have also relied upon all findings in the final judgment rendered by the Circuit Court in and for Nassau County, Florida on April 15, 2019, which final judgment among other matters validated the Series 2019A Bonds. For purposes of this opinion, we have assumed the due authorization and execution of the Indenture by the Trustee and of the enforceability of the Indenture against the Trustee.

In addition to the foregoing, we have examined and relied upon such other agreements, certificates, documents and opinions submitted to us, including certifications and representations of public officials and other officers and representatives of the various parties participating in this transaction, as we have deemed relevant and necessary in connection with the opinions expressed below. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in such agreements, certificates, documents, representations and opinions submitted to us 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 the signatures on all documents and instruments, the authenticity of documents submitted as originals, the conformity to originals of documents submitted as copies and the legal capacity of all natural persons.

The scope of our engagement in relation to the issuance of the Series 2019A Bonds has been limited solely to the examination of facts and law incident to rendering the opinions expressed herein.

This opinion should not be construed as offering material or an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2019A Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Series 2019A Bonds. In addition, we have not been engaged to and, therefore, do not express any opinion as to compliance by the District with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2019A Bonds.

Neither the Series 2019A 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 2019A 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 of the Series 2019A Bonds or any other person shall ever have the right, directly or indirectly, to require or compel the exercise of any ad valorem taxing power of the District or any other public authority or governmental body to pay the principal of or interest and premium, if any, on the Series 2019A

Bonds or to pay any other amounts required to be paid pursuant to the Indenture or the Series 2019A Bonds.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based upon the foregoing, we are of the opinion that:

1. The District has been duly created and validly exists as a community development district under the Act.

2. The Indenture has been duly authorized and executed by the District and each constitutes a valid and binding obligation of the District. The Indenture creates the valid pledge which it purports to create of the 2019A Trust Estate for the Series 2019A Bonds in the manner and to the extent provided therein.

3. The Series 2019A Bonds have been duly authorized, executed and delivered by the District and are valid, binding, and enforceable special obligations of the District, payable solely from the sources provided therefor in the Indenture.

4. The interest on the Series 2019A Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinions set forth in the immediately preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "Code"), that must be met or satisfied in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure of the District to comply with such requirements may cause the inclusion of interest on the Series 2019A Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2019A Bonds. Other provisions of the Code may give rise to adverse federal income tax consequences to particular holders of the Series 2019A Bonds. The scope of this opinion is limited to the matters addressed above and we express no opinion regarding other federal tax consequences arising with respect to the Series 2019A Bonds.

5. Pursuant to the Act, the Series 2019A Bonds and the interest paid thereon are exempt from all taxes imposed by the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes.

It is to be understood that the rights of the owners of the Series 2019A Bonds and the enforceability of the Series 2019A Bonds and the Indenture may be subject to (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other similar statutes, rules,

Three Rivers Community Development District  
September \_\_, 2019  
Page 4 of 4

regulations, or other laws affecting the enforcement of creditor's rights and remedies generally and (b) the unavailability of, or limitation on the availability of, a particular right or remedy (whether in a proceeding in equity or at law).

Our opinions expressed herein are predicated upon present law, (and interpretations thereof) facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws (and interpretations thereof), facts or circumstances change after the date hereof.

Very truly yours,

**AKERMAN LLP**



## **APPENDIX C**

### **ENGINEER'S REPORTS**

[THIS PAGE INTENTIONALLY LEFT BLANK]

# **MASTER ENGINEER'S REPORT**

## **THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT**

**Prepared for:**

**BOARD OF SUPERVISORS  
THREE RIVERS CDD**

**August 27, 2019**



**DOMINION ENGINEERING GROUP, INC**  
4348 Southpoint Boulevard, Suite 201  
Jacksonville, Florida 32216

# TABLE OF CONTENTS

	<u>Page</u>
<b>Table of Contents</b>	ii
<b>List of Figures</b>	iii
<b><u>Section</u></b>	<b><u>Title</u></b>
<b>1</b>	<b>Introduction</b>
1.1	Introduction 1
<b>2</b>	<b>Three Rivers Project Description</b>
2.1	General 4
2.2	Three Rivers Community Development District 4
<b>3</b>	<b>Three Rivers CDD Proposed Improvements</b>
3.1	General 5
3.2	Three Rivers CDD Improvements 7
3.2.1	<u>Infrastructure</u> 7
3.2.2	<u>Ownership and Maintenance</u> 12
3.2.3	<u>Improvement Costs</u> 12
3.3	Permitting 12
3.4	Construction Status 13
<b>4</b>	<b>Engineer's Certification</b>
4-1	Engineer's Certification 14
<b>5</b>	<b>Appendix A</b>
	Legal Description 15

## LIST OF FIGURES

<b><u>Figure</u></b>	<b><u>Title</u></b>	<b><u>Page</u></b>
1	Location Map	2
2	Three Rivers Master Plan	3
3	Major Water and Wastewater Facilities	10

## Section 1

# INTRODUCTION

## 1.1 INTRODUCTION

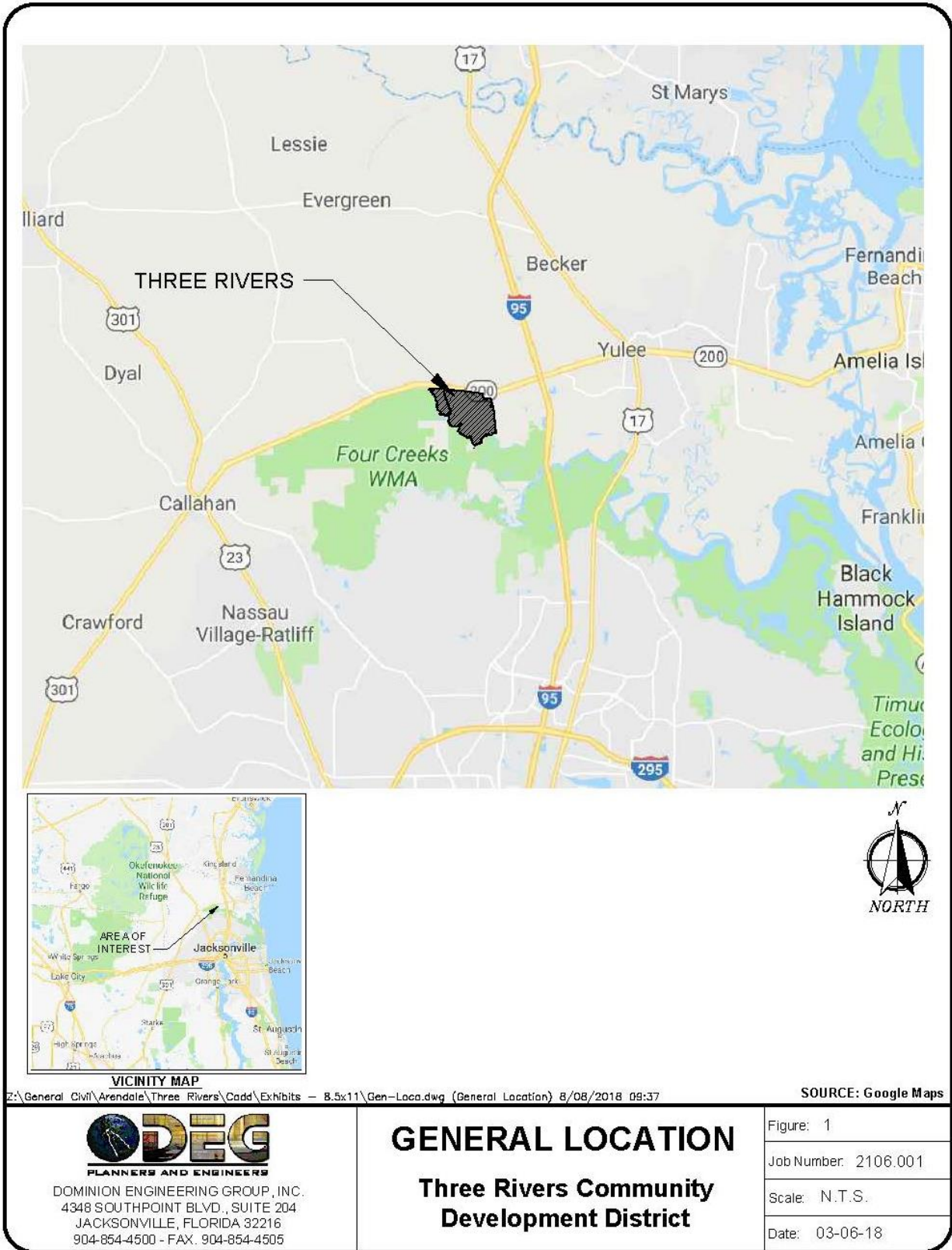
Three Rivers is a Development of Regional Impact (DRI) and a Planned Unit Development in Nassau County, Florida. The Three Rivers DRI/PUD Development Order (DO) was approved by Nassau County by Ordinance 2006-126 on August 28, 2006. It is bounded by State Road 200 to the North, Edwards Road to the east, Nassau River to the south and Boggy Creek to the west. The “Three Rivers CDD” is comprised of approximately 1,546 acres. Per the Development Order and the PUD, Three Rivers CDD will be developed in two major phases consisting of 3200 units of both single family and multifamily units. Phase I is shown to develop 1,400 units and Phase II developing a total of 1,800 units, a clubhouse and recreation areas collectively, the “Development.”

The Three Rivers CDD was established by Ordinance Number 18-47 of the Nassau County Board of County Commissioners, Nassau County, Florida effective January 17, 2019 pursuant to the provisions of Chapter 190, Florida Statutes. The CDD was established for the purpose of providing an efficient mechanism for financing, operating, and maintaining the public infrastructure associated with and necessary to support development within the CDD. A location map of the CDD is shown on Figure 1.

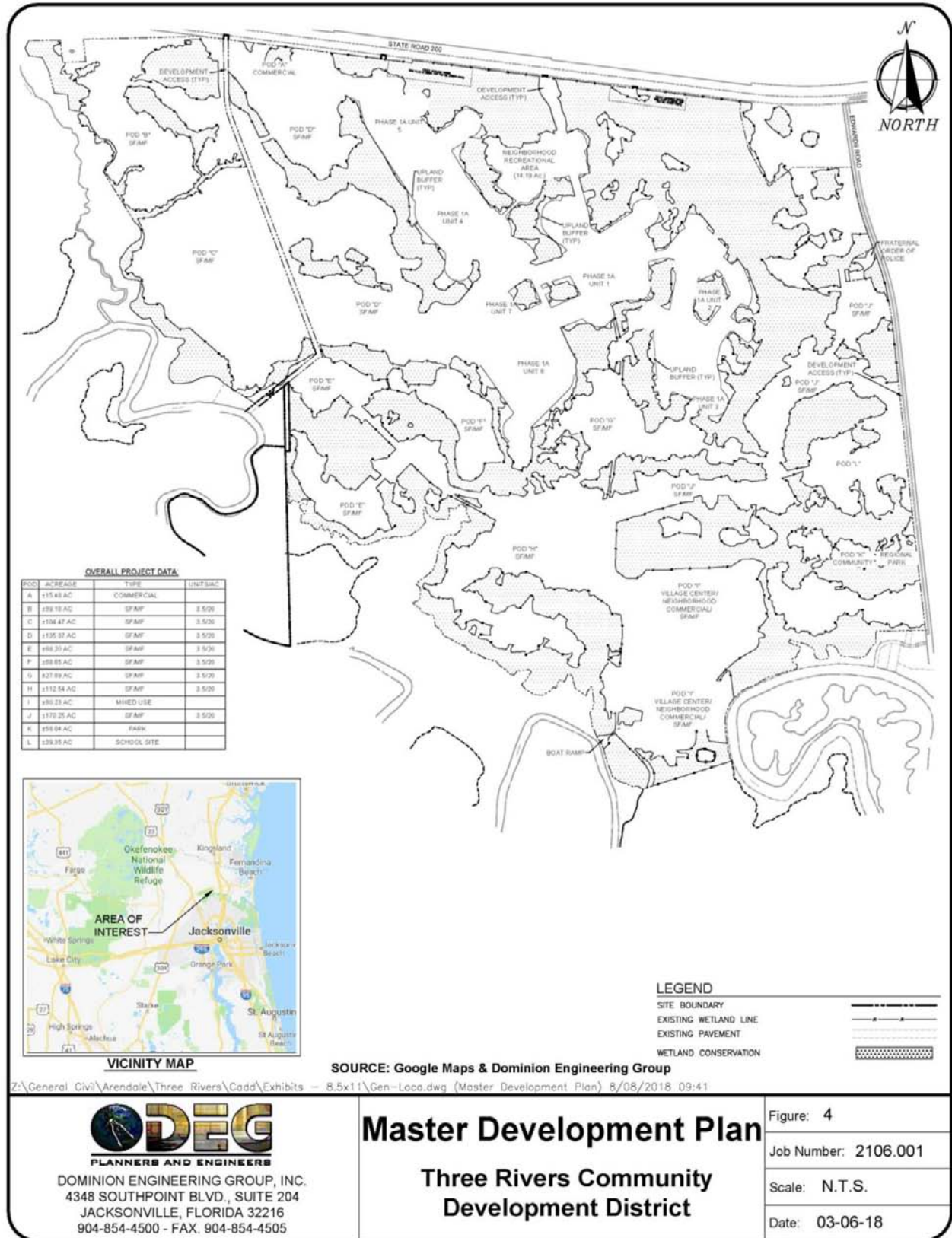
This Master Engineer’s Report for the Three Rivers Community Development District dated August 27, 2019 (“Master Engineer’s Report”) has been prepared to identify the public infrastructure necessary to support the Development. In order to serve the Development, the CDD plans to design, permit, finance, acquire and/or construct, install, operate, and maintain all or part of certain public infrastructure improvements, including, but not limited to, certain offsite transportation improvements, stormwater management facilities, utility infrastructure, recreation facilities, entry features, and landscaping (the “Capital Improvement Plan”). A portion of the Capital Improvement Plan is anticipated to be funded by the CDD through the issuance of bonds. A project of this type generally requires many permits through federal, state and local agencies. Identification of the various permits and respective status has been included in Section 3.

The lands within the Three Rivers CDD are scheduled to be developed in multiple sub phases spanning approximately twelve (12) years. The current plan, the “Master Plan” for the lands within the Three Rivers CDD is shown on Figure 2.

FIGURE 1 - LOCATION MAP



**FIGURE 2 - THREE RIVERS CDD MASTER PLAN**





## Section 2 THREE RIVERS PROJECT DESCRIPTION

### 2.1 GENERAL

The Three Rivers CDD is composed of approximately 1546 acres located in Nassau County, comprising a major part and not all of the Three Rivers PUD. The site is generally located south of State Road 200, west of Edwards Road, north of the Nassau River and east of Boggy Creek. The metes and bounds description of the proposed external boundaries of the District is set forth in **Appendix A**. The proposed land uses are tabled below.

#### PROPOSED LAND USES

	<b>Land Use</b>	<b>Acres</b>	<b>Residential Units</b>
1.	Single Family and Multi-family	625	2000
	Townhomes	75	700
	Apartments	30	500
2.	Commercial	15.42	
3.	Wetlands and Upland Buffers, Lakes and Right of Ways	752.2	
4.	Amenity, Parks, and Open Space	48.38	
	<b>TOTAL</b>	<b>1546</b>	<b>3200</b>

### 2.2 THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT

Three Rivers CDD will consist of single family residential, multifamily residential a stormwater management system, wetlands, an amenity center and a community park. The master plan is shown on Figure 2.

## Section 3 THREE RIVERS CDD PROPOSED IMPROVEMENTS

### 3.1 GENERAL

The infrastructure improvements proposed to be provided by the Three Rivers CDD include, but may not necessarily be limited to, the following as shown in Table 3.1 for the Master Infrastructure and Development and for the Residential Development Improvements. Table 3.1 costs include engineering/permitting.

TABLE 3.1

Master Infrastructure Improvements	Master Infrastructure	Residential Development improvements
Transportation:		
Offsite	\$16,213,424	
Spine Road	\$9,045,148	
Neighborhood Roads		\$21,184,070
Master Stormwater System	\$29,679,385	
Utilities Water/WW/Reuse	\$9,054,191	\$23,345,679
Recreation:		
Amenity Center	\$10,175,789	
Parks	\$3,165,801	
Environmental Mitigation	\$983,660	
Landscape/Hardscape	\$5,653,216	
Fire Station	\$4,635,637	
Subtotal	\$88,606,251	\$44,529,749
Contingency	\$532,425	\$267,575
Total	\$89,138,676	\$44,797,324

Table 3.2 breaks out the costs by phase for the infrastructure improvements. The construction of the infrastructure may be broken up into sub-phases to allow flexibility.

Table 3.2

<b>Improvement Category</b>	<b>Phase 1A Costs 2018-2022</b>	<b>Phase1B Costs 2023-2026</b>	<b>Phase 2 2027-2030</b>	<b>Total Costs</b>
Engineering & Permitting (1)	\$1,200,000	\$800,000	\$1,300,000	\$3,300,000
Offsite Improvements (2)	\$4,302,000	\$2,868,000	\$7,170,000	\$14,340,000
Master Stormwater System (3)	\$7,875,000	\$5,250,000	\$13,125,000	\$26,250,000
Utilities- Water, Wastewater and Reuse (4)	\$8,580,000	\$5,720,000	\$14,300,000	\$28,600,000
Spine Road	\$4,000,000	-	\$4,000,000	\$8,000,000
Roadway Improvements (5)	\$5,850,000	\$3,900,000	\$9,750,000	\$19,500,000
Environmental Mitigation	\$261,000	\$174,000	\$435,000	\$870,000
Landscape and Hardscape	\$1,500,000	\$1,000,000	\$2,500,000	\$5,000,000
Parks	\$840,000	\$560,000	\$1,400,000	\$2,800,000
Amenity Center	\$6,300,000	-	\$2,700,000	\$9,000,000
Fire Station	\$4,100,000	-	-	\$4,100,000
Sub-totals	\$44,808,000	\$20,272,000	\$56,680,000	\$121,760,000
Contingency @ 10%	\$4,480,800	\$2,027,200	\$5,668,000	\$12,176,000
<b>Totals</b>	<b>\$49,288,800</b>	<b>\$22,299,200</b>	<b>\$62,348,000</b>	<b>\$133,936,000</b>

**Notes:**

1. Engineering & Permitting consists of roadway engineering, stormwater management engineering, sanitary sewer engineering, potable water engineering and reuse water engineering. Permitting includes County and SJRWMD required development permits.
2. Offsite improvements consist of intersection improvements to State Road 200, and signalization of eastern and western entrances at SR-200. Cost contemplate Phase II traffic concurrency requirements
3. Stormwater system consists of grading retention pond, removal of excess dirt from site, piping connectivity of ponds and pumping facilities for reuse water.
4. Utilities consist of potable water, sewer and reuse water in road right-of ways
5. Roadways consist of grading, paving, striping, erosion control, surveying, curbs and sidewalks of public roads.

## **THREE RIVERS CDD IMPROVEMENTS**

### **3.2.1 Infrastructure**

The infrastructure improvements will benefit and provide environmental preservation, amenities, landscaping, signage, street lighting, District roadways, stormwater and environmental management, and recreation for the residences of the District. Infrastructure costs were based upon construction contracts, bids, construction drawing takeoffs, and from the approved Development of Regional Impact (DRI) and Planned Unit Development (PUD) exhibit. The infrastructure consists of the following categories as further described herein:

#### **Master Stormwater System**

The District will be acquiring grading and drainage systems that collect and “treat” the stormwater by temporarily holding it on-site retention/settlement basins before discharging to the regional drainage system. The stormwater collection system will consist of a stabilized subgrade, limerock base and curbs with inlets, piping system and ponds. These will all be constructed consistent with the specifications of Nassau County.

The design of the asphalt, roadway base and subgrade will be prepared in accordance with the current State of Florida Manual of Minimum Standards for Design, Construction and Maintenance of Streets and Highways, Nassau County Road Construction Specifications, and current AASHTO policies.

The project engineer has prepared a stormwater master plan, Figure 3-1 for the project. The purpose of the “Three Rivers Stormwater Master Plan” is to assure that adequate stormwater management facilities are available to provide stormwater management capacity for the final development and to meet the regulatory requirements, as listed below:

- St. Johns River Water Management District (SJRWMD)
- Nassau County
- Florida Department of Environmental Protection (FDEP)
- U.S. Army Corps of Engineers (ACOE)
- U.S. Environmental Protection Agency (EPA) for water permits and wastewater permits

The Three Rivers Stormwater Master Plan identifies peak discharge rates, water quality requirements, 100-year floodplain elevations, groundwater flows. More specifically, the plan includes:

- location and size of ponds and lakes required for stormwater management facilities;
- control elevations of ponds and lakes including required water quality treatment volumes;

- peak flow rates, flow volumes and stages for flood events determined within each basin and within major conveyance areas;
- compensating storage requirements to mitigate for encroachments into the 100-year floodplain in the basins which encroachments occur;
- wetland evaluations to show that hydroperiods and viability of wetlands are being maintained;
- groundwater impacts quantified as to the effects on flow rates and wetland impacts.

For each phase, final design of the proposed stormwater drainage system for the District will be reviewed and approved by SJRWMD and Nassau County prior to construction. The drainage system will maintain existing drainage patterns to the greatest extent possible. The stormwater retention ponds will be wet detention biological treatment facilities designed to provide for the treatment of stormwater according to Chapter 40E-4 of the Florida Administrative Code. As part of the overall Three Rivers SJRWMD stormwater permit, mitigation is required for environmental impacts. The Three Rivers Stormwater Master Plan provides for the mitigation, which includes selective clearing, earthwork and wetland plantings for enhancement within the environmental areas.

The removal of surface drainage from the roadways will be accomplished by storm sewer systems including curb and gutter, inlets and pipes along each side of the roadways that will collect and convey surface drainage to stormwater retention ponds located along the roadways. Protection of the road base material from undermining will be accomplished by underdrain systems as needed along each side of the roadways. The underdrain system will bleed off excess groundwater and discharge to the roadside storm sewer system.

In several areas, the removal of surface drainage from the roadways, and the protection of the road base material from undermining on those roadways, will be accomplished by grassed swales along each side of the roadways. This system will bleed off excess groundwater and convey surface drainage to stormwater retention ponds located along the roadways.

The costs of the stormwater management facilities include: clearing, earthwork operations to ensure a continuously functioning stormwater system, drainage structures, and wetland mitigation planting maintenance. The stormwater management system is included in the process of site grading and development for the PUD and clearing earthwork operators on public land and for mitigation on public land or for mitigation payments allocated to public land.

### **Entrances and Entrance Landscaping**

The District will construct monumentation and entry landscaping and entrances and street tree plantings along the interior streets of the Three Rivers CDD.

### **District Roadways**

The District will construct the roadways throughout the Development. The roadways vary in width and provide for access to the residential, commercial and recreational components of the community. All

### **Wetland (environmental) Compliance and Mitigation**

The District will be enhancing approximately 235 acres of wetlands preservation lands, constructing new wetlands. Purchasing offsite wetland mitigation, and maintaining or enhancing wetlands to meet, and to ensure continued compliance with, the requirements of the environmental permits.

### **Offsite Improvements**

The District will make improvements outside the property boundary that will include extending a water main and force main from the west side of Edwards Road to the entrance for Phase 1. This water main will be extended to the westerly entrance on SR-200 for Phase 2. Other offsite improvements include adding signals and turn lanes to SR-200 as required by the FDOT and improvements to Edwards Road.

### **Water and Sewer**

Water and Sewer will be constructed by the District and dedicated to JEA, a public utility company who will then provide service to the residents. The costs associated with the construction of the water distribution, wastewater collection, and reuse water distribution infrastructure were estimated. This includes wastewater pumping stations and force mains.

### **Parks**

Parks are planned throughout the Development. The open space is planned to be accessible to the residents as a passive recreation area for birding, hiking, viewing, and other non-invasive observation of the natural area systems which are planned to be preserved as a part of the overall master plan. Within the planned residential areas, pocket parks are proposed to provide readily accessible green spaces to all residents. These pocket parks may simply include trees, or may include other park amenities such as sitting areas or playground equipment. The community park will be constructed by the CDD and turned over to Nassau County to maintain. This park planned to allow for group activities, such as soccer, baseball, concession stand with restrooms, dog park, trails, and parking areas.

Multiuse pathways are also planned within the open spaces and rights-of-ways. These pathways will generally meander around significant trees and other natural features, providing a stable and planned access through natural areas. These pathways are planned to provide connectivity within the project, as well as to points of interest outside and adjacent to the development such as the proposed elementary school and the commercial center at the corner of SR200 and Edwards Road.

### **Street Lights**

Interior Street Lighting construction and equipment will be provided by Florida Power and Light. Street Light wiring, fixtures and all related equipment will be provided by, and will remain in the ownership and maintenance control of, Florida Power and Light.

### **Fire Station**

Prior to the issuance of the 100<sup>th</sup> residential building permit, the Three Rivers CDD will design and build a fire station on a nearby parcel of land owned by Nassau County. The CDD will also provide a 75 -foot Quint Fire Truck and a rescue unit ambulance for the station. Once constructed the fire station will become property of Nassau County for operation.

### **Profesional Services**

The professional services for design and construction of all components within the District consist of engineering of stormwater management systems, utilities, soil investigation and testing, landscaping design, environmental consultation, construction services for inspection of infrastructure during construction and other professional fees necessary for the design and implementation of the District infrastructure.

In addition to the above professional services funding, the District will also reimburse the costs of the professional services that were performed prior to the establishment of the District that provided the means to develop the Phase 1 infrastructure within the District boundary. These services include, but are not limited to, soil exploration, water management permitting, master utility permitting and design, and environmental permitting. These costs also include permitting fees for construction of required District infrastructure, bonding for these facilities and construction inspection services.



NOTES:  
1. WATER MAIN AND FORCE MAIN STUBOUTS ARE ALONG S.R. 200 (HWY A1A) AS SHOWN. THERE ARE NO UTILITIES DOWN EDWARDS ROAD.

SOURCE: Google Maps & Dominion Engineering Group

Z:\General Civil\Arendale\Three Rivers\Cadd\Exhibits - 8.5x11\Gen-Loca.dwg (UTILITIES) 8/08/2018 09:45



DOMINION ENGINEERING GROUP, INC.  
4348 SOUTHPOINT BLVD., SUITE 204  
JACKSONVILLE, FLORIDA 32216  
904-854-4500 - FAX. 904-854-4505

## MAJOR WATER & WASTEWATER FACILITIES

### Three Rivers Community Development District

Figure: 5

Job Number: 2106.001

Scale: N.T.S.

Date: 03-06-18



### **3.2.2 Ownership and Maintenance**

The ownership and maintenance responsibilities for the infrastructure improvements within the Three Rivers CDD vary by the improvement as noted in the following table:

<b>Improvement</b>	<b>Ownership</b>	<b>Maintenance Entity</b>
Single Family Lots and Multifamily	Private	Private
Wetland (environmental) Compliance and Mitigation	CDD	CDD
Lakes and Stormwater Management Facilities	CDD	CDD
Offsite Improvements for Utilities	JEA	JEA
Internal Utilities	JEA	JEA
Neighborhood Parks and Open Space	CDD	CDD
County Park	County	County
Landscape and Hardscape	CDD	CDD
Fire Station	County	County
Environmental Conservation Easements	CDD	CDD
State Road 200 intersection Improvements	FDOT <sup>(1)</sup>	FDOT <sup>(1)</sup>

1. FDOT =Florida Department of Transportation

### **3.2.3 Improvement Costs**

The infrastructure improvements may be divided into several construction/acquisition packages. Those packages consist of the offsite roadway and stormwater management. The total costs for the public improvements in Three Rivers CDD are **\$133,936,000**. The costs are based upon unit costs for construction in Northeast Florida with a ten percent contingency.

## **3.3 PERMIT STATUS**

Outstanding permits for Phase 1A to be obtained in the normal process of development include:

- Nassau County Engineering approval for Phase IA is being processed and undergoing the routine 60-day review.
- JEA potable water and sewer permit for Phase IA is being processed and undergoing the routine 60-day review.

### **3.3.1 Federal Permits**

US Army Corps of Engineers (USACOE) permit of wetland impacts was modified and the modified permit was issued and is received.

### **3.3.2 State Permits**

SJRWMD Conceptual Environmental Resources permit update was issued on April 6, 2018 with a permit number of 105897-6 for the entire project. The original SJRWMD conceptual environmental resources permit (CERP No. 105897-3) was modified and the modification was issued on April 6, 2018.

A SJRWMD Individual Environmental Resources permit update was issued on November 27, 2018 with a permit number of 105897-5 for Phase 1A, a 488.64 acre component of the overall project.

### **3.3.3 Nassau County Permits**

A Final Development Application for Phase 1A was submitted to Nassau County with comments and was approved by the Board of County Commissioners on December 4, 2018.

Construction plans were submitted to Nassau County on November 6, 2018 for review by the Development Review Committee (DRC).

### **3.3.4 Utility Permits**

The plans for Phase 1A will be submitted to the JEA, local utility provider, for review and approval. FDEP will also require a permit for construction that will be submitted once JEA issues their permit.

## **3.4 CONSTRUCTION STATUS**

Construction on Phase 1A is intended to begin May 2019.

## ENGINEER'S CERTIFICATION

In our opinion, the improvements' cost estimates are fair and reasonable and we have no reason to believe that the improvements described herein cannot be constructed and installed at such costs and in the construction time frames as described in this Report. The estimated probable construction costs were determined utilizing comparable unit prices within North Florida with a ten percent (10%) contingency. We expect that all improvements to be constructed can be completed on schedule. Permits necessary to complete the Phase 1A improvements have been obtained. The improvements, if constructed to the designs described herein, will be sufficient to support the District's Phase 1A Project as described in this Supplemental Engineer's Report.

I hereby certify that the foregoing is a true and correct copy of the Phase 1A Supplemental Engineer's Report.

William E. Schaefer, P.E.  
Florida Registration No. 40229  
Dominion Engineering Group, LLC



## EXHIBIT A LEGAL DESCRIPTION

### PARCEL A

A PORTION OF SECTIONS 9 AND 10, TOWNSHIP 2 NORTH, RANGE 26 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF SAID SECTION 9; THENCE SOUTH 88°33'22" WEST, ALONG THE NORTH LINE OF SAID SECTION 9, A DISTANCE OF 974.33 FEET TO THE SOUTHERLY LIMITED ACCESS RIGHT-OF-WAY LINE OF STATE ROAD 200 (A1A) (A VARIABLE WIDTH RIGHT-OF-WAY AS CURRENTLY ESTABLISHED) AND THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 88°33'22" WEST, ALONG THE NORTH LINE OF SAID SECTION 9, A DISTANCE OF 1549.02 FEET TO THE EASTERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 1050, PAGE 800 OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE SOUTH 06°04'20" EAST, ALONG SAID EASTERLY LINE, 296.32 FEET TO THE SOUTHERLY LINE OF SAID LANDS; THENCE SOUTH 88°33'22" WEST, ALONG SAID SOUTHERLY LINE, 299.55 FEET TO THE WESTERLY LINE OF SAID LANDS; THENCE NORTH 06°04'20" WEST, ALONG SAID WESTERLY LINE, 296.32 FEET TO THE AFORESAID NORTH LINE OF SECTION 9; THENCE SOUTH 88°33'22" WEST, ALONG SAID NORTH LINE, 410.50 FEET; THENCE SOUTH 26°32'28" WEST, 110.54 FEET; THENCE SOUTH 27°17'20" EAST, 112.08 FEET; THENCE SOUTH 83°09'20" EAST, 171.14 FEET; THENCE SOUTH 26°57'15" EAST, 189.89 FEET; THENCE SOUTH 13°47'00" EAST, 305.12 FEET; THENCE SOUTH 83°54'46" EAST, 174.52 FEET; THENCE SOUTH 05°49'27" EAST, 199.02 FEET; THENCE SOUTH 81°13'39" EAST, 144.06 FEET; THENCE SOUTH 49°49'29" EAST, 126.55 FEET; THENCE SOUTH 21°07'20" EAST, 130.97 FEET; THENCE SOUTH 38°10'00" EAST, 189.46 FEET; THENCE SOUTH 77°24'55" EAST, 130.05 FEET; THENCE SOUTH 36°38'15" EAST, 95.96 FEET; THENCE SOUTH 23°18'40" EAST, 79.92 FEET; THENCE SOUTH 20°27'40" WEST, 101.47 FEET; THENCE SOUTH 42°31'10" WEST, 208.76 FEET; THENCE SOUTH 31°39'09" EAST, 780 FEET MORE OR LESS, TO THE MEAN HIGH WATER LINE OF TOM MANN CREEK; THENCE SOUTHEASTERLY ALONG SAID MEAN HIGH WATER LINE AND THE MEANDERINGS THEREOF, AND ALONG THE MEAN HIGH WATER LINE OF BOGGY CREEK AND THE MEANDERINGS THEREOF, 3780 FEET, MORE OR LESS, TO THE MOST NORTHERLY CORNER OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 716, PAGE 1633, SAID PUBLIC RECORDS; THENCE SOUTH 57°36'07" EAST, ALONG THE NORTHEASTERLY LINE OF SAID LANDS, 397.69 FEET TO AN ANGLE POINT IN SAID LINE; THENCE SOUTH 58°10'17" EAST, CONTINUING ALONG SAID NORTHEASTERLY LINE, 72.47 FEET TO THE NORTHWESTERLY RIGHT-OF-WAY LINE OF LOGAN ROAD (A 60 FOOT RIGHT-OF-WAY AS ESTABLISHED); THENCE NORTH 51°19'32" EAST, ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE, 433.20 FEET TO AN ANGLE POINT; THENCE NORTH 51°03'16" EAST, CONTINUING ALONG SAID NORTHWESTERLY LINE, 595.67 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF POLICE LODGE ROAD (A 60 FOOT RIGHT OF WAY AS NOW ESTABLISHED, BEING MORE PARTICULARLY DESCRIBED IN OFFICIAL RECORDS BOOK 711, PAGE 1706, SAID PUBLIC RECORDS); THENCE NORTHERLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE COURSES AND DISTANCES: COURSE NO. 1: NORTH 20°29'45" WEST, 3252.42 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING NORTHERLY; COURSE NO. 2: NORTHERLY ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 996.86 FEET, AN ARC DISTANCE OF 343.00 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND

DISTANCE OF NORTH 10°38'19" WEST, 341.31 FEET TO THE POINT OF TANGENCY; COURSE NO. 3: NORTH 00°46'53" WEST, 723.06 FEET TO THE AFORESAID SOUTHERLY LIMITED ACCESS RIGHT-OF-WAY LINE OF STATE ROAD 200 (A1A); THENCE NORTH 82°46'55" WEST, ALONG LAST SAID LINE, 275.76 FEET TO THE POINT OF BEGINNING.

CONTAINING 200 ACRES, MORE OR LESS

PARCEL B

A PORTION OF SECTIONS 9, 10, 11, 14, 15, THE W. LOFTON GRANT, SECTION 44, AND THE ROBERT HARRIS GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 26 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF SAID SECTION 9; THENCE SOUTH 01°04'10" EAST, ALONG THE EAST LINE OF SAID SECTION 9, A DISTANCE OF 148.29 FEET TO THE SOUTHERLY LIMITED ACCESS RIGHT-OF-WAY LINE OF STATE ROAD 200 (A1A) (A VARIABLE WIDTH RIGHT-OF-WAY AS NOW ESTABLISHED) AND THE POINT OF BEGINNING; THENCE NORTH 82°46'55" WEST, ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, 648.24 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF POLICE LODGE ROAD (A 60 FOOT RIGHT-OF-WAY AS NOW ESTABLISHED); THENCE SOUTHERLY, ALONG SAID EASTERLY RIGHT-OF-WAY LINE, RUN THE FOLLOWING THREE (3) COURSES AND DISTANCES; COURSE NO. 1: SOUTH 00°46'53" EAST, 714.62 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING SOUTHERLY; COURSE NO. 2: SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 936.86 FEET, AN ARC DISTANCE OF 322.36 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 10°38'19" EAST, 320.77 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE NO. 3: SOUTH 20°29'45" EAST, 3315.67 FEET; THENCE SOUTH 69°30'15" WEST, 60.00 FEET TO THE INTERSECTION OF THE WESTERLY RIGHT-OF-WAY LINE OF SAID POLICE LODGE ROAD WITH THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF LOGAN ROAD (A 60 FOOT RIGHT-OF-WAY AS NOW ESTABLISHED); THENCE SOUTH 51°03'16" WEST, ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, 499.11 FEET TO THE EASTERLY BOUNDARY OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS 720, PAGE 1963, OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 01°01'45" EAST, ALONG SAID EASTERLY BOUNDARY, 899.20 FEET TO THE SOUTHEASTERLY CORNER OF SAID LANDS; THENCE SOUTH 88°42'51" WEST, 60.80 FEET TO A POINT ON THE WESTERLY LINE OF SECTION 15, SAID POINT HEREINAFTER REFERED TO AS REFERENCE POINT "A"; THENCE SOUTHEASTERLY ALONG A TRAVERSE LINE FOLLOWING THE MEANDERINGS OF BOGGY CREEK RUN THE FOLLOWING SIX (6) COURSES AND DISTANCES; COURSE NO. 1: SOUTH 65°44'20" EAST, 1108.97 FEET; COURSE NO. 2: SOUTH 73°13'20" EAST, 923.84 FEET; COURSE NO. 3: SOUTH 34°18'04" EAST, 1252.54 FEET; COURSE NO. 4: SOUTH 62°34'44" EAST, 1004.12 FEET; COURSE NO. 5: SOUTH 48°44'48" EAST, 913.35 FEET; COURSE NO. 6: SOUTH 18°11'58" EAST, 1646.63 FEET TO A POINT HEREINAFTER REFERED TO AS REFERENCE POINT "B"; THENCE RETURN TO THE POINT OF BEGINNING; THENCE EASTERLY AND NORTHERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY OF STATE ROAD 200, RUN THE FOLLOWING THREE (3) COURSES AND DISTANCES; COURSE NO. 1: SOUTH 82°46'55" EAST, 1763.43 FEET; COURSE NO. 2: NORTH 07°13'05" EAST, 34.00 FEET; COURSE NO. 3: SOUTH

82°46'55" EAST, 4306.10 FEET TO THE WESTERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS 1533, PAGE 1651 OF SAID PUBLIC RECORDS; THENCE SOUTHERLY, NORTHEASTERLY AND EASTERLY, ALONG THE WESTERLY AND SOUTHERLY LINES OF LAST SAID LANDS, RUN THE FOLLOWING FIVE (5) COURSES AND DISTANCES: COURSE NO. 1: SOUTH 03°57'30" WEST, 128.96 FEET; COURSE NO. 2: SOUTH 12°29'20" EAST, 472.58 FEET; COURSE NO. 3: SOUTH 27°41'52" EAST, 582.37 FEET; COURSE NO. 4: NORTH 51°40'36" EAST, 402.26 FEET; COURSE NO. 5: NORTH 89°57'51" EAST, 763.55 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF EDWARDS ROAD (AN 80 FOOT RIGHT-OF-WAY AS NOW ESTABLISHED); THENCE SOUTHERLY, ALONG SAID WESTERLY RIGHT-OF-WAY LINE RUN THE FOLLOWING THREE (3) COURSES AND DISTANCES; COURSE NO. 1: SOUTH 08°10'18" EAST, 49.68 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING SOUTHERLY; COURSE NO. 2: SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 4086.51 FEET, AN ARC DISTANCE OF 869.35 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 14°15'58" EAST, 867.71 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE NO. 3: SOUTH 20°21'38" EAST, 168.46 FEET TO THE NORTHWESTERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS 1521, PAGE 1321 OF SAID PUBLIC RECORDS; THENCE SOUTHWESTERLY, SOUTHERLY, EASTERLY, NORTHERLY AND NORTHEASTERLY, ALONG THE NORTHWESTERLY, WESTERLY, SOUTHERLY AND SOUTHEASTERLY LINES OF LAST SAID LANDS, RUN THE FOLLOWING EIGHT (8) COURSES AND DISTANCES: COURSE NO. 1: SOUTH 61°05'54" WEST, 287.49 FEET; COURSE NO. 2: SOUTH 29°25'03" WEST, 66.67 FEET; COURSE NO. 3: SOUTH 22°36'39" WEST, 97.74 FEET; COURSE NO. 4: SOUTH 06°26'34" EAST, 148.74 FEET; COURSE NO. 5: NORTH 80°27'24" EAST, 188.89 FEET; COURSE NO. 6: NORTH 00°03'21" EAST, 95.86 FEET; COURSE NO. 7: NORTH 55°40'09" EAST, 116.85 FEET; COURSE NO. 8: NORTH 28°06'20" EAST, 140.53 FEET TO THE AFORESAID WESTERLY RIGHT-OF-WAY LINE OF EDWARDS ROAD AND THE ARC OF A CURVE LEADING SOUTHERLY; THENCE SOUTHERLY, ALONG SAID WESTERLY RIGHT-OF-WAY LINE RUN THE FOLLOWING THREE (3) COURSES AND DISTANCES; COURSE NO. 1: SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 3779.72 FEET, AN ARC DISTANCE OF 931.38 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 13°03'12" EAST, 929.03 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE NO. 2: SOUTH 05°59'38" EAST, 2635.19 FEET TO AN ANGLE POINT IN SAID RIGHT-OF-WAY LINE; COURSE NO. 3: SOUTH 06°28'24" EAST, 1354.14 FEET TO THE NORTHERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS 518, PAGE 1229, SAID PUBLIC RECORDS; THENCE SOUTH 88°52'12" WEST, ALONG SAID LINE, 203.68 FEET; THENCE NORTH 79°50'18" WEST, 13.73 FEET; THENCE SOUTH 86°11'02" WEST, 57.36 FEET; THENCE SOUTH 88°52'12" WEST, 367.49 FEET; THENCE SOUTH 02°15'50" WEST, 160 FEET MORE OR LESS TO THE MEAN HIGH WATER LINE OF NASSAU RIVER; THENCE SOUTHWESTERLY, WESTERLY, NORTHWESTERLY, SOUTHWESTERLY, AND SOUTHERLY, FOLLOWING THE MEANDERINGS OF SAID MEAN HIGH WATER LINE, 3920 FEET MORE OR LESS TO A POINT ON SAID MEAN HIGH WATER LINE, SAID POINT LYING NORTH 72°32'01" EAST, 1170 FEET MORE OR LESS FROM THE AFOREMENTIONED REFERENCE POINT "B"; THENCE SOUTH 72°32'01" WEST, THROUGH SAID REFERENCE POINT "B", 1215 FEET MORE OR LESS TO THE MEAN HIGH WATER LINE OF BOGGY CREEK; THENCE WESTERLY, NORTHWESTERLY, NORTHERLY, NORTHEASTERLY, EASTERLY, SOUTHERLY, AND SOUTHEASTERLY, FOLLOWING THE MEANDERINGS OF SAID BOGGY CREEK, 11465 FEET MORE OR LESS TO ITS INTERSECTION WITH THE WESTERLY LINE OF SAID SECTION 15, SAID POINT

LYING SOUTH 00°12'35" EAST, 270 FEET MORE OR LESS FROM THE AFOREMENTIONED REFERENCE POINT ``A''; THENCE NORTH 00°12'35" WEST, 270 FEET MORE OR LESS TO THE SOUTHERLY BOUNDARY OF AFOREMENTIONED LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS 720, PAGE 1963 OF THE OFFICIAL RECORDS OF SAID COUNTY AND SAID REFERENCE POINT ``A'' TO CLOSE.

CONTAINING 1346 ACRES, MORE OR LESS.

**TOTAL OF PARCEL A AND B IS 1546 ACRES, MORE OR LESS**

[THIS PAGE INTENTIONALLY LEFT BLANK]



# **SUPPLEMENTAL ENGINEER'S REPORT PHASE 1A**

## **THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT**

**Prepared for: BOARD OF  
SUPERVISORS  
THREE RIVERS CDD**

**September 8\*, 2019**



**DOMINION ENGINEERING GROUP, LLC**  
4348 Southpoint Boulevard, Suite 201  
Jacksonville, Florida 32216

## TABLE OF CONTENTS

	<u>Page #</u>
Introduction	1
Purpose & Scope of Improvements	1
Status of Construction	8
Basis for the Cost Opinion	10
Exhibit 1 – Vicinity Map	2
Exhibit 2 – Development Master Plan	3
Exhibit 3 – Phase 1A Project Boundary	4

## **INTRODUCTION**

### ***The Development***

Three Rivers is a 1,546-acre mixed-use master planned development (the “Development” or “Three Rivers”) bounded by State Road 200 to the north, Edwards Road to the east, the Nassau River to the south and Boggy Creek to the west. A map identifying the general location of the Development is attached as Exhibit 1.

The Development is an approved Development of Regional Impact, all 1,546 acres of which is zoned as the Three Rivers Planned Unit Development (“**PUD**”), which was approved by Nassau County by Ordinance 2006-126 on August 28, 2006, and subsequently amended from time to time. Approved development within Three Rivers generally consists of single and multi-family residential, commercial, retail, office and various open space, recreational and park uses. The master development plan and the current expected land uses in the Development are further described in Exhibit 2 to this report.

### ***Three Rivers Community Development District***

The Development is contained entirely within the Three Rivers Community Development District (“**District**”), established by Ordinance 18-47, by the Board of County Commissioners in and for Nassau County, effective January 17, 2019. The District boundary is co-extensive with the Development boundary. The District was established for purposes, among other things, of financing and managing a portion of the acquisition, construction, maintenance and operation of public infrastructure necessary for development to occur within Three Rivers.

## **PURPOSE AND SCOPE OF IMPROVEMENTS**

The District was established for the purpose of financing or acquiring, constructing, maintaining and operating all or a portion of the infrastructure necessary for community development within the District.

The District previously adopted that certain Master Engineer’s Report dated February 5, 2019, which contains a description of the improvements anticipated to be funded, acquired, operated and/or maintained by the District (“**Capital Improvement Plan**” or “**CIP**”). The purpose of this Supplemental Engineer’s Report, Phase 1A, is to describe the portion of the Capital Improvement Plan to be financed through the issuance of Special Assessment Revenue Bonds, Series 2019A (“**2019A Bonds**”), and provide the related costs necessary to complete the Phase 1A Project (hereinafter defined).

Specifically, the District proposes to design, install, construct and/or acquire improvements associated with the stormwater, drainage, lift station, amenities, entry features, parks and roadway facilities necessary to complete the first phase of the improvements set forth in the CIP, which improvements are as further described herein (“**Phase 1A Project**”). The Phase 1A Project consists of seven neighborhoods (Units 1-7), totaling approximately 676 residential lots. The metes and bounds description of the external boundaries of Phase 1A is set forth in Appendix A. The Phase 1A boundary is shown on Figure 3. However, the area benefitted from all or a portion of the Phase 1A Project includes the Phase 1A boundary, coupled with Unit 16 (as the Master Infrastructure component of the CIP represents a system of improvements).



FIGURE 2 - THREE RIVERS CDD MASTER PLAN

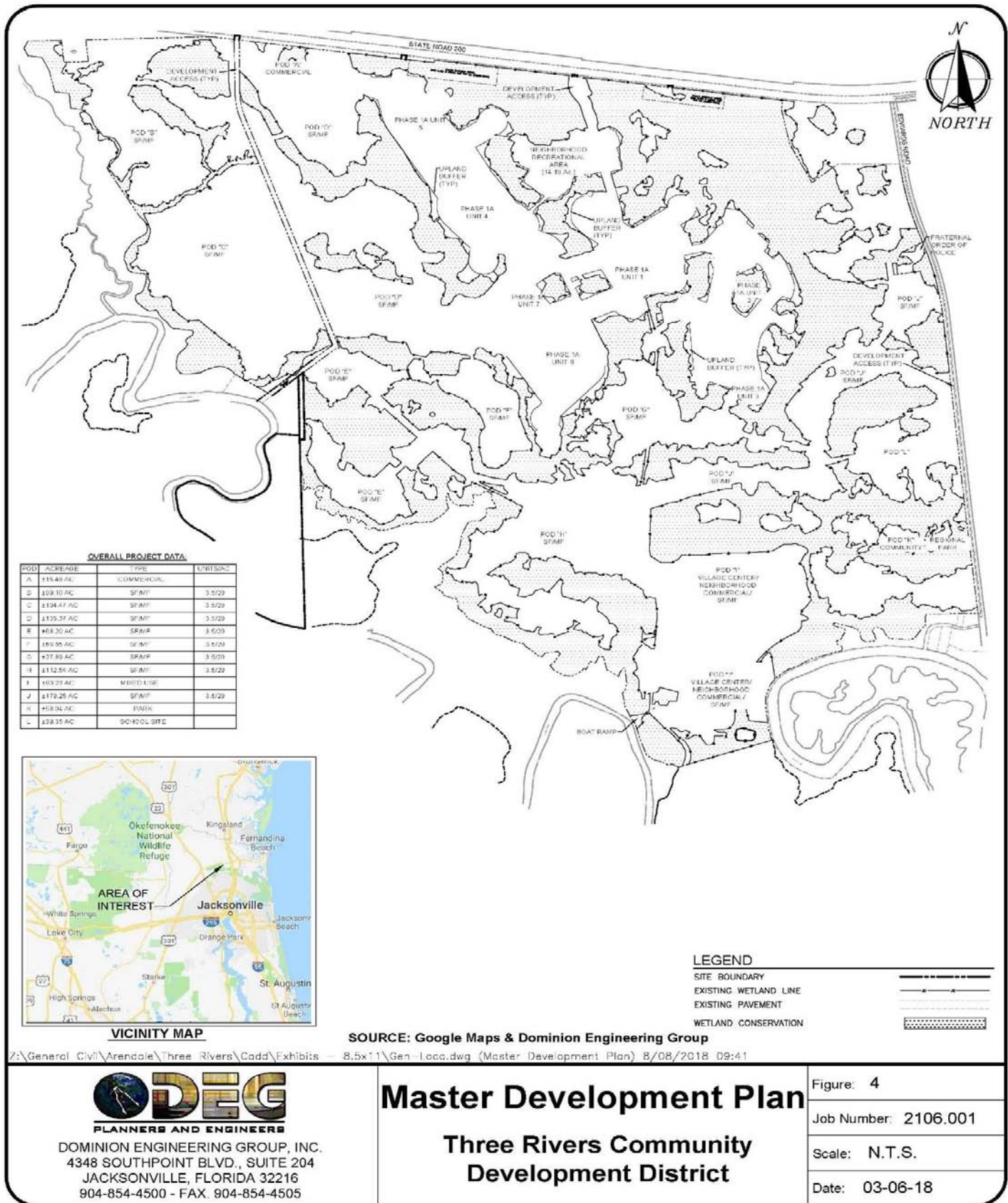
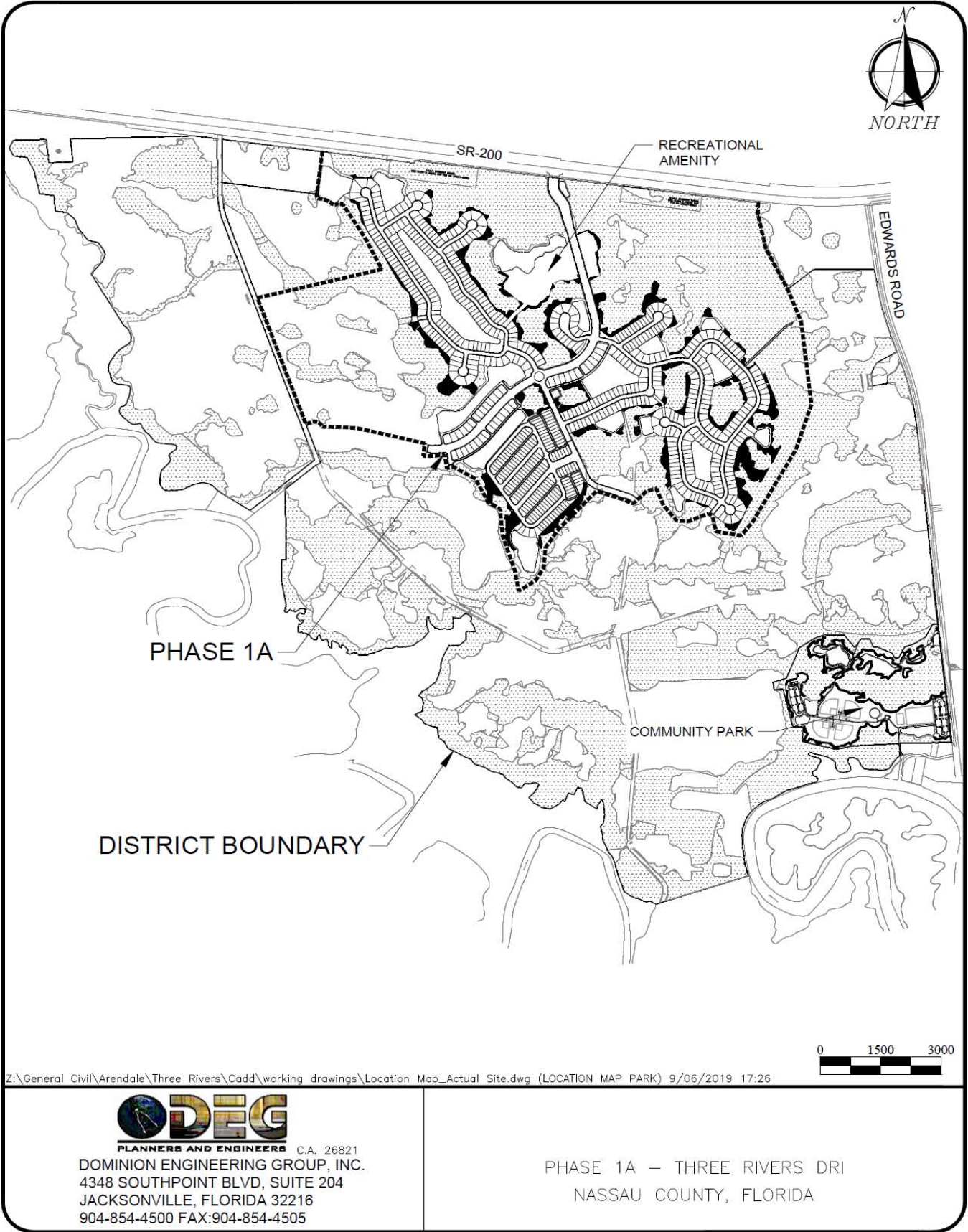




FIGURE 3 – PHASE 1A PROJECT



Below is a detailed description of the improvements that make up the 511.66-acre Phase 1A Project. The master improvements will benefit all developable acres within the District and will provide environmental preservation, amenities, landscaping, signage, streetlighting, roadways, stormwater and environmental management and recreational facilities to the Development. The neighborhood infrastructure will provide direct benefit to those specific lands within Phase 1A of the District as each unit is developed, as more specifically set forth below:

### **Master Stormwater and Drainage Improvements**

The master drainage improvements for the Development will be financed, designed and constructed by the District in accordance with the Conceptual Master Drainage Plan, which has been permitted by the St. Johns River Water Management District (“**SJRWMD**”). This category represents a portion of the drainage work from the master infrastructure improvements. The District-wide stormwater system consists of wet detention ponds to capture and treat stormwater runoff from developed areas and control structures that regulate the volume of water detained and detention periods. Such grading and drainage systems collect and “treat” the stormwater by temporarily holding it in on-site retention/settlement basins before discharging to the regional drainage system. The stormwater collection system will consist of a stabilized subgrade, limerock base and curbs with inlets, piping system and ponds. These will all be constructed consistent with the specifications of the SJRWMD and Nassau County (County).

In general, the stormwater runoff will be collected via curb and gutter within the roads and conveyed into the ponds via inlet structures and pipes. The primary form of treatment will be wet detention pursuant to accepted design criteria. The pond control structures will consist of weirs for attenuation and bleed-down orifices sized to recover the treatment volume. Protection of the road base material from undermining will be accomplished by underdrain systems as needed along each side of the roadways. The underdrain system will bleed off excess groundwater and discharge to the roadside storm sewer system. This category includes stormwater collection systems (drainage inlets, pipes, etc.) and stormwater ponds that will support the collector and local roadways throughout the District.

Permits are in place for these stormwater systems in Phase 1A, having been permitted with the County and the SJRWMD.

### **Master Landscaping and Monumentation**

The master landscaping and monumentation being constructed by the District will include the entry landscaping along SR 200, the landscaping along spine road, an irrigation system to maintain the landscaping, the monumentation at the main entrance and monumentation at the entrances to the neighborhoods.

### **Master Roadway Improvements**

The District will construct the major and minor collector roadways throughout the Development to allow residents access to the neighborhoods, amenities and open spaces. Master roadway improvements do not include the roadways within the residential neighborhoods.

### ***Major Collector Roadway – Three Rivers Place***

Three Rivers Place will serve as a primary access point into the Development from CR-200 (Buccaneer Trail). It will extend to the southwest from the existing median opening located at CR 200 over to and through the roundabout. This two-lane roadway will provide access to development parcels to the east and west within this portion of the District. Upgraded street lighting along Three Rivers Place will be purchased by the District and will be maintained by Florida Power & Light. Multi-use paths for pedestrians, bicyclist and golf carts will parallel the roadway. Part of the construction of Three Rivers Place will include a traffic roundabout that facilitates continued traffic flow at a major 4-way intersection. District-installed and-maintained landscape and wetland preserve areas will border along the roadway and the landscaping will be irrigated with reclaimed water. This improvement also includes utility improvements that will serve as the major trunk line systems serving the District.

### ***Minor Collector Roadway – Riverbreeze Drive***

Riverbreeze Drive will serve as a secondary access road into the Development from the traffic roundabout (Buccaneer Trail). It will extend to the southeast from the proposed traffic roundabout. This two-lane roadway will provide access to development parcels to the east and west within this portion of the District. Multi-use paths for pedestrians, bicyclist and golf carts will parallel the roadway. District-installed and-maintained landscape and wetland preserve areas will border along the roadway and the landscaping will be irrigated with reclaimed water. This improvement also includes utility improvements that will serve as the major trunk line systems throughout the District.

### **Master Wetland (Environmental) Compliance and Mitigation**

During the construction of each phase, it is anticipated that the District will enhance wetland preservation lands within that phase, including construction of new wetlands. The District will also be responsible for enhancement of wetlands to meet, and to ensure continued compliance with, the requirements of the environmental permits. All Federal and State wetland permits for the construction of Phase 1A have been obtained.

### **Master Water and Sewer Improvements**

A portion of the master water and sewer improvements necessary for development within the District will be constructed by the District and dedicated to JEA, a public utility company which will then provide service to the District. The costs associated with the construction of the water distribution, wastewater collection, and reuse water distribution infrastructure are included in the Phase1A Project estimates. This includes a wastewater pumping station and force main. None of these improvements are anticipated to be reimbursable by JEA.

The District is anticipated to finance the cost for improvements outside the District necessary to connect the District to the regional water and sewer system. These improvements will include extending a water main and force main from the west side of Edwards Road to the Phase 1A entrance (Three Rivers Place).



## **Master Recreation**

Parks are planned throughout the Development. The master recreation improvements included within the Phase 1A Project include an amenity center. Offsite recreation improvements anticipated to be included in the Phase 1A Project are sidewalks along the southern right-of-way line of SR-200 and in front of the County park on Edwards Road.

### ***County Park***

The County park will be partially constructed in Phase 1A by the District. All the County park land located within Phase 1A will be turned over conveyed to Nassau County for ownership, operation and maintenance. The first phase of the County park is planned to allow for group activities, such as soccer, baseball and parking areas. The County park is intended to be constructed in three phases with phases 1 and 2 constructed under the Phase 1A Project. The District will construct a gravel parking lot with access from Edwards Road, a large soccer field, four baseball fields, playground, picnic area, and a concession building with restrooms. Water distribution and a small sewer grinder pump station will be constructed to serve the concession and restrooms.

### ***Amenity Center***

The recreational amenity will be the primary amenity for the Development. This recreational amenity will provide an amenity center of approximately 6000 sf that houses a flex space, game room, restrooms, and a dining area. Other features include a swimming pool with accommodations for lap swimming, recreational swimming and a kid friendly area. This recreational amenity will also include playfields, playground and amenity parking.

## **Neighborhood Infrastructure**

### ***Neighborhood Roadways and Utilities***

Within the planned residential areas of Phase 1A, the District will be constructing local roads, sidewalks, stormwater collection and treatment systems, water distribution, reuse distribution, and wastewater collection systems. Filling will be necessary to properly construct the roadways and ensure proper collection and treatment of stormwater runoff, as required by the environmental permits.

### ***Neighborhood Pocket Parks***

Within the planned residential area of Phase 1A, pocket parks are proposed to provide readily accessible green spaces to all residents. These pocket parks will include landscape and irrigation as well as other park amenities such as sitting areas, children's areas, playfields, dog parks and trails.

## **STATUS OF CONSTRUCTION**

The Developer is moving forward with significant improvements within the District. The following table outlines the proposed lot counts by approximate acreage and lots.

<b>Proposed Land Use</b>	<b>Approximate Acreage</b>	<b>Lots</b>
Amenity Center	12	
Phase 1A Project Residential	188	676
County Park	25.8	
Future Residential (Single Family and Multifamily)	544.58	2,524
Recreation	8	
Commercial	15.42	
Other (Open Space/Drainage/Conservation/Wetlands and Rights-of-ways)	752.2	
<b>Totals: Three Rivers CDD</b>	<b>1,546</b>	<b>3,200</b>

The following table outlines the current status of the projects underway and planned within the District. Construction plan approval for all of Phase 1A (with the exception of Units 6 and 16) has been obtained from the County.

<b>Three Rivers CDD Construction Project Status &amp; Permit Approvals Phase 1A Project</b>						
Project Description	Construction Completed to Date*	Permit Status				
		Army Corps Of Engineers	St. Johns River WMD	Nassau County DRC	FDEP Water & Sewer	FDOT
Master Roadway	5%	X	X	X	X	X
Master Drainage	0%	X	X	X	N/A	N/A
Entry Feature	0%	X	X	X	N/A	X
Community Park	0%	X	X	X	N/A	N/A
Neighborhood Pocket Parks	0%	N/A	X	X	N/A	N/A
Amenity Center	0%	X	X	X	X	N/A

X- Permit Issued

N/A – Not applicable

0 - Not submitted

\* - Represents portion of Phase 1A Project described above already constructed

## **OWNERSHIP & MAINTENANCE**

The following is a brief summary of the anticipated ownership, and maintenance responsibilities for Phase 1A Project.

<b>Improvement Projects</b>	<b>Ownership</b>	<b>Maintenance Responsibility</b>
Roadways	CDD	CDD
Master Drainage	CDD	CDD
Water, Reuse and Sewer	JEA	JEA
Entry Feature	CDD	CDD
County Park	County	County
Pocket Parks	CDD	CDD
Amenity Center	CDD	CDD

## **PHASE 1A PROJECT COST OPINION**

The Master Infrastructure and Neighborhood Infrastructure costs allocable to the Phase 1A Project is estimated to cost approximately \$43.4 million. Proceeds of the Series 2019A Bonds will be utilized to acquire and/or construct a portion of the Phase 1A Project in the estimated amount of \$15.2 million (the "2019A Project"). The 2019A Project consists of a portion of the Master Infrastructure necessary for development within the District and the anticipated neighborhood costs for Units 1 and 2 within Phase 1A of the Development.

<b>Improvement Category</b>	<b>Master Infrastructure Costs</b>	<b>Neighborhood Costs</b>	<b>Total Costs</b>
<b>Master Infrastructure</b>			
Spine Road/Water & Reuse Main	\$3,854,590		\$3,854,590
Lift Station and Force Main	\$2,300,994		\$2,300,994
Landscaping/Monumentation	\$1,037,500		\$1,037,500
Amenity Center	\$6,000,000		\$6,000,000
County Park	\$2,300,000		\$2,300,000
Contingency (@10%)	\$1,549,308		\$1,549,308
Professional Fees	\$484,091		\$484,091
<b>Subtotal</b>			<b>\$17,526,483</b>
<b>Neighborhood Infrastructure</b>			
Neighborhood 1		\$3,905,168	\$3,905,168
Neighborhood 2		\$3,690,321	\$3,690,321
Neighborhood 3		\$2,034,000	\$2,034,000

Neighborhood 4		\$3,892,530	\$3,892,530
Neighborhood 5		\$3,423,900	\$3,423,900
Neighborhood 6		\$4,983,300	\$4,983,300
Neighborhood 7		\$983,100	\$983,100
Contingency @ 10%		\$2,291,232	\$2,291,232
Professional Fees		\$715,910	\$715,910
<b>Subtotal</b>			<b>\$25,919,461</b>
<b>Totals</b>			<b>\$43,445,943</b>

## **BASIS FOR THE COST OPINION**

The improvements contemplated in this Report are currently in varying stages of conceptual design, final design and/or under construction. Prosser prepared opinions of probable costs based on the intent and status of each element as defined at its current level of design and construction. Opinions of cost are based on our experience with similar projects and represent a reasonable approximation pursuant to standard engineering practice. The cost numbers include several elements:

- Construction cost.
- Design fee including engineering, landscape and hardscape, architectural, and sub consultants such as surveyors, environmental consultants and geotechnical engineers.
- Contingency factor of 10%.
- Construction administration expenses.

The exact location of some of the improvements may change during the course of governmental permitting and implementation. These changes will not diminish or alter the benefits to be received by the land, and any changes are expected to result in the land receiving the same or greater benefits.

This Report has been prepared based upon both the previous and current regulatory criteria. Regulatory criteria will undoubtedly continue to evolve, and future changes may affect the implementation of this plan. If this occurs, future substantial changes should be addressed and included as addenda to the plan.

## ENGINEER'S CERTIFICATION

In our opinion, the improvements' cost estimates are fair and reasonable and we have no reason to believe that the improvements described herein cannot be constructed and installed at such costs and in the construction time frames as described in this Report. The estimated probable construction costs were determined utilizing comparable unit prices within North Florida with a ten percent (10%) contingency. We expect that all improvements to be constructed can be completed on schedule. Permits necessary to complete the Phase 1A improvements have been obtained. The improvements, if constructed to the designs described herein, will be sufficient to support the District's Phase 1A Project as described in this Supplemental Engineer's Report.

I hereby certify that the foregoing is a true and correct copy of the Phase 1A Supplemental Engineer's Report.

William E. Schaefer II, P.E.  
Florida Registration No. 40229  
Dominion Engineering Group, LLC



Date

9-26-2019

## APPENDIX A LEGAL DESCRIPTION

A PORTION OF SECTIONS 9, 10, 11, 14, AND THE W. LOFTON GRANT, SECTION 44, TOWNSHIP 2 NORTH, RANGE 26 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF SAID SECTION 9; THENCE SOUTH 01°04'10" EAST, ALONG THE EASTERLY LINE OF SAID SECTION 9, A DISTANCE OF 148.29 FEET, TO THE SOUTHERLY LIMITED ACCESS RIGHT-OF-WAY LINE OF STATE ROAD 200 (A1A) (A VARIABLE WIDTH RIGHT-OF-WAY AS NOW ESTABLISHED); THENCE EASTERLY AND NORTHERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY OF STATE ROAD 200, RUN THE FOLLOWING FOUR (4) COURSES AND DISTANCES; COURSE NO. 1: SOUTH 82°46'55" EAST, 611.15 FEET TO THE POINT OF BEGINNING; COURSE NO. 2: CONTINUE SOUTH 82°46'55" EAST, 1152.28 FEET; COURSE NO. 3: NORTH 07°13'05" EAST, 34.00 FEET; COURSE NO. 4: SOUTH 82°46'55" EAST, 3834.48 FEET; THENCE SOUTH 12°56'45" EAST, 1102.59 FEET; THENCE SOUTH 19°26'46" EAST, 1539.95 FEET; THENCE SOUTH 75°44'16" EAST, 351.01 FEET; THENCE SOUTH 15°38'37" WEST, 628.25 FEET; THENCE SOUTH 30°14'16" WEST, 1072.73 FEET; THENCE SOUTH 33°53'45" WEST, 279.36 FEET; THENCE NORTH 79°37'08" WEST, 315.15 FEET; THENCE NORTH 76°15'28" WEST, 325.93 FEET; THENCE NORTH 87°22'35" WEST, 149.42 FEET; THENCE NORTH 28°45'45" WEST, 351.87 FEET; THENCE NORTH 22°13'27" WEST, 232.92 FEET; THENCE NORTH 03°31'37" WEST, 576.37 FEET; THENCE NORTH 82°37'00" WEST, 450.09 FEET; THENCE SOUTH 15°33'03" WEST, 476.63 FEET; THENCE SOUTH 25°09'33" WEST, 158.28 FEET; THENCE SOUTH 44°44'47" WEST, 773.48 FEET; THENCE SOUTH 33°52'16" WEST, 283.47 FEET; THENCE SOUTH 05°25'46" WEST, 263.35 FEET; THENCE SOUTH 31°58'16" WEST, 174.05 FEET; THENCE SOUTH 56°39'44" WEST, 257.92 FEET; THENCE NORTH 10°50'16" WEST, 274.15 FEET; THENCE NORTH 19°00'11" WEST, 455.38 FEET; THENCE NORTH 05°24'38" WEST, 348.30 FEET; THENCE NORTH 59°12'54" WEST, 172.86 FEET; THENCE NORTH 27°53'14" WEST, 335.80 FEET; THENCE NORTH 50°29'45" EAST, 144.66 FEET; THENCE NORTH 22°15'10" WEST, 15.76 FEET TO THE ARC OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 45.08 FEET, AN ARC DISTANCE OF 51.72 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 79°23'19" WEST, 48.93 FEET TO THE ARC OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 24.39 FEET, AN ARC DISTANCE OF 26.16 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 75°21'19" WEST, 24.92 FEET; THENCE SOUTH 82°26'11" WEST, 42.12 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 65.00 FEET, AN ARC DISTANCE OF 48.13 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 76°21'02" WEST, 47.04 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 55°08'16" WEST, 114.21 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING NORTHWESTERLY; THENCE NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 45.00 FEET, AN ARC DISTANCE OF 46.25 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 25°41'46" WEST, 44.24 FEET, TO THE ARC OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 819.37 FEET, AN ARC DISTANCE OF 122.01 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 71°36'42" WEST, 121.89 FEET; THENCE SOUTH 03°29'13" WEST, 11.77 FEET; THENCE SOUTH 82°10'19" WEST, 50.00 FEET TO THE ARC OF A CURVE LEADING NORTHERLY; THENCE NORTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 1047.84 FEET, AN ARC DISTANCE OF 143.49 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 09°40'22" WEST, 143.37 FEET TO THE ARC OF A CURVE LEADING NORTHWESTERLY; THENCE NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, AN ARC DISTANCE OF 37.66 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF

NORTH 56°14'51" WEST, 34.20 FEET TO THE ARC OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 767.09 FEET, AN ARC DISTANCE OF 219.32 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 88°58'51" WEST, 218.57 FEET; THENCE NORTH 07°21'34" EAST, 105.00 FEET TO THE ARC OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 645.00 FEET, AN ARC DISTANCE OF 73.41 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 79°22'48" WEST, 73.37 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 76°07'10" WEST, 755.06 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 855.00 FEET, AN ARC DISTANCE OF 182.73 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 82°14'31" WEST, 182.38 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 88°21'52" WEST, 308.27 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 495.00 FEET, AN ARC DISTANCE OF 8.28 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 87°53'08" WEST, 8.28 FEET TO THE POINT OF COMPOUND CURVATURE OF A CURVE LEADING NORTHWESTERLY; THENCE NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 20.00 FEET, AN ARC DISTANCE OF 20.58 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 57°55'54" WEST, 19.68 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 105.00 FEET, AN ARC DISTANCE OF 174.91 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 76°10'44" WEST, 155.38 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 20.00 FEET, AN ARC DISTANCE OF 20.58 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 85°34'26" WEST, 19.68 FEET TO THE POINT OF COMPOUND CURVATURE OF A CURVE LEADING NORTHWESTERLY; THENCE NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 495.00 FEET, AN ARC DISTANCE OF 46.02 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 62°17'17" WEST, 46.00 FEET TO THE EASTERLY RIGHT OF WAY LINE OF POLICE LODGE ROAD (A 60 FOOT RIGHT OF WAY, AS NOW ESTABLISHED); THENCE NORTH 20°29'45" WEST, ALONG LAST SAID LINE, 1551.58 FEET; THENCE NORTH 12°50'26" WEST, 130.08 FEET; THENCE NORTH 76°34'25" EAST, 1571.05 FEET; THENCE NORTH 27°31'22" WEST, 455.31 FEET; THENCE NORTH 32°37'21" WEST, 506.91 FEET; THENCE NORTH 75°44'15" WEST, 69.31 FEET; THENCE SOUTH 42°28'04" WEST, 8.55 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 40.00 FEET, AN ARC DISTANCE OF 63.39 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 87°52'01" WEST, 56.96 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING NORTHWESTERLY; THENCE NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 235.00 FEET, AN ARC DISTANCE OF 147.85 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 64°45'28" WEST, 145.43 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 82°46'55" WEST, 23.23 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING NORTHWESTERLY; THENCE NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 40.00 FEET, AN ARC DISTANCE OF 62.83 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 37°46'55" WEST, 56.57 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 06°42'10" EAST, 556.02 FEET TO THE POINT OF BEGINNING.

CONTAINING 511.66 ACRES, MORE OR LESS.

[THIS PAGE INTENTIONALLY LEFT BLANK]



## **APPENDIX D**

### **ASSESSMENT METHODOLOGY REPORTS**

[THIS PAGE INTENTIONALLY LEFT BLANK]

# **Three Rivers Community Development District**

## **Master and Neighborhood Special Assessment Methodology Report**

**February 7, 2019**

**Prepared by**

**Governmental Management Services, LLC**

## Table of Contents

<b>1.0</b>	<b>Introduction</b>	
1.1	Purpose .....	1
1.2	Scope of the Assessment Methodology Report .....	1
1.3	Special and General Benefits .....	1
1.4	Organization of this Report.....	2
<b>2.0</b>	<b>Development Program for Three Rivers</b>	
2.1	Overview .....	3
2.2	The Development Program.....	3
<b>3.0</b>	<b>The Capital Improvement Program for Three Rivers</b>	
3.1	Engineering Report .....	3
3.2	Capital Improvement Program .....	3
<b>4.0</b>	<b>Financing Program for Three Rivers</b>	
4.1	Overview .....	4
4.2	Type of Special Assessment Bonds Proposed.....	5
<b>5.0</b>	<b>Assessment Methodology</b>	
5.1	Overview .....	6
5.2	Assigning Debt.....	7
5.3	Lienability Test: Special and Peculiar Benefit to the Property...	9
5.4	Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay .....	10
5.5	True-Up Mechanism Master Infrastructure .....	11
5.6	True-Up Mechanism Neighborhood Infrastructure .....	12
5.7	Additional Stipulations .....	13
<b>6.0</b>	<b>Appendix</b>	
	Table 1 Land Use .....	15
	Table 2 Planned Development Program .....	16
	Table 3 Master Infrastructure Estimated Costs .....	17
	Table 4 Transportation Cost Allocation .....	18
	Table 5 Stormwater Cost Allocation .....	19
	Table 6 Recreation Cost Allocation .....	20
	Table 7 Utilities Cost Allocation .....	21
	Table 8 Wetland Mitigation Allocation .....	22

## **1 Appendix continued**

Table 9	Landscape / Hardscape Allocation .....	23
Table 10	Fire Station Allocation .....	24
Table 11	Aggregated Cost Allocations Master Infrastructure .....	25
Table 12	Neighborhood Cost Allocations .....	26
Table 13	Financing Estimates Master Infrastructure .....	27
Table 14	Financing Estimates Neighborhood Infrastructure .....	28
Table 15	Estimated Par Debt and Debt Service Allocation Master Infrastructure .....	29
Table 16	Estimated Par Debt and Debt Service Allocation Neighborhood Infrastructure .....	31
Table 17	Legal Description of Lands .....	32

## **1.0 Introduction**

### **1.1 Purpose**

This report provides a methodology for allocating the proposed debt to be incurred by the Three Rivers Community Development District ("Three Rivers CDD," "Three Rivers" or "District") to properties in the District and for allocating the estimated par amount of bonds being issued by the District to fund the infrastructure improvements described in the Engineer's Report, as such term is defined. The District's debt will fund infrastructure improvements that will allow the development of the property in the District. The methodology allocates this debt to properties based upon the special benefits each receives from the infrastructure program. In this case the property located within the District includes approximately 1,546 acres located in Nassau County ("the County"), Florida. This report is designed to conform to the requirements of Chapters 190 and 170, Florida Statutes with respect to special assessments and is consistent with our understanding of the case law on this subject.

### **1.2 Scope of the Assessment Methodology Report**

This Assessment Methodology Report ("Report") presents the master projections for financing the District's capital requirements necessary to provide the Master and Neighborhood community infrastructure improvements described in the District Engineer's Report developed by Dominion Engineering Group, LLC. dated August 27, 2019 (the "Engineer's Report"). This Report also describes the master and neighborhood apportionment of benefits and special assessments resulting from the provision of improvements to the lands within the District.

### **1.3 Special Benefits and General Benefits**

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

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

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

#### **1.4 Organization of this Report**

*Section Two* describes the development program as proposed by the landowner of all lands within the District.

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

*Section Four* discusses the financing program for the District.

*Section Five* introduces the Assessment Methodology.

## **2.0 Development Program for Three Rivers**

### **2.1 Overview**

The Three Rivers development is designed as a planned mixed use community, located within Nassau County, Florida. The proposed land use within the District is consistent with Nassau's County Land Use and Comprehensive Plans. An overview of the land use in the District is provided for in **Table 1**.

### **2.2 The Development Program**

The Development as noted in **Table 2** is planned to consist of approximately 2,000 single-family homes, 700 townhomes, 500 multi-family homes, 50,000 square feet of office space, 300,000 square feet of retail space, 250,000 square feet of light industrial and 300 boat dry storage slips. The development program will be conducted multiple phases.

## **3.0 The Capital Improvement Program for Three Rivers**

### **3.1 Engineering Report**

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

### **3.2 Capital Improvement Program**

The proposed infrastructure improvements to serve the development consist of certain onsite/offsite transportation/roadway improvements, stormwater facilities, onsite/offsite utility improvements, recreation improvements, environmental mitigation, landscape/hardscape improvements, fire station and neighborhood improvements (the "Capital Improvement Program" or "CIP"). With the exception of the neighborhood improvements the



community infrastructure that will be constructed will represent a system of improvements that irrespective of certain exceptions described further in Section 5.1 of this Report, will provide benefits to all lands within the District. Such improvements are Master Infrastructure Improvement Costs ("Master Infrastructure"). In addition certain costs for Neighborhood Infrastructure Improvement Costs ("Neighborhood Infrastructure") benefit only certain residential neighborhoods. These Neighborhood Infrastructure improvements include transportation and utility totaling \$44,797,324. None of the planned Neighborhood Infrastructure improvements are for the multi family units, commercial/retail/office/light industrial and boat dry storage slips. The Neighborhood Infrastructure improvements for those categories will be funded by the ultimate landowner.

At the time of this writing, the total costs of the Capital Improvement Program according to the Engineer's Report are projected at \$133,936,000. Included in **Table 3** are the estimated costs for the CIP in broad functional categories for Master Infrastructure and **Table 12** for Neighborhood Infrastructure.

## **4.0 Financing Program for Three Rivers**

### **4.1 Overview**

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

It is currently contemplated that the District will finance its Capital Improvement Program with Special Assessment Bonds. The preliminary financing plan for the District in this report anticipates the issuance of Special Assessment Bonds in the principal amount of \$118,565,000 to fund all of the District's Master Infrastructure, as shown in **Table 13**. The

District anticipates funding the Neighborhood Infrastructure with the issuance of Special Assessment Bonds in the principal amounts of \$60,950,000 as shown on **Table 14**.

#### **4.2 Types of Special Assessment Bonds Proposed**

Special Assessment Bonds assume an issuance that will be repaid with no more than thirty annual principal installments paid on May 1 and with interest paid semiannually every May 1 and November 1.

As projected in the current master financing plan, in order to finance all or a portion of the District's Master Infrastructure, the District will need to potentially incur indebtedness in the total amount of \$118,565,000.

As projected in the current neighborhood financing plan, in order to finance the all or a portion of the District's Neighborhood Infrastructure, the District will need to potentially incur indebtedness of \$60,950,000.

The difference between the Bond debt and the CIP is comprised of costs of issuance including underwriter's discount and professional fees associated with debt issuance, capitalized interest costs as the District may be borrowing funds with which it will pay the early interest payments, and a debt service reserve fund equal to one year of the maximum annual assessments.

Preliminary financing estimates are presented in **Table 13** for Master Infrastructure Improvements and **Table 14** for Neighborhood Infrastructure.

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

#### **5.0 Assessment Methodology**

## 5.1 Overview

Special Assessment Bonds provide the District with funds to construct the CIP outlined in Section 3.2. These improvements lead to special and general benefits, with special benefits accruing generally to the properties within the boundaries of the District and general benefits accruing to areas outside the District and being only incidental in nature. The debt incurred in financing infrastructure construction will be paid off by assessing properties that derive special and peculiar benefits from the CIP. All properties that receive special benefits from the CIP will be assessed or a contribution of infrastructure in lieu of assessments in the principal amount of assessments that would otherwise be levied on the property will be made by the landowner or the developer.

The Assessment Methodology is a four-step process for assigning benefit and debt. The first step is the determination of the CIP by the engineer detailed as to Master Infrastructure costs and Neighborhood Infrastructure costs. Second the amount of bonds required to finance the Master Infrastructure and Neighborhood Infrastructure is determined. Third, the cost of the infrastructure is segregated by various broad functional categories such as transportation, stormwater, recreation, utilities, wetland mitigation, fire protection, offsite transportation, amenity and neighborhood facilities. Fourth and finally, the debt required to finance the improvements will be allocated to the benefiting lands based upon a fair and reasonable estimate of benefit.

For Master Infrastructure the allocation of costs varies by the type of improvement. **Table 4** to **Table 10** details the various allocation methods and rates by development product type.

For Neighborhood Infrastructure the allocation is on an ERU basis dependent upon the front footage of a SF lot. **Table 12** details the cost allocations for development of the Neighborhood Infrastructure.

As this development program will be over several years the development intensity and product type may change with market conditions. As such this report may be amended from

time to time to reflect the adjustments of the development of lands within the District.

## **5.2 Assigning Debt**

The current development plan for the District projects construction of infrastructure for approximately 2,000 single-family residential homes, 700 townhomes, 500 multi-family homes, 50,000 square feet of office space, 300,000 square feet of retail, 250,000 square feet of light industrial and 300 boat dry storage slips, however, the planned unit numbers and land use types may change.

The infrastructure provided by the District will include onsite/offsite roadway improvements, onsite/offsite utility improvements, stormwater facilities, recreation improvements, environmental mitigation, landscape/hardscape, fire station and neighborhood improvements. All development units within the District will benefit from all Master Infrastructure improvement categories, as the improvements provide basic infrastructure to all residential and commercial lands within the District and benefit all lands within the District as an integrated system of improvements. Until such time as either 1.) properties are sold with their entitlements transferred or 2.) plats/site plans are recorded, the specific land uses within the District are not known with certainty. Therefore, at the onset, the debt is allocated on an acreage basis across all benefited developable lands in the District. As the sales and platting process takes place the District will allocate debt based upon the land use. Benefited units will be based on an equivalent residential unit ("ERU") basis as determined for each specific category of costs. Each residential lot, excluding multi family units, is treated equally on an ERU basis dependent upon the relative front footage of each lot. For example, a 55' lot is in the 50'-59' range and is treated as 1 ERU, while a 40'-49' lot is treated as .8 ERU.

The costs to provide transportation and roadway related facilities such as entry features and signage can be allocated to the development units based upon standardized trip generation figures. As the roads were designed to handle the development program the utilization of standard trips per development unit type is a reasonable basis for allocation. The standardized trip generation rates are contained in the

Institute of Transportation Engineers Trip Generation 7<sup>th</sup> Edition handbook. These trip generation rates are adjusted for the “passer-by-diverter” concept and as such the cost allocations per development type are shown on **Table 4**.

The costs to provide stormwater facilities are allocated to the development program based upon on an estimated runoff coefficient for the product type. The allocation of such stormwater costs are detailed in **Table 5**.

The costs to provide recreation facilities per development type are contained in **Table 6**. As the multifamily, office, commercial/retail spaces /light industrial/dry storage are not expected to use such facilities, no costs have been assigned to them. All residential units, excluding multi family, are assigned costs on a ERU basis.

The costs for onsite/offsite utility improvements including water, wastewater and reuse are allocated on **Table 7** per development unit type. The allocation for a development unit is based upon a single-family residential unit water usage of 350 gallons per day. Multi-family unit usage of 170 gallons per day, office / commercial / retail / light industrial usage of 170 gallons per day per 1,000 square feet. Boat slip usage is at 20 gallons per day per slip.

The costs for environmental mitigation were allocated based on development acreage for each development category as contained on **Table 8**.

The costs for landscape/hardscape were allocated costs based on an ERU basis for each development category as contained on **Table 9**.

The costs for fire station were allocated costs based on an ERU basis for each development category as contained on **Table 10**.

**Table 11** aggregates the Master Infrastructure cost allocations for onsite/offsite transportation, onsite/offsite utilities, recreation, environmental mitigation, landscape/hardscape and fire station improvements by development type.

The Neighborhood Infrastructure cost allocations are by phase of development, the unit type as contained in **Table 12**.

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

The debt incurred by the District to fund the Capital Improvement Program is allocated to the properties receiving special benefits on the basis of development intensity and density. The responsibility for the repayment of the District's debt through assessments will ultimately be distributed in proportion to the special benefit peculiar to the land within the District, as it may be classified within each of the land use categories. For the purpose of determining the special benefit accruing to the lands within Three Rivers CDD, the proposed public infrastructure improvement costs have been allocated to each land use on an equivalent residential unit (ERU) basis for the various cost improvement categories. The Master Infrastructure assessment lien will be a separate and distinct lien from the Neighborhood Infrastructure liens.

Initially, the Master Infrastructure assessments will be levied on 745.42 developable acres within the CDD because at that juncture, every acre benefits equally from the Master Infrastructure. As noted above, until such time as 1.) properties are sold with their entitlements transferred or 2.) plats/site plans are recorded the debt will be allocated on an acreage basis. As parcels are developed and platted/site plans approved, the debt assessments will be assigned to such lot or development unit on a benefit basis. Specifically, such lot or development unit will be assigned debt assessments once it is certified as developed and platted/site planned with a Nassau County identifiable folio number.

The Neighborhood Infrastructure assessment liens will be levied on the 700 developable acres within each neighborhood because at that juncture every acre within each neighborhood benefits equally from the Neighborhood

Infrastructure to be provided. As lands are developed and platted the debt assessments will be assigned to lots on an ERU basis. Specifically, such lots will be assigned debt assessments once it is certified as developed and platted with a Nassau County identifiable folio number.

### **5.3 Lienability Test: Special and Peculiar Benefit to the Property**

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

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

- a. Onsite/offsite roadway improvements result in special and peculiar benefits such as the added use of the property, added enjoyment of the property, and likely increased marketability of the property.
- b. Stormwater improvements result in special and peculiar benefits such as the added use of the property, added enjoyment of the property, and likely increased marketability of the property.
- c. Onsite/offsite utility improvements result in special and peculiar benefits such as the added use of the property, and likely increased marketability and value of the property.
- d. Recreation amenities and facilities result in special and peculiar benefits such as the added use of the property, added enjoyment of the property, and likely increased marketability of the property for specific development types which will be utilizing these amenities and facilities.
- e. Environmental Mitigation result in special and peculiar benefits such as the added use of the property, and likely increased marketability and value of the property.
- f. Landscape/hardscape result in special and peculiar benefits such as the added use of the property, added enjoyment of the property, and likely increased marketability and value of the property.

- g. Fire Station result in special and peculiar benefits such as the added use of the property, added enjoyment of the property, and likely increased marketability and value of the property.
- h. Neighborhood Improvements result in special and peculiar benefits such as the added use of the property, added enjoyment of the property, and likely increased marketability and value of the single family and townhome properties.

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

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

A reasonable estimate of the proportion of special and peculiar benefits received from the Master Infrastructure improvements and Neighborhood Infrastructure improvements is delineated in **Table 15** and **Table 16** respectively (expressed as Estimated Par Debt and Debt Service Allocation). As such there will be two separate liens with one being placed for the Master Infrastructure improvements and the other lien for the Neighborhood Infrastructure improvements.

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

Accordingly, no acre or parcel of property within the boundaries of the District will be liened for the payment of any non-ad valorem special assessment more than the



determined special benefit peculiar to that property. Further, the debt allocation will not be affected.

In accordance with the benefit allocation for Master Infrastructure improvements in **Table 15** a Par Debt per Unit has been calculated for each development unit type. This amount represents the preliminary anticipated per unit debt allocation assuming all anticipated units are built and sold in the planned development and the entire proposed Master Infrastructure program is developed or acquired and financed by the District.

In accordance with the benefit allocation for Neighborhood Infrastructure improvements in **Table 16**, a Par Debt per Unit has been calculated for each development unit type. This amount represents the preliminary anticipated per unit debt allocation assuming all anticipated units are built and sold and the entire proposed Neighborhood Infrastructure program is developed or acquired and financed by the District.

Included on **Table 17** is a listing of the legal descriptions of the lands within the District boundaries, which has been assigned debt by the parcel's gross acreage within the District boundaries for the Master Infrastructure and also for the Neighborhood Infrastructure. Notwithstanding the foregoing, Neighborhood Infrastructure assessments will not be allocated to multifamily units, retail, office, commercial, light industrial or boat dry storage slips.

## **5.5 True-Up Mechanism – Master Infrastructure**

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

To assure that there will always be sufficient development potential remaining in the undivided property to assure payment of debt service after a plat or site plan approval,

the following test will be applied to the acreages associated with the following groups. The groups include single family and townhomes, multi-family and office / commercial/ retail/ light industrial / boat slips. The test is that the debt per developable acre remaining on the unplatted land is never allowed to increase above its maximum debt per acre level. Initially for each group the maximum level of debt per acre is calculated as the total amount of debt allocated to the group for the District's improvement program divided by the number of assessable acres in the development group. For single family/townhomes it is \$81,426,284 divided by 625 acres equaling \$130,282 per acre. For multi-family it is \$14,133,472 divided by 75 acres equaling \$188,446 per acre. For office/ commercial/ retail/ light industrial/ boat slips it is \$16,874,344 divided by 15 acres equaling \$1,124,956 per acre.

Once a site plan for the development is completed, the acreage will be adjusted for the remaining developable acres and the calculation of debt per acre will be adjusted accordingly. For example, if the initial debt level is \$130,282 for the single family/ townhomes group, every time a plat or site plan approval is presented, the debt on the developable land remaining after the plat or site plan approval must remain at or below \$ 130,282 per acre. If not, then in order for the Developer to receive a plat or site plan approval from Nassau County, the Developer agrees that the District will require a density reduction payment so that the \$130,282 per acre debt level is not exceeded. This test will also apply in the same manner to the multi-family group at \$188,446 per acre and the office/ commercial/ retail/ light industrial/ boat slips at \$1,124,956 per acre. The actual true-up test will be set forth in each bond issue.

## **5.6 True-Up Mechanism – Neighborhood Infrastructure**

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

To assure that there will always be sufficient development potential remaining in the undivided property to assure payment of debt service after a plat or site plan approval, the following test will be applied. The test is that the debt per acre remaining on the unplatted developable land is never allowed to increase above its maximum debt per acre level. Initially, the maximum level of debt per acre is calculated as the total amount of debt for the District's improvement program divided by the number of assessable acres in the District. In this case, for phase one it is \$60,950,000 divided by 700 acres equaling \$87,071 per acre. Thus, if the initial debt level is \$87,071 per acre every time a plat or site plan approval is presented, the debt on the developable land remaining after the plat or site plan approval must remain at or below \$87,071 per acre. If not, then in order for the Developer to receive a plat or site plan approval from Nassau County, the Developer agrees that the District will require a density reduction payment so that the \$87,071 per acre debt level is not exceeded. The actual true-up test will be set forth in each Bond issue.

## **5.7 Additional Stipulations**

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

**TABLE 1**  
**Three Rivers CDD**  
**Land Use**

<b>Land Use :</b>	<b><u>Land Size</u></b> <b><u>(Gross Acres)</u></b>	<b><u>Percent of</u></b> <b><u>Total</u></b>
Residential Single Family	625.00	40.43%
Residential - Townhomes	75.00	4.85%
Residential Multi-Family	30.00	1.94%
Commercial / Office	15.42	1.00%
Wetlands, Upland Buffers, Stormwater Ponds, ROW	752.20	48.65%
Amenity / Parks / Open Space	48.38	3.13%
	<u>1,546.00</u>	<u>100.00%</u>

Information provided by Dominion Engineering Group, LLC Capital Improvement  
Plan Report

**Prepared By**  
**Governmental Management Services, LLC**

**TABLE 2**  
**Three Rivers CDD**  
**Planned Development Program**

<u>Development Type :</u>	<u>Number of Planned Units</u>
Residential Single Family:	
40'-49' lot	580
50'-59' lot	949
60'-69' lot	471
Townhomes	700
Total Single Family	<u>2,700</u>
Residential Multi-Family	500
Total Residential	<u>3,200</u>
Office	50,000 square footage
Retail	300,000 square footage
Light Industrial	250,000 square footage
Dry Dockage / Boat Slips	300

Prepared By  
Governmental Management Services, LLC

**TABLE 3**  
**Three Rivers CDD**  
**Master Infrastructure**  
**Estimated Costs**

<u>Master Infrastructure Improvements :</u>		<u>Total Cost Estimates</u>
Transportation:		
Offsite		\$16,213,424
Spine Road		<u>\$9,045,148</u>
	Total	<u>\$25,258,572</u>
Master Stormwater System		\$29,679,385
Utilities: Water/WW/Reuse		\$9,054,191
Recreation		
Amenity Center		\$10,175,789
Parks		<u>\$3,165,801</u>
	Total	<u>\$13,341,590</u>
Environmental Mitigation		\$983,660
Landscape/Hardscape		\$5,653,216
Fire Station		\$4,635,637
Contingency		\$532,425
	Total	<u><u>\$89,138,676</u></u>

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

Information provided by Dominion Engineering Group, LLC Capital Improvement Plan Report dated 1/30/19

**Prepared By**  
**Governmental Management Services, LLC**

**TABLE 4**  
**Three Rivers CDD**  
**Onsite/Offsite Transportation Cost**  
**Allocation**

**Total Onsite / Offsite Transportation Cost**

**\$25,258,572**

<u>Unit Type</u>	<u>Development Units</u>	<u>Residential ERU Factor</u>	<u>Total ERU's</u>	<u>Trips/Unit (1)</u>	<u>Total Trips</u>	<u>Cost Allocation</u>	<u>Cost Allocation per Unit</u>
Single Family:							
40' - 49' lot	580	0.80	464	9.57	4,440	\$3,180,990	\$5,484
50' - 59' lot	949	1.00	949	9.57	9,082	\$6,505,947	\$6,856
60' - 69' lot	471	1.20	565	9.57	5,409	\$3,874,775	\$8,227
Total	2,000						
Townhomes	700	0.60	420	9.57	4,019	\$2,879,344	\$4,113
Muti - Familiy	500	0.45	225	9.57	2,153	\$1,542,506	\$3,085
Office/Commercial/Retail	350			15.93	5,576	\$3,994,075	\$11,412
Light Industrial	250			15.92	3,980	\$2,851,120	\$11,404
Boat Slips	300			2.00	600	\$429,817	\$1,433
<b>Total</b>					<u>35,260</u>	<u>\$25,258,572</u>	

(1) Office/Commercial/ Retail trip rates per 1,000 square feet.  
The rate was reduced by 40% based upon the Passer-By-Diverted concept.  
While the boat slips were reduced to a marginal rate assuming weekend intensive  
traffic with almost all being already absorbed by District landowners.

**Prepared By**  
**Governmental Management Services, LLC**

Table 5  
Three Rivers Community Development District  
Stormwater Allocation

Land Use		No. of Units (1)	EBU's  Benefit Per Unit	Total EBU's	Average Runoff Coefficient Per Unit/Acre	Total	Total Allocated Costs	Allocation Per Unit
Single Family Residential	Lot Size Front Footage							
	40' - 49'	580	0.80	464.00	0.14	64.96	\$4,163,800	\$7,179
	50' - 59'	949	1.00	949.00	0.17	161.33	\$10,340,916	\$10,897
	60' - 69'	471	1.20	565.20	0.21	118.692	\$7,607,910	\$16,153
Townhomes		700	0.60	420.00	0.10	42	\$2,692,112	\$3,846
Multi-family		500	0.45	225.00	0.10	22.5	\$1,442,203	\$2,884
Total Residential	<u>3,200.00</u>			<u>2,623.20</u>				
Office/Commercial/Retail	350,000		2500.00	140.00	.21/2,500	29.4	\$1,884,479	\$5,384
Light Industrial	250,000		2500.00	100.00	.21/2,500	21	\$1,346,056	\$5,384
Boat Slips	300		20.00	15.00	.21/10	3.15	\$201,908	\$673
Total :	<u>1,461</u>			<u>2,878.20</u>		<u>463.03</u>	<u>\$29,679,385</u>	

(1) Preliminary subject to change.

(2) Stormwater EBU rates (Equivalent Benfit Units) assigns benefit based upon an estimated runoff coefficient of .41 per acre  
Other lot sizes and residential product are adjusted for the size of the lot relative to the one acre.  
The retail/commercial square footage is based upon an equivalent of .21/2,500 square feet of space.

(3) Total Stormwater construction costs: \$29,679,385

Prepared By: Governmental Management Services, LLC



**TABLE 6**  
**Three Rivers CDD**  
**Recreation Cost**  
**Allocation**

**Total Recreation Cost**                      **\$13,341,590**

<u>Unit Type</u>	<u>Development Units</u>	<u>ERU's / Unit</u>	<u>Total ERU's</u>	<u>Cost Allocation</u>	<u>Cost Allocation per Unit</u>
Single Family:					
40' - 49' lot	580	0.80	464.00	\$2,581,310	\$4,451
50' - 59' lot	949	1.00	949.00	\$5,279,447	\$5,563
60' - 69' lot	471	1.20	565.20	\$3,144,303	\$6,676
Total	<u>2,000</u>				
Townhomes	700	0.60	420.00	\$2,336,531	\$3,338
Muti - Family	500	0.00	0.00	\$0	\$0
Office/Commercial/Retail	350	0	0.00	\$0	\$0
Light Industrial	250	0	0.00	\$0	\$0
Boat Slips	300	0	0.00	\$0	\$0
<b>Total</b>			<u><b>2,398</b></u>	<u><b>\$13,341,590</b></u>	

1.) Multifamily along with office/commercial/retail and boat slips have no costs allocated as they will not be members with access to the amenities.

**Prepared By**  
**Governmental Management Services, LLC**

<p><b>TABLE 7</b>  <b>Three Rivers CDD</b>  <b>Utilities Cost</b>  <b>Allocation</b></p>
--

**Total Utilities Cost** **\$9,054,191**

<u>Unit Type</u>	<u>Development Units</u>	<u>ERU's / Unit (1)</u>	<u>Total ERU's</u>	<u>Cost Allocation</u>	<u>Cost Allocation per Unit</u>
Single Family:					
40' - 49' lot	580	1.00	580.00	\$1,822,717	\$3,143
50' - 59' lot	949	1.00	949.00	\$2,982,343	\$3,143
60' - 69' lot	471	1.00	471.00	\$1,480,172	\$3,143
Total	<u>2,000</u>				
Townhomes	700	0.48	336.00	\$1,055,919	\$1,508
Muti - Family	500	0.48	240.00	\$754,228	\$1,508
Office/Commercial/Retail	350	0.48	168.00	\$527,959	\$1,508
Light Industrial	250	0.48	120	\$377,114	\$1,508
Boat Slips	300	0.06	17	\$53,739	\$179
<b>Total</b>			<u>2,881</u>	<u>\$9,054,191</u>	

(1) Single family /townhome water useage approximately 350 gallons per day per unit.  
Townhomes, Multi family useage approximately 170 gallons per day per unit.

Office, Retail / light industriall usage approximately 170 galons per day per 1,000 S.F.  
Boat Slips at 20 gallons per day per slip.

(2) Same ratios utilized for WW and reuse assumptions in total costs allocated.

**Prepared By**  
**Governmental Management Services, LLC**

**TABLE 8**  
**Three Rivers CDD**  
**Environmental Mitigation**  
**Cost Allocation**

**Total Environmental Mitigation Cost**                      **\$983,660**

<u>Unit Type</u>	<u>Number of Planned Units</u>	<u>ERU Factor</u>	<u>Total ERU's</u>	<u>Development Acreage</u>	<u>Cost Allocation</u>	<u>Cost Allocation per Unit</u>
Single Family:						
40' - 49' lot	580	0.8	464	146.60	\$193,560	\$334
50' - 59' lot	949	1	949	299.83	\$395,881	\$417
60' - 69' lot	471	1.2	565.2	178.57	\$235,777	\$501
Total	<u>2,000</u>		<u>1,978</u>	<u>625</u>	<u>\$825,218</u>	
Townhomes	700			75.00	\$99,026	\$141
Muti - Familiy	500			30.00	\$39,610	\$79
Office/Commercial/Retail	350			8.00	\$10,563	\$30
Light Industrial	250			4.00	\$5,281	\$21
Boat Slips	300			3.00	\$3,961	\$13
<b>Total</b>				<u>745</u>	<u>\$983,660</u>	

Allocation of costs based on acreage for each development unit type. For SF the ERU basis was further used for lot allocation. Office/Commercial/Retail, light industrial and boat slips based on relative acreage.

Total Single Family Acreage                      625

**Prepared By**  
**Governmental Management Services, LLC**

**TABLE 9**  
**Three Rivers CDD**  
**Landscape / Hardscape**  
**Allocation**

**Total Landscape / Hardscape Cost                      \$5,653,216**

<u>Unit Type</u>	<u>Development Units</u>	<u>ERU's / Unit</u>	<u>Total ERU's</u>	<u>Cost Allocation</u>	<u>Cost Allocation per Unit</u>
Single Family:					
40' - 49' lot	580	0.80	464.00	\$912,951	\$1,574
50' - 59' lot	949	1.00	949.00	\$1,867,222	\$1,968
60' - 69' lot	471	1.20	565.20	\$1,112,069	\$2,361
Total	<u>2,000</u>				
Townhomes	700	0.60	420.00	\$826,379	\$1,181
Muti - Familiy	500	0.45	225.00	\$442,703	\$885
Office/Commercial/Retail	350	2,500	140.00	\$275,460	\$787
Light Industrial	250	2,500	100.00	\$196,757	\$787
Boat Slips	300	30	10.00	\$19,676	\$66
<b>Total</b>			<u>2,873</u>	<u>\$5,653,216</u>	

1.) Office/commercial/retail, ligt industrial based on ERU = 2,500 square ft and boat slips equal to 10 total ERUs since negligible benefit..

**Prepared By**  
**Governmental Management Services, LLC**

**TABLE 10**  
**Three Rivers CDD**  
**Fire station**  
**Allocation**

<b>Total Fire station Cost</b>	<b>\$4,635,637</b>
--------------------------------	--------------------

<u>Unit Type</u>	<u>Development Units</u>	<u>ERU's / Unit</u>	<u>Total ERU's</u>	<u>Cost Allocation</u>	<u>Cost Allocation per Unit</u>
Single Family:					
40' - 49' lot	580	0.80	464.00	\$743,445	\$1,282
50' - 59' lot	949	1.00	949.00	\$1,520,538	\$1,602
60' - 69' lot	471	1.20	565.20	\$905,593	\$1,923
Total	<u>2,000</u>				
Townhomes	700	0.60	420.00	\$672,946	\$961
Muti - Family	500	0.45	225.00	\$360,507	\$721
Office/Commercial/Retail	350	2,500	140.00	\$224,315	\$641
Light Industrial	250	2,500	100.00	\$160,225	\$641
Boat Slips	300	10	30.00	\$48,068	\$160
<b>Total</b>			<u>2,893</u>	<u>\$4,635,637</u>	

1.) Office/commercial/retail, light industrial based on ERU = 2,500 square ft and boat slips equal to 30 total ERUs.

**Prepared By**  
**Governmental Management Services, LLC**

**TABLE 11**  
**Three Rivers CDD**  
**Aggregated Cost**  
**Allocations Master Infrastructure**

Development Type :	<u>Planned Development Units</u>	<u>Transportation Allocations</u>	<u>Stormwater Allocations</u>	<u>Recreation Allocations</u>	<u>Utilities Allocations</u>	<u>Wetland Mitigation Allocations</u>	<u>Landscape Hardscape</u>	<u>Fire station</u>	<u>Neighborhood Allocations</u>	<u>Total Cost Allocations</u>	<u>Cost Allocation Per Unit</u>	<u>% of Cost by Development Type</u>
Single Family:												
40' - 49' lot	580	\$3,180,990	\$4,163,800	\$2,581,310	\$1,822,717	\$193,560	\$912,951	\$743,445	\$0	\$13,598,775	\$23,446	15.35%
50' - 59' lot	949	\$6,505,947	\$10,340,916	\$5,279,447	\$2,982,343	\$395,881	\$1,867,222	\$1,520,538	\$0	\$28,892,293	\$30,445	32.61%
60' - 69' lot	471	\$3,874,775	\$7,607,910	\$3,144,303	\$1,480,172	\$235,777	\$1,112,069	\$905,593	\$0	\$18,360,598	\$38,982	20.72%
Total	<u>2,000</u>	<u>\$13,561,711</u>	<u>\$22,112,626</u>	<u>\$11,005,059</u>	<u>\$6,285,232</u>	<u>\$825,218</u>	<u>\$3,892,243</u>	<u>\$3,169,576</u>	<u>\$0</u>	<u>\$60,851,665</u>		<u>68.68%</u>
Townhomes	700	\$2,879,344	\$2,692,112	\$2,336,531	\$1,055,919	\$99,026	\$826,379	\$672,946	\$0	\$10,562,257	\$15,089	11.92%
Muti - Family	500	\$1,542,506	\$1,442,203	\$0	\$754,228	\$39,610	\$442,703	\$360,507	\$0	\$4,581,757	\$9,164	5.17%
Office/Commercial/Retail	350	\$3,994,075	\$1,884,479	\$0	\$527,959	\$10,563	\$275,460	\$224,315	\$0	\$6,916,850	\$19,762	7.81%
Light Industrial	250	\$2,851,120	\$1,346,056	\$0	\$377,114	\$5,281	\$196,757	\$160,225	\$0	\$4,936,553	\$19,746	5.57%
Boat Slips	300	\$429,817	\$201,908	\$0	\$53,739	\$3,961	\$19,676	\$48,068	\$0	\$757,168	\$2,524	0.85%
<b>Total</b>		<u>\$25,258,572</u>	<u>\$29,679,385</u>	<u>\$13,341,590</u>	<u>\$9,054,191</u>	<u>\$983,660</u>	<u>\$5,653,216</u>	<u>\$4,635,637</u>	<u>\$0</u>	<u>\$88,606,251</u>		<u>100.00%</u>

(1) Par debt allocations for office, Commercial , retail and light industrial expressed in terms of \$ per 1,000 square feet.

Prepared By  
Governmental Management Services, LLC

**TABLE 12**  
**Three Rivers CDD**  
**Neighborhood Cost**  
**Allocations**

Total Transportation Costs	\$21,184,070
Total Utilities Cost	\$23,345,679
Contingency	<u>\$267,575</u>
Total Neighborhood Cost	<u><b>\$44,797,324</b></u>

<u>Development Type :</u>	<u>Planned Development Units</u>	<u>Residential ERU Factor</u>	<u>Total ERU's</u>	<u>Transportation Cost Allocation</u>	<u>Utilities Cost Allocation</u>	<u>Total Cost Allocations</u>	<u>Cost Allocation Per Unit</u>	<u>% Cost by Development Type</u>
Single Family:								
40' - 49' lot	580	0.80	464	\$4,098,661	\$4,516,886	\$8,615,546	\$14,854	19.35%
50' - 59' lot	949	1.00	949	\$8,382,821	\$9,238,199	\$17,621,021	\$18,568	39.57%
60' - 69' lot	<u>471</u>	<u>1.20</u>	<u>565</u>	<u>\$4,992,593</u>	<u>\$5,502,034</u>	<u>\$10,494,627</u>	<u>\$22,282</u>	<u>23.57%</u>
Total	<u>2,000</u>		<u>1,978</u>	<u>\$17,474,075</u>	<u>\$19,257,119</u>	<u>\$36,731,194</u>		<u>82.49%</u>
Townhomes	700	0.60	420	\$3,709,995	\$4,088,560	\$7,798,555	\$11,141	17.51%
<b>Total</b>	<u>2,700</u>		<u>2,398</u>	<u>\$21,184,070</u>	<u>\$23,345,679</u>	<u>\$44,529,749</u>		<u>100.00%</u>

Prepared By  
Governmental Management Services, LLC

**TABLE 13**  
**Three Rivers CDD**  
**Financing Estimates Master Infrastructure**

	<b><u>Preliminary Bond Sizing</u></b>
Construction / Acquisition Requirements	\$89,138,676
Debt Service Reserve Fund (1)	\$8,753,750
Capitalized Interest (2)	\$18,381,692
Cost of Issuance (3)	\$2,290,882
<b>Total Par</b>	<b><u><u>\$118,565,000</u></u></b>

<b>Principal Amortization Installments</b>	<b>30</b>
<b>Estimated average Coupon Rate</b>	<b>6.25%</b>
<b>Estimated Par Amount</b>	<b>\$118,565,000</b>
<b>Estimated Maximum Annual Debt Service (net)</b>	<b>\$8,753,750</b>

(1) Based on maximum annual debt service.

(2) Interest capitalized for 30 months.

(3) Includes Underwriter's Discount.

Provided by: MBS Capital Markets, LLC

Prepared By

Governmental Management Services, LLC



**TABLE 14**  
**Three Rivers CDD**  
**Financing Estimates Neighborhood Infrastructure**

	<b>Preliminary Bond Sizing</b>
Construction / Acquisition Requirements	\$44,797,324
Debt Service Reserve Fund (1)	\$4,501,250
Capitalized Interest (2)	\$9,449,366
Cost of Issuance (3)	\$2,202,060
<b>Total Par</b>	<u><u>\$60,950,000</u></u>

<b>Principal Amortization Installments</b>	<b>30</b>
<b>Estimated Average Coupon Rate</b>	<b>6.25%</b>
<b>Estimated Par Amount</b>	<b>\$60,950,000</b>
<b>Estimated Maximum Annual Debt Service (net)</b>	<b>\$4,501,250</b>

- (1) Based on maximum annual debt service.  
(2) Interest capitalized for 30 months.  
(3) Includes Underwriter's Discount.

Provided by: MBS Capital Markets, LLC

Prepared By  
Governmental Management Services, LLC

**TABLE 15**  
**Three Rivers CDD**  
**Estimated Par Debt and Debt Service**  
**Allocation Master Infrastructure**

Development Type :	Number of Planned Units	Total Cost Allocations	%	Allocated Par Debt	Par Debt per Unit or 1,000/ft	Annual Net Assessment Allocated	Annual Gross Assessment Allocated (1)	Annual Net Assessment per Unit or ft	Annual Gross Assessment per Unit or ft (1)
Single Family:									
40' - 49' lot	580	\$13,598,775	15.35%	\$18,196,670	\$31,374	\$1,343,475	\$1,443,967	\$2,316	\$2,490
50' - 59' lot	949	\$28,892,293	32.61%	\$38,661,095	\$40,739	\$2,854,380	\$3,067,888	\$3,008	\$3,233
60' - 69' lot	471	\$18,360,598	20.72%	\$24,568,518	\$52,162	\$1,813,914	\$1,949,594	\$3,851	\$4,139
Total	<u>2,000</u>	<u>\$60,851,665</u>	<u>68.68%</u>	<u>\$81,426,284</u>		<u>\$6,011,768</u>	<u>\$6,461,449</u>		
Townhomes	700	\$10,562,257	11.92%	\$14,133,472	\$20,191	\$1,043,486	\$1,121,538	\$1,491	\$1,602
Muti - Family	500	\$4,581,757	5.17%	\$6,130,899	\$12,262	\$452,649	\$486,507	\$905	\$973
Office/Commercial/Retail	350	\$6,916,850	7.81%	\$9,255,514	\$26,444	\$683,342	\$734,456	\$1,952	\$2,098
Light Industrial	250	\$4,936,553	5.57%	\$6,605,656	\$26,423	\$487,701	\$524,181	\$1,951	\$2,097
Boat Slips	300	\$757,168	0.85%	\$1,013,175	\$3,377	\$74,804	\$80,399	\$249	\$268
<b>Total</b>		<u><b>\$88,606,251</b></u>	<b>100.00%</b>	<u><b>\$118,565,000</b></u>		<u><b>\$8,753,750</b></u>	<u><b>\$9,408,531</b></u>		
<b>Total Par Debt</b>	<b>\$118,565,000</b>								
<b>Total Net Assessment</b>	<b>\$8,753,750</b>								

(1) include 3% collection costs of Nassau County and maximum early payment discount of 4%.

Prepared By  
Governmental Management Services, LLC

**TABLE 16**  
**Three Rivers CDD**  
**Estimated Par Debt and Debt Service**  
**Allocation Neighborhood Infrastructure**

<b>Development Type :</b>	<b><u>Number of Planned Units</u></b>	<b><u>Total Cost Allocations</u></b>	<b><u>%</u></b>	<b><u>Allocated Par Debt</u></b>	<b><u>Par Debt per Unit</u></b>	<b><u>Annual Net Assessment Allocated</u></b>	<b><u>Annual Gross Assessment Allocated (1)</u></b>	<b><u>Annual Net Assessment per Unit</u></b>	<b><u>Annual Gross Assessment per Unit (1)</u></b>
Single Family:									
40' - 49' lot	580	\$8,615,546	19.35%	\$11,792,511	\$20,332	\$870,895	\$936,038	\$1,502	\$1,614
50' - 59' lot	949	\$17,621,021	39.57%	\$24,118,735	\$25,415	\$1,781,205	\$1,914,439	\$1,877	\$2,017
60' - 69' lot	<u>471</u>	<u>\$10,494,627</u>	<u>23.57%</u>	<u>\$14,364,498</u>	<u>\$30,498</u>	<u>\$1,060,840</u>	<u>\$1,140,191</u>	<u>\$2,252</u>	<u>\$2,421</u>
Total	<u>2,000</u>								
Townhomes	700	\$7,798,555	17.51%	\$10,674,256	\$15,249	\$788,310	\$847,276	\$1,126	\$1,210
<b>Total</b>	<b><u>2,700</u></b>	<b><u>\$44,529,749</u></b>	<b><u>100.00%</u></b>	<b><u>\$60,950,000</u></b>		<b><u>\$4,501,250</u></b>	<b><u>\$4,837,944</u></b>	<b><u>\$1,502</u></b>	<b><u>\$1,614</u></b>
<b>Total Par Debt</b>	<b>\$60,950,000</b>								
<b>Total Net Assessment</b>	<b>\$4,501,250</b>								

(1) include 3% collection costs Nassau County and maximum early payment discount of 4%.

**Prepared By**  
**Governmental Management Services, LLC**

<p><b>TABLE 17</b> <b>Three Rivers CDD</b> <b>Legal Description of</b> <b>Assessment Lands</b></p>
--

1. Attached is a legal description of assessment lands within the District subject to the Master Infrastructure lien.
- 2.) Attached is a map depicting assessment lands for the Neighborhood Infrastructure liens :

# **THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT**

## **Supplemental Special Assessment Methodology Report for the Special Assessment Revenue Bonds Series 2019A-1 & A-2**

### **FINAL NUMBERS**

SEPTEMBER 26, 2019

**Prepared by**

**Governmental Management Services, LLC**

## Table of Contents

<b>1.0</b>	<b>INTRODUCTION .....</b>	<b>1</b>
1.1	Purpose .....	1
1.2	Scope of the Report .....	1
1.3	Special Benefits and General Benefits .....	2
1.4	Organization of this Report .....	3
<b>2.0</b>	<b>THE DEVELOPMENT PROGRAM .....</b>	<b>3</b>
<b>3.0</b>	<b>THE CAPITAL IMPROVEMENT PROGRAM.....</b>	<b>4</b>
<b>4.0</b>	<b>THE FINANCING PROGRAM.....</b>	<b>5</b>
4.1	Overview .....	5
4.2	The Series 2019A Assessment Area.....	5
4.3	Series 2019A-1 Bonds.....	6
4.4	Series 2019A-2 Bonds.....	6
<b>5.0</b>	<b>THE ASSESSMENT METHODOLOGY .....</b>	<b>7</b>
5.1	Overview .....	7
5.2	Assigning Debt.....	8
5.3	Lienability Test: Special and Peculiar Benefit to the Property .....	9
5.4	Lienability Test: Reasonable & Fair Apportionment of the Duty to Pay ....	10
5.5	True-Up Mechanism .....	10
<u>5.6</u>	<u>Assessment Roll .....</u>	<u>10</u>
<u>5.7</u>	<u>Additional Disclosure .....</u>	<u>10</u>
<b>APPENDIX .....</b>		<b>12</b>
	Table 1 Development Program for Phase 1A	
	Table 2 Infrastructure Cost Estimates – Phase1A Project	
	Table 3 Bond Series 2019A-1& 2019A-2 Sources and Uses	
	Table 4 Par Debt & Debt Service Allocation 2019 Series Bonds – A-1 & A-2	
	Table 5 Anticipated Developer Contributions	
	Table 6 Legal Description of Lands	

## 1.0 INTRODUCTION

### 1.1 Purpose

The Three Rivers Community Development District is a local unit of special-purpose government organized and existing under Chapter 190, Florida Statutes (the “District”), as amended. The District’s Board of Supervisors previously adopted a Master Assessment Methodology Report, dated February 7, 2019 (“Master Methodology”) and a Master Engineer’s Report, dated August 27, 2019 (“Master Engineer’s Report”). The District is issuing \$17,745,000 of tax exempt bonds in two separate series, the Special Assessment Bonds, Series 2019A-1 (“Series 2019A-1 Bonds”) and the Special Assessment Bonds, Series 2019A-2 (“Series 2019A-2 Bonds”), (collectively the “Bonds”) for the purpose of financing certain infrastructure improvements within the District, more specifically described in the Supplemental Engineer’s Report – Phase 1A, dated September 26, 2019 prepared by Dominion Engineering Group, LLC, as may be amended and supplemented from time to time (the “Supplemental Engineer’s Report” and together with the Master Engineer’s Report, the “Engineer’s Reports”). The Supplemental Engineer’s Report provides for Master and Neighborhood Infrastructure improvements allocable to Phase 1A of the Development estimated to cost approximately \$43.4 million which are planned for construction.

### 1.2 Scope of the Report

As detailed in the Master Engineer’s Report, the proposed master and neighborhood infrastructure to serve the development consists of certain roadway improvements, master potable water/wastewater/reuse improvements, stormwater, recreational amenity, landscape and hardscape improvements, parks, a fire station, offsite transportation and wetland mitigation and is estimated to cost \$133.9 million (the “Capital Improvement Program” or “CIP”). The CIP will be constructed in multiple phases over time. The initial phase of the CIP as described in the Supplemental Engineer’s Report is estimated to cost \$43.4 million and includes (a) Master Infrastructure costs and (b) Neighborhood Infrastructure costs, which costs are allocable to Phase 1A within the District, which includes Units 1 – 7 and is planned for 676 residential units (the “Phase 1A Project”). **Table 2** provides for the cost estimates of the Phase 1A Project infrastructure improvements.

Proceeds of the Series 2019A Bonds will be utilized to acquire and/or construct a portion of the Phase 1A Project in the estimated amount of

\$15.2 million (the “2019A Project” and together with the Phase 1A Project, the “Project”).

The Series 2019A-1 Bonds will be secured by Series 2019A-1 Assessments, and the Series 2019A-2 Bonds will be secured by Series 2019A-2 Assessments (collectively the “Series 2019A Assessments”). This Report is designed to conform to the requirements of Chapters 190, 197 and 170, Florida Statutes with respect to special assessments and is consistent with our understanding of the case law on this subject.

The Series 2019A Assessments will be allocated to Phase 1A and Unit 16, which property makes up the “2019A Assessment Area”, as more particularly described in the legal description attached hereto. It is anticipated that the proposed Series 2019A Assessments will be collected through the Uniform Method of Collection described in Chapter 197.3632, Florida Statutes or may be directly collected or collected by any other legal means available to the District. It is not the intent of this Report to address any other assessments, if applicable, that may be levied by the District, a homeowner’s association, or any other unit of government.

### **1.3 Special Benefits and General Benefits**

The Project anticipated to be undertaken by the District creates special and peculiar benefits to the property within its boundaries, different in kind and degree than general benefits realized by the public at large.

As discussed in this Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits that accrue to property within the District. The implementation of the Project enables properties within the District boundaries to be developed. Without the Project, there would be no infrastructure to support development of land within the District. Without these improvements, development of the property within the District would not be permitted.

The general public and property owners outside the District will also benefit from the provision of the Project. However, these benefits will be incidental to the Project, which is designed to meet the needs of property within the District. Properties outside the District boundaries do not depend upon the Project as does property within the District boundaries. The property owners within the District boundaries are therefore receiving special benefits not received by those outside the District’s boundaries.



## 1.4 Organization of this Report

Section One describes the purpose of the Report along with the scope and benefits of the Capital Improvement Program.

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

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

Section Four discusses the financing program for the District.

Section Five sets forth the Assessment Methodology.

## 2.0 THE DEVELOPMENT PROGRAM

The District includes approximately 1,546 acres within Nassau County, Florida. The development plan for the lands within the District includes approximately 3,200 single family and multifamily residential units, to be constructed in multiple phases. Phase 1A of the Development is planned for 676 residential units (the “Phase 1A Development”). The proposed Phase 1A Development program is depicted in **Table 1**. It is recognized that such land use plan may change, and this Report will be modified accordingly.

The District adopted the CIP which includes the full range of possible public improvements to be constructed, acquired, owned and operated by the District and includes a cost estimate of \$133.9 million. The Supplemental Engineer’s Report includes the Phase 1A Project and an updated cost of the portion of the CIP necessary to develop the 676 single family residential units in Phase 1A (Units 1-7) within the District boundaries, which cost estimate is \$43.4 million. The Supplemental Engineer’s Report also contains the estimated cost of the 2019A Project, to be funded by the District, in the amount of \$15.2 million. The infrastructure improvements set forth in the Supplemental Engineer’s Report will provide the facilities necessary to develop the anticipated uses within the District’s boundary and that benefit the property within the District. The Phase 1A Project improvements are contained within the Supplemental Engineer’s Report and are summarized in **Table 2**.

The assessment methodology is a four-step process.

1. The District Engineer must first determine the public infrastructure improvements and services that may be provided by the District and the costs to implement the Phase 1A Project.
2. The District Engineer determines the assessable acres that benefit from the District's Phase 1A Project.
3. A calculation is made to determine the funding amounts necessary to acquire and/or construct the Phase 1A Project.
4. This amount is initially divided equally among the benefited properties on a prorated gross acreage basis. Ultimately, as land is platted, this amount will be assigned to each of the benefited properties based on the number of platted units.

### **3.0 THE CAPITAL IMPROVEMENT PROGRAM**

#### **Phase 1A Project and the 2019A Project**

The infrastructure costs to be funded by the District are determined by the District Engineer and are as set forth in the Engineer's Reports. As previously discussed, the District's CIP is estimated to cost \$133.9 million. The Phase 1A Project of the District is estimated to cost approximately \$43.4 million, and the 2019A Project is anticipated to cost approximately \$15.2 million. Only infrastructure that may qualify for bond financing by the District under Chapter 190, Florida Statutes and other law, was included in these estimates.

As previously noted, the CIP and thus the Project is bifurcated into two categories consisting of Master Infrastructure and Neighborhood Infrastructure. The Master Infrastructure component of the CIP, and the Master Infrastructure components of the Project, will represent a system of improvements that, irrespective of certain exceptions described further in Section 5.1 of this Report, will provide benefits to all lands within the District. The Neighborhood Infrastructure components of the CIP, and the Neighborhood Infrastructure components of the Project, will benefit specific Units within the District, as each Unit is developed.

## 4.0 THE FINANCING PROGRAM

### 4.1 Overview

As noted above, the District is embarking on a program of capital improvements, which will facilitate the development of a portion of the lands within the District. Construction of the Project may be funded by the Developer (as defined in the financing documents) and acquired by the District under an agreement between the District and the Developer or may be funded directly by the District.

The District will finance a portion of its Capital Improvement Program with Special Assessment Bonds. The initial financing plan for the District utilizes the issuance of Special Assessment Bonds Series 2019A-1 & Series 2019A-2 in the principal amounts of \$16,170,000 and \$1,575,000, respectively, to fund a portion of the Phase 1A Project, as shown in **Table 3**. The District may issue additional bonds for development of future phases and improvements, including for the Phase 1A Project.

### 4.2 The Series 2019A Assessment Area

Initially, the Series 2019A Assessments securing the Series 2019A Bonds will be levied on an equal acreage basis in the 2019A Assessment Area, which again is planned to include 676 residential lots in Units 1-7 and 115 residential lots in Unit 16. The intent to include Unit 16 within the 2019A Assessment Area is to provide for an allocation of a portion of the Series 2019A Assessments to such Unit as it is currently contemplated that such Unit will be sold in bulk together with Units 4 and 5 for development of an age-restricted neighborhood by a third-party active-adult homebuilder/developer. In the event that Unit 16 is not sold in bulk with Units 4 and 5, it is anticipated that Unit 16 will not be allocated any portion of the Series 2019A Assessments and thus will be removed from the Series 2019A Assessment Area. It is not anticipated that a true-up payment will be due upon the removal of Unit 16 from the Series 2019A Assessment Area, as the Series 2019A-1 Bonds were sized to correspond to the collection of Series 2019A Assessments from Units 1-7 and the Series 2019A-2 Bonds were sized to ultimately correspond to the collection of Series 2019A Assessments from Units 1-2. Allocation of

special assessments is a continuous process until the development plan is completed.

### **4.3 Series 2019A-1 Bonds**

The Series 2019A-1 Bonds have an issuance date of September 30, 2019 and have interest payments capitalized through November 1, 2020. The Series 2019A-1 Bonds will be repaid with thirty (30) principal installments commencing on May 1, 2021 with interest paid semi-annually every November and May 1. The Series 2019A-1 Assessments securing the Series 2019A-1 Bonds will initially be levied on an equal acreage basis on the entire 2019A Assessment Area. The Series 2019A-1 Assessments will then be allocated on a per lot basis as set forth in this Report and upon sale of such Unit within the Series 2019A Assessment Area with specific entitlements transferred thereto or upon platting of the Units within the 2019A Assessment Area.

The Series 2019A-1 Bonds will be issued at a par amount of \$16,170,000 at an average coupon interest rate of 4.65% and provide for construction funds of \$13,785,689. The maximum net annual debt service for the Series 2019A-1 Bonds is \$1,001,063.

The difference between the par amount of bonds and the construction funds is comprised of costs of issuance including underwriter's discount and professional fees associated with debt issuance, capitalized interest costs for twelve months as the District will be borrowing funds with which it will pay the early interest payments, and debt service reserve. The sources and uses of the Series 2019A-1 Bond funding are presented in **Table 3** in the Appendix.

### **4.4 Series 2019A-2 Bonds**

The Series 2019A-2 Bonds have an issuance date of September 30, 2019 and have interest payments capitalized through November 1, 2020. Initially, the Series 2019A-2 Assessments will be levied over all acreage within the 2019A Assessment Area. Ultimately, the debt will be assigned on a first platted, first assessed basis. It is anticipated that Units 1 and 2, together planned for 221 single family residential units will fully absorb the 2019A-2 debt and assessments. Units 1 and 2 of Phase 1A are the first two (2) parcels that are intended to be developed into finished lots for sale to homebuilders; however, to the extent Unit 4 is developed into finished lots rather than sold to a third-party homebuilder/developer and

proceeds of the Series 2019A-2 Bonds are used to develop Unit 4 then a portion of the Series 2019A-2 Assessments will be allocated to Unit 4 upon platting of the lots therein. In the event of the consummation of the bulk sale of Units 4, 5, and 16, the Series 2019A-2 Assessment lien on said Units is anticipated to be released at the time of the closing of said bulk sale. The proceeds of the Series 2019A-2 Bonds are not intended to fund any portion of the Neighborhood Infrastructure for Units 4, 5 and 16 in the event of a bulk sale.

The semiannual debt service of the Series 2019A-2 Bonds will be interest only through maturity with interest paid semi-annually every November and May 1 and one balloon principal payment on May 1, 2029. The Series 2019A-2 Assessments are expected to be prepaid by the Developer at the time of a lot closing with a builder.

The Series 2019A-2 Bonds will be issued at par amount of \$1,575,000 at an average coupon interest rate of 4.75% and provide for construction funds of \$1,369,037. The maximum net annual debt service for the Series 2019A-2 Bonds is \$74,813.

The difference between the par amount of bonds and the construction funds is comprised of costs of issuance including underwriter's discount and professional fees associated with debt issuance, capitalized interest costs for twelve months as the District will be borrowing funds with which it will pay the early interest payments, and debt service reserve. The sources and uses of the Series 2019A-2 Bond funding are presented in **Table 3** in the Appendix.

## **5.0 THE ASSESSMENT METHODOLOGY**

### **5.1 Overview**

The Series 2019A Bonds provide the District with funds to conduct a portion of the CIP outlined in Section 2. These improvements lead to special and general benefits, with special benefits accruing specifically and specially to the properties within the boundaries of the District and general benefits accruing to areas outside the District, and such benefits are only incidental in nature. The debt incurred in financing construction of public infrastructure improvements will be satisfied by assessing properties that derive special and peculiar benefits from the CIP,

including the Project. All properties that receive special benefits from the District's CIP will ultimately be assessed.

## **5.2 Assigning Debt**

The current development plan for the District anticipates construction of infrastructure which will allow development of a portion of the CIP necessary to develop the first 676 single family residential units in Phase 1A (Units 1-7) and a portion of the master improvements serving Unit 16, which includes 115 single family resident units. The infrastructure provided by the District will include roadway improvements, potable water / wastewater / reuse improvements, wetland mitigation, stormwater improvements, recreational amenity and landscape/hardscape improvements. All development within the District will benefit from all infrastructure improvement categories, as the improvements provide basic infrastructure to all lands within the District and benefit all lands within the District as an integrated system of improvements.

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

Initially, the Series 2019A Assessments, which will be levied pursuant to the previously levied master lien, and that will secure the Series 2019A-1 Bonds and the Series 2019A-2 Bonds, will be levied on all undeveloped assessable lands in the 2019A Assessment Area of the District, because at that juncture, every acre benefits equally.

The Series 2019A-1 Assessments will initially be levied on an equal acreage basis on lands within the 2019A Assessment Area until: 1) Units are sold with development rights assigned; or (2) Units are platted into lots. The Series 2019A-2 Assessments will initially be levied on an equal acreage basis within the 2019A Assessment Area until platting of the lots therein and thus will be allocated on a first platted first assigned basis.

Upon platting, the assessments securing the debt incurred by the District to fund the Phase 1A Project is allocated to the properties receiving special benefits on the basis of development intensity and density. The responsibility for the repayment of the District's debt through

assessments will ultimately be distributed in proportion to the special benefit peculiar to the land within the District, as it may be classified within each of the land use categories. The special benefits accruing to the lands within the District were established with the Master Assessment Methodology Report, as further supplemented herein.

The Developer anticipates contributing a portion of the CIP to the District in order to establish target levels of debt to be assigned by product type in the forms of contributing funds and or properties/products. **Table 5** shows the anticipated Developer contributions.

### **5.3 Lienability Test: Special and Peculiar Benefit to the Property**

As first discussed in Section 1.3, Special Benefits and General Benefits, improvements undertaken by the District create special and peculiar benefits to properties within the District.

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

- a. Roadway Improvements result in special and peculiar benefits such as the added use of and access to the property, added enjoyment of the property, and likely increased marketability of the property.
- b. Stormwater Improvements result in special and peculiar benefits such as the added enjoyment and usability of the property, and likely increased marketability and value of the property.
- c. Utility – Potable Water/Wastewater/Reuse Improvements result in special and peculiar benefits such as the added use of the property, added enjoyment of the property, and likely increased marketability and value of the property.
- d. Recreational improvements result in special and peculiar benefits such as the added use of the property, added enjoyment of the property, and likely increased marketability of the property.
- e. Landscape and Hardscape improvements result in special and peculiar benefits such as the added use of the property, added enjoyment of the property, and likely increased marketability of the property.

- f. Wetland mitigation improvements result in special and peculiar benefits such as the added use of the property, added enjoyment of the property, and likely increased marketability of the property.

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

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

A reasonable estimate of the proportion of special and peculiar benefits received from the Project is delineated in **Table 4** (expressed as Allocation of Total Par Debt).

The determination has been made that the duty to pay the non-ad valorem special assessments, including the Series 2019A Assessments, is fairly and reasonably apportioned because the special and peculiar benefits to the property derived from the acquisition and/ or construction of the CIP, including the Project (and the concomitant responsibility for the payment of the resultant and allocated debt), have been apportioned to the property according to reasonable estimates of the special and peculiar benefits provided consistent with the land use.

Accordingly, no acre or parcel of property within the boundaries of the District will be liened for the payment of any non-ad valorem special assessment more than the determined special benefit peculiar to that property.

In accordance with the benefit allocation in **Table 4**, Total Par Debt has been calculated on a per unit basis.

## 5.5 True-Up Mechanism

Although the District does not process plats, declaration of condominiums, site plans or revisions thereto for the Developer, it does have an important role to play during the course of platting and site planning. Whenever a plat, declaration of condominium or site plan is processed, the District must allocate a portion of its Series 2019A Assessments to the property according to this Assessment Report outlined herein. In addition, the District must also prevent any buildup of the Series 2019A Assessments on unassigned property, as described in the True Up Agreement. Otherwise, the land could be fully conveyed and/or platted without all of the Series 2019A Assessments being



allocated. To preclude this, at the time unassigned properties become assigned properties, as detailed in the True Up Agreement, the District will determine the amount of anticipated Series 2019A Assessments that remains on the unassigned properties, taking into account the proposed plat, or site plan approval. If the total anticipated Series 2019A Assessments to be generated from the assigned and unassigned properties is greater than or equal to the maximum annual debt service payments then no adjustment is required. In the case that the Series 2019A Assessments generated is less than the required amount then a debt reduction or true-up payment by the landowner in the amount necessary to reduce the par amount of the outstanding bonds to a level that will be supported by the new net annual debt service assessments will be required. 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, the special assessments will be allocated to such lands pursuant to the methodology described herein.

## **5.6 Assessment Roll**

The District will initially levy the Series 2019A Assessments as detailed in the Assessment Roll. As assigned property becomes known with certainty, the District will refine its allocation of the Series 2019A Assessments from a per acre basis to a per unit basis as shown in the attached tables. If the land use plan changes, then the District will update these tables to reflect the changes. The assessment roll is set forth in **Table 6**.

## **5.7 Additional Disclosure**

Governmental Management Services-North Florida, LLC (“GMS”) is not acting or providing services to the District as a Municipal Advisor, Financial Advisor or providing investment advice. GMS has prepared this report based upon information provided by the District’s Engineer and Investment Banker in a form that meets the requirements of levying special assessments in accordance with Florida Statutes.

## APPENDIX

**TABLE 1**  
**Three Rivers CDD**  
**Development Program for Phase 1A**

<b>Land Use :</b>	<b>Number of Units</b>
<b>Residential Single Family:</b>	
40' lots	147
45' lots	30
50' lots	133
60' lots	100
65' lots	47
<b>Aged Restricted:</b>	
50' lots	148
60' lots	71
<b>Total</b>	<b>676</b>

(1) Included in Phase 1A, are Units 1 and 2 which are anticipated to secure the 2019A-2 bonds.

**Prepared By**  
**Governmental Management Services, LLC**

**TABLE 2**  
**Three Rivers CDD**  
**Infrastructure Cost Estimates**  
**Phase 1A Project**

<b><u>Master Infrastructure Improvements :</u></b>	<b><u>Total Cost Estimates</u></b>
Spine Road, Water & Reuse Main	\$3,854,590
Lift station and Force Main	\$2,300,994
Landscape & Hardscape Improvements	\$1,037,500
Recreation Improvements	\$6,000,000
County Park	\$2,300,000
Contingency	\$1,549,308
Design, Permitting & Construction Management	\$484,091
Neighborhood Improvements	\$25,919,461
<b>Total</b>	<b><u><u>\$43,445,943</u></u></b>

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

Information provided by Dominion Engineering Group, Inc. Capital Improvement  
Plan Report dated 9/26/19

**Prepared By**  
**Governmental Management Services, LLC**

**TABLE 3**  
**Three Rivers CDD**  
**Bond Series 2019A-1 & A-2**  
**Sources & Uses**

<u>Sources</u>	<u>2019A-1</u>	<u>2019A-2</u>	<u>Total</u>
Bond Proceeds - par	\$16,170,000	\$1,575,000	\$17,745,000
Original Issue Discount	-\$72,147	\$0	-\$72,147
<b>Total Sources</b>	<u><u>\$16,097,853</u></u>	<u><u>\$1,575,000</u></u>	<u><u>\$17,672,853</u></u>
<u>Uses</u>			
Construction funds	\$13,785,689	\$1,369,037	\$15,154,726
Debt Service Reserve Fund (1)	\$1,001,063	\$74,813	\$1,075,876
Capitalized Interest (2)	\$798,841	\$81,255	\$880,096
Cost of Issuance	\$188,860	\$18,395	\$207,255
Underwriter's Discount	\$323,400	\$31,500	\$354,900
<b>Total Uses</b>	<u><u>\$16,097,853</u></u>	<u><u>\$1,575,000</u></u>	<u><u>\$17,672,853</u></u>

Principal Amortization Installments	30	30
Estimated Average Coupon Rate	4.66%	4.75%
Estimated Par Amount	\$16,170,000	\$1,575,000
Estimated Maximum Annual Debt Service (net)	\$1,001,063	\$74,813

(1) Based on maximum annual debt service.

(2) Interest capitalized for 12 months.

(3) Provided by MBS Capital Markets, LLC.

Prepared By  
Governmental Management Services, LLC

**TABLE 4**  
**Three Rivers CDD**  
**Par debt and Debt service**  
**Allocation 2019A-1 & 2 Series Bonds - Phase 1A**

Development Type :	2019A-1 Number of Planned Units	2019A-2 Number of Planned Units	2019A-1 Par Debt	2019A-2 Par Debt	2019A-1 Par Debt per Unit	2019A-2 Par Debt per Unit	Total Par Debt per Unit	2019A-1 Annual Net Assessment	2019A-2 Annual Net Assessment	Per Unit 2019A-1 Annual Net Assessment (1)	Per Unit 2019A-2 Annual Net Assessment (1)	Per Unit 2019A-1 Annual Gross Assessment (2)
<b>Residential Single Family:</b>												
40' lots	147	0	\$3,256,310	\$0	\$22,152	\$0	\$22,152	\$201,594	\$0	\$1,371	\$0	\$1,475
45' lots	30	30	\$688,287	\$87,945	\$22,943	\$2,932	\$25,875	\$42,611	\$4,177	\$1,420	\$139	\$1,527
50' lots	133	73	\$3,156,627	\$366,092	\$23,734	\$5,016	\$28,750	\$195,422	\$17,389	\$1,469	\$238	\$1,580
60' lots	100	100	\$2,531,631	\$918,187	\$25,316	\$9,184	\$34,500	\$156,730	\$43,614	\$1,567	\$436	\$1,685
65' lots	47	18	\$1,227,050	\$202,776	\$26,107	\$11,268	\$37,375	\$75,965	\$9,632	\$1,616	\$535	\$1,738
<b>Age Restricted:</b>												
50' lots (3)	148	0	\$3,512,637	\$0	\$23,734	\$0	\$23,734	\$217,463	\$0	\$1,469	\$0	\$1,580
60' lots (3)	71	0	\$1,797,458	\$0	\$25,316	\$0	\$25,316	\$111,278	\$0	\$1,567	\$0	\$1,685
<b>Total</b>	<b>676</b>	<b>221</b>	<b>\$16,170,000</b>	<b>\$1,575,000</b>				<b>\$1,001,063</b>	<b>\$74,813</b>			

(1) Excludes 3% collection costs of Nassau County and assumes November payment taking account of the maximum early payment discount of 4%.

(2) Includes 3% collection costs of Nassau County and assumes March payment without any early payment discount.

(3) Broken out for ease of reference and consistency with PLOM, However, such lots are not differentiated in the assessment application.

**TABLE 5**  
**Three Rivers CDD**  
**Anticipated Developer Contributions**

<b>Development Type :</b>	<b>2019A-1 Number of Planned Units</b>	<b>Master Debt Benefit</b>	<b>2019A-1 Par Debt per Unit</b>	<b>Total Contribution</b>
<b>Residential Single Family:</b>				
40' lots	147	\$31,374	\$22,152	\$1,355,634
45' lots	30	\$31,374	\$22,943	\$252,930
50' lots	133	\$40,739	\$23,734	\$2,261,665
60' lots	100	\$52,162	\$25,316	\$2,684,600
65' lots	47	\$52,162	\$26,107	\$1,224,585
<b>Age Restricted:</b>				
50' lots	148	\$40,739	\$23,734	\$2,516,740
60' lots	71	\$52,162	\$25,316	\$1,906,066
<b>Total</b>	<u>676</u>			<u>\$12,202,220</u>

**TABLE 6**  
**Three Rivers CDD**  
**Legal Description of**  
**Assessment Lands**

1. Attached is a legal description and a map of the lands within the District subject to the Series 2019A1 & 2 Bond assessment levy and lien.

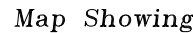


A PORTION OF SECTIONS 9, 10, 11, 14, AND THE W. LOFTON GRANT, SECTION 44, TOWNSHIP 2 NORTH, RANGE 26 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF SAID SECTION 9; THENCE SOUTH 01°04'10" EAST, ALONG THE EASTERLY LINE OF SAID SECTION 9, A DISTANCE OF 148.29 FEET, TO THE SOUTHERLY LIMITED ACCESS RIGHT-OF-WAY LINE OF STATE ROAD 200 (A1A) (A VARIABLE WIDTH RIGHT-OF-WAY AS NOW ESTABLISHED); THENCE EASTERLY AND NORTHERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY OF STATE ROAD 200, RUN THE FOLLOWING FOUR (4) COURSES AND DISTANCES; COURSE NO. 1: SOUTH 82°46'55" EAST, 611.15 FEET TO THE POINT OF BEGINNING; COURSE NO. 2: CONTINUE SOUTH 82°46'55" EAST, 1152.28 FEET; COURSE NO. 3: NORTH 07°13'05" EAST, 34.00 FEET; COURSE NO. 4: SOUTH 82°46'55" EAST, 3834.48 FEET; THENCE SOUTH 12°56'45" EAST, 1102.59 FEET; THENCE SOUTH 19°26'46" EAST, 1539.95 FEET; THENCE SOUTH 75°44'16" EAST, 351.01 FEET; THENCE SOUTH 15°38'37" WEST, 628.25 FEET; THENCE SOUTH 30°14'16" WEST, 1072.73 FEET; THENCE SOUTH 33°53'45" WEST, 279.36 FEET; THENCE NORTH 79°37'08" WEST, 315.15 FEET; THENCE NORTH 76°15'28" WEST, 325.93 FEET; THENCE NORTH 87°22'35" WEST, 149.42 FEET; THENCE NORTH 28°45'45" WEST, 351.87 FEET; THENCE NORTH 22°13'27" WEST, 232.92 FEET; THENCE NORTH 03°31'37" WEST, 576.37 FEET; THENCE NORTH 82°37'00" WEST, 450.09 FEET; THENCE SOUTH 15°33'03" WEST, 476.63 FEET; THENCE SOUTH 25°09'33" WEST, 158.28 FEET; THENCE SOUTH 44°44'47" WEST, 773.48 FEET; THENCE SOUTH 33°52'16" WEST, 283.47 FEET; THENCE SOUTH 05°25'46" WEST, 263.35 FEET; THENCE SOUTH 31°58'16" WEST, 174.05 FEET; THENCE SOUTH 56°39'44" WEST, 257.92 FEET; THENCE NORTH 10°50'16" WEST, 274.15 FEET; THENCE NORTH 19°00'11" WEST, 455.38 FEET; THENCE NORTH 05°24'38" WEST, 348.30 FEET; THENCE NORTH 59°12'54" WEST, 172.86 FEET; THENCE NORTH 27°53'14" WEST, 335.80 FEET; THENCE NORTH 50°29'45" EAST, 144.66 FEET; THENCE NORTH 22°15'10" WEST, 15.76 FEET TO THE ARC OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 45.08 FEET, AN ARC DISTANCE OF 51.72 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 79°23'19" WEST, 48.93 FEET TO THE ARC OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 24.39 FEET, AN ARC DISTANCE OF 26.16 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 75°21'19" WEST, 24.92 FEET; THENCE SOUTH 82°26'11" WEST, 42.12 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 65.00 FEET, AN ARC DISTANCE OF 48.13 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 76°21'02" WEST, 47.04 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 55°08'16" WEST, 114.21 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING NORTHWESTERLY; THENCE NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 45.00 FEET, AN ARC DISTANCE OF 46.25 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 25°41'46" WEST, 44.24 FEET, TO THE ARC OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 819.37 FEET, AN ARC DISTANCE OF 122.01 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 71°36'42" WEST, 121.89 FEET; THENCE SOUTH 03°29'13" WEST, 11.77 FEET; THENCE SOUTH 82°10'19" WEST, 50.00 FEET TO THE ARC OF A CURVE LEADING NORTHERLY; THENCE NORTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 1047.84 FEET, AN ARC DISTANCE OF 143.49 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 09°40'22" WEST, 143.37 FEET TO THE ARC OF A CURVE LEADING NORTHWESTERLY; THENCE NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, AN ARC DISTANCE OF 37.66 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 56°14'51" WEST, 34.20 FEET TO THE ARC OF A CURVE LEADING WESTERLY; THENCE WESTERLY,

ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 767.09 FEET, AN ARC DISTANCE OF 219.32 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 88°58'51" WEST, 218.57 FEET; THENCE NORTH 07°21'34" EAST, 105.00 FEET TO THE ARC OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 645.00 FEET, AN ARC DISTANCE OF 73.41 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 79°22'48" WEST, 73.37 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 76°07'10" WEST, 755.06 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 855.00 FEET, AN ARC DISTANCE OF 182.73 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 82°14'31" WEST, 182.38 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 88°21'52" WEST, 308.27 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 495.00 FEET, AN ARC DISTANCE OF 8.28 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 87°53'08" WEST, 8.28 FEET TO THE POINT OF COMPOUND CURVATURE OF A CURVE LEADING NORTHWESTERLY; THENCE NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 20.00 FEET, AN ARC DISTANCE OF 20.58 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 57°55'54" WEST, 19.68 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 105.00 FEET, AN ARC DISTANCE OF 174.91 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 76°10'44" WEST, 155.38 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 20.00 FEET, AN ARC DISTANCE OF 20.58 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 85°34'26" WEST, 19.68 FEET TO THE POINT OF COMPOUND CURVATURE OF A CURVE LEADING NORTHWESTERLY; THENCE NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 495.00 FEET, AN ARC DISTANCE OF 46.02 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 62°17'17" WEST, 46.00 FEET TO THE EASTERLY RIGHT OF WAY LINE OF POLICE LODGE ROAD (A 60 FOOT RIGHT OF WAY, AS NOW ESTABLISHED); THENCE NORTH 20°29'45" WEST, ALONG LAST SAID LINE, 1551.58 FEET; THENCE NORTH 12°50'26" WEST, 130.08 FEET; THENCE NORTH 76°34'25" EAST, 1571.05 FEET; THENCE NORTH 27°31'22" WEST, 455.31 FEET; THENCE NORTH 32°37'21" WEST, 506.91 FEET; THENCE NORTH 75°44'15" WEST, 69.31 FEET; THENCE SOUTH 42°28'04" WEST, 8.55 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 40.00 FEET, AN ARC DISTANCE OF 63.39 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 87°52'01" WEST, 56.96 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING NORTHWESTERLY; THENCE NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 235.00 FEET, AN ARC DISTANCE OF 147.85 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 64°45'28" WEST, 145.43 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 82°46'55" WEST, 23.23 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING NORTHWESTERLY; THENCE NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 40.00 FEET, AN ARC DISTANCE OF 62.83 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 37°46'55" WEST, 56.57 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 06°42'10" EAST, 556.02 FEET TO THE POINT OF BEGINNING.

CONTAINING 511.66 ACRES, MORE OR LESS.



A PORTION OF SECTIONS 9, 10, 11, 14, AND THE W. LOFTON GRANT, SECTION 44, TOWNSHIP 2 NORTH, RANGE 26 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

[illegible]

CONTAINING 511.66 ACRES, MORE OR LESS

### LEGEND

R/W = RIGHT OF WAY  
O.R.B. = OFFICIAL RECORDS BOOK  
PC = POINT OF CURVATURE  
PT = POINT OF TANGENCY  
NT = NON-TANGENT  
PRC = POINT OF REVERSE CURVATURE  
PCC = POINT OF COMPOUND CURVATURE

### GENERAL NOTES

1. BEARINGS SHOWN HEREON ARE BASED ON THE SOUTHERLY RIGHT-OF-WAY OF STATE ROAD 200 (A1A) AS S 82°46'55" E PER FLORIDA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY MAP, SECTION NO. 740400-2528), STATE PLANE COORDINATE SYSTEM, FLORIDA EAST ZONE (NAD 1983 1990 NGS ADJUSTMENTS.)
2. THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY.
3. THIS MAP WAS MADE WITHOUT THE BENEFIT OF A TITLE COMMITMENT.
4. THIS DRAWING MAY HAVE BEEN ENLARGED OR REDUCED FROM THE ORIGINAL. UTILIZE THE GRAPHIC SCALE AS SHOWN.
5. CROSS REFERENCE SURVEY BY CLARY & ASSOCIATES, FILE NO. R12-28.

REASON STATE (FATHER) WORK CODE NO. REASON FOR REVISION

THIS WORK IS SUBJECT TO THE STANDARD OF PRACTICE SET FORTH BY THE NATIONAL BOARD OF STANDARDS AND PRACTICES FOR PROFESSIONAL ENGINEERS IN GEORGIA (NBPGE). ALL PROFESSIONAL ENGINEERS ARE REQUIRED TO FOLLOW ALL APPLICABLE NBPGE STANDARDS AND PRACTICES. ANY VIOLATION OF THESE STANDARDS OR PRACTICES WILL BE CONSIDERED A VIOLATION OF THE PROFESSIONAL ENGINEER'S OATH AND MAY BE SUBJECT TO DISCIPLINARY ACTION.

THIS ENGINEERING PROJECT WAS NOT IN MY OWN NAME, BUT WAS IN THE NAME OF THE COMPANY, AND I WAS NOT A MEMBER OF THE BOARD OF PROFESSIONAL ENGINEERS IN GEORGIA (NBPGE). I WAS A MEMBER OF THE BOARD OF PROFESSIONAL ENGINEERS IN GEORGIA (NBPGE) AT THE TIME OF THE PROJECT, AND I WAS A MEMBER OF THE BOARD OF PROFESSIONAL ENGINEERS IN GEORGIA (NBPGE) AT THE TIME OF THE PROJECT.

NO WORK OR SERVICE OF THE EXCLUSIVE USE OF THE ENGINEER WAS PROVIDED BY THE ENGINEER TO THE CLIENT, AND NO WORK OR SERVICE OF THE EXCLUSIVE USE OF THE ENGINEER WAS PROVIDED BY THE ENGINEER TO THE CLIENT.

MICHAEL L. COLLIGAN, P.S.M. CERT. NO. 67968

FILE NO. T2N-229

[THIS PAGE INTENTIONALLY LEFT BLANK]

## **APPENDIX E**

### **FORM OF CONTINUING DISCLOSURE AGREEMENT**

[THIS PAGE INTENTIONALLY LEFT BLANK]

## **CONTINUING DISCLOSURE AGREEMENT**

This **CONTINUING DISCLOSURE AGREEMENT** (this "Disclosure Agreement") dated as of September 30, 2019 is executed and delivered by the **THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT** (the "District" or the "Issuer") and **THREE RIVERS DEVELOPERS, LLC** (the "Developer"), a Delaware limited liability company, and joined in by the Dissemination Agent and the Trustee (as such terms are herein defined), in connection with the issuance of the following: \$16,170,000 Three Rivers Community Development District Special Assessment Bonds, Series 2019A-1 (the "Series 2019A-1 Bonds") and \$1,575,000 Three Rivers Community Development District Special Assessment Bonds, Series 2019A-2 (the "Series 2019A-2 Bonds," and, together with the Series 2019A-1 Bonds, the "Series 2019A Bonds"). The Series 2019A Bonds are being issued pursuant to a Master Trust Indenture (the "Master Indenture"), dated as of September 1, 2019, as amended and supplemented by that certain First Supplemental Trust Indenture, dated as of September 1, 2019, each entered into by and between the District and the Trustee (the "First Supplemental Indenture," and, together with the Master Indenture, the "Indenture"), each by and between the District and U.S. Bank National Association, as trustee (the "Trustee"). For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the mutual promises and other consideration contained herein, the District and the Developer (as defined herein) covenant and agree as follows:

**1. Purpose of this Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the District and the Developer for the benefit of the Owners (as defined herein) and to assist the Participating Underwriter (as defined herein) in complying with the applicable provisions of Rule 15c2-12(b)(5) promulgated by the U.S. Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended from time to time (the "Rule").

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the District, the Trustee or any other person of any covenant, agreement or obligation under the Indenture (or remove any of the benefits thereof) nor shall anything herein prohibit the District, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

**2. Definitions.** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Annual Filing Date" means the date set forth in Section 4(a) hereof by which the Annual Report is to be filed with the Repository.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Assessments" shall mean the non-ad valorem special assessments pledged to the payment of the Series 2019A Bonds, respectively, 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)(B) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Beneficial Owners" 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 Series 2019A Bonds (including persons holding Series 2019A Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bond for federal income tax purposes.

"Business Day" means a day other than (a) a Saturday, Sunday or day on which banks located in the city in which the designated corporate trust office of the Trustee and Paying Agent 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.

"Developer" shall mean Three Rivers Developers, LLC, acting in its capacity as the initial Landowner (as defined herein), or any successor Landowner.

"Development" shall have the meaning ascribed to such term in the Limited Offering Memorandum.

"Disclosure Representative" shall mean (a) as to the District, the District Manager or its designee, or such other person as the District shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent; (b) as to the Developer, the individual executing this Disclosure Agreement on behalf of the Developer or such person(s) as the Developer shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent; and (c) as to any Landowner other than the Developer, such person(s) as the Landowner shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

"Dissemination Agent" shall mean Governmental Management Services, LLC, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District and which has filed with the District and Trustee a written acceptance of such designation.

"District Manager" shall mean the person or entity serving as District Manager from time to time.

"EMMA" means the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.



"Fiscal Year" shall mean the fiscal year of the District, which is the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

"Landowner" means each owner of District Lands, which, along with its affiliates, successors, and assigns (excluding residential homebuyers), is responsible for payment of at least twenty percent (20%) of the Assessments; provided as of the date of the execution and delivery of this Disclosure Agreement, the Developer is the only Landowner.

"Limited Offering Memorandum" shall mean the Limited Offering Memorandum dated, September 20, 2019, prepared in connection with the issuance of the Series 2019A Bonds.

"Listed Event" shall mean any of the events listed in Section 7 of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"MSRB Website" shall mean [www.emma.msrb.org](http://www.emma.msrb.org).

"Obligated Person(s)" shall mean, with respect to the Series 2019A 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 Series 2019A Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the District, and for purposes of this Disclosure Agreement only, each Landowner.

"Owners" shall have the meaning ascribed thereto in the Indenture with respect to the Series 2019A Bonds and shall include Beneficial Owners of the Series 2019A Bonds.

"Participating Underwriter" shall mean MBS Capital Markets, LLC, in its capacity as the original underwriter of the Series 2019A Bonds required to comply with the Rule in connection with the offering of the Series 2019A Bonds.

"Quarterly Filing Date" means the dates set forth in Section 5 hereof by which Quarterly Reports are required to be filed with the Repository.

"Quarterly Report" shall mean any Quarterly Report provided by the Developer or any Landowner, its successors or assigns pursuant to, and as described in, Sections 5 and 6 of this Disclosure Agreement.

"Repository" shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. The Repositories approved by the Securities and Exchange Commission may be found by visiting the Securities and Exchange Commission's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the Municipal Securities Rulemaking Board, which currently accepts continuing disclosure submissions through the EMMA web portal at "<http://emma.msrb.org>."

"State" shall mean the State of Florida.

**3. Content of Annual Reports.**

(a) The Annual Report shall contain or incorporate by reference Annual Financial Information with respect to the District, which includes an update of the financial and operating data of the District to the extent presented in the Limited Offering Memorandum, including:

- (i) The amount of Assessments levied for the most recent Fiscal Year;
- (ii) The amount of Assessments collected from property owners during the most recent Fiscal Year;
- (iii) If available from the County Tax Collector with respect to platted lots being collected pursuant to the Uniform Method, the amount of delinquencies greater than 150 calendar days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of Assessments due in any year, a list of delinquent property owners;
- (iv) If available from the County Tax Collector with respect to platted lots being collected pursuant to the Uniform Method, the amount of tax certificates sold for lands within the District, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year;
- (v) The balances in all Funds and Accounts for the Series 2019A Bonds. The District shall provide any Owners and the Dissemination Agent with this information more frequently than annually and within thirty (30) calendar days of the date of any written request from the Owners or the Dissemination Agent;
- (vi) The total amount of Series 2019A Bonds Outstanding;
- (vii) The amount of principal and interest due on the Series 2019A Bonds in the current Fiscal Year; and
- (viii) The most recent Audited Financial Statements of the District.

To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth. Any or all of the items listed above may be incorporated by specific reference to documents available to the public on the MSRB Website or filed with the SEC, including offering documents of debt issues of the District or related public entities, which have been submitted to the Repository. The District shall clearly identify any document incorporated by reference.

(b) The District and the Developer each represent and warrant 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 and the Developer each acknowledge and agree that the information to

be collected and disseminated by the Dissemination Agent will be provided by the District, the Developer, and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, the Developer, the Landowners, or others as thereafter disseminated by the Dissemination Agent.

(c) 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.

#### **4. Provision of Annual Reports.**

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than March 30<sup>th</sup> after the close of the Fiscal Year, commencing with the Fiscal Year ended September 30, 2019 (the "Annual Filing Date"), in an electronic format as prescribed by a Repository. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3(a) of this Disclosure Agreement; provided that the Audited Financial Statements may be submitted separately from the balance of the Annual Report, and may be submitted up to, but no later than, June 30<sup>th</sup> after the close of the Fiscal Year. Provided that if the Audited Financial Statements are not available at the time of the filing of the Annual Report unaudited financial statements are required to be delivered as part of the Annual Report in a format similar to the Audited Financial Statements. If the Issuer's fiscal year changes, the Issuer, shall give notice of such change in the same manner as for a Listed Event under Section 7(a).

(b) If on the fifteenth (15<sup>th</sup>) calendar day prior to each Annual Filing Date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Disclosure Representative of the District by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 4(a) above. Upon such reminder, the Disclosure Representative of the District, shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report in accordance with Section 4(a) above, or (ii) instruct the Dissemination Agent in writing that the Issuer, will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 7(s) has occurred and to immediately send a notice to any Repository in electronic format as required by such Repository in substantially the form attached as Exhibit A hereto.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of any Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Issuer certifying that the Annual Report has been provided pursuant to this

Disclosure Agreement, stating the date(s) it was provided and listing any Repository to which it was provided.

**5. Content of Quarterly Reports.**

(a) The Developer, so long as it is an Obligated Person for purposes of this Disclosure Agreement, shall prepare a Quarterly Report no later than January 31 (for each calendar quarter ending December 31), April 30 (for each calendar quarter ending March 31), July 31 (for each calendar quarter ending June 30), and October 31 (for each calendar quarter ending September 30) after the end of each calendar quarter commencing with the calendar quarter ending September 30, 2019; provided, however, that so long as any Developer is a reporting company, such dates shall be extended to the date of filing of its respective 10-K or 10-Q, if later, as the case may be (each, a "Quarterly Filing Date"). At such time as the Developer is no longer an Obligated Person, the Developer will no longer be obligated to prepare any Quarterly Report pursuant to this Disclosure Agreement.

(b) Each Quarterly Report shall contain the following information with respect to the lands owned by the Developer in the Development if such information is not otherwise provided pursuant to subsection (c) of this Section 5:

(i) A description of the infrastructure improvements and recreational amenities that have been completed and that are currently under construction, including infrastructure financed by the Series 2019A Bonds;

(ii) The percentage of the infrastructure financed by the Series 2019A Bonds that has been completed;

(iii) The number of single-family homes planned on property subject to the Assessments;

(iv) The number of single-family homes closed with retail end users;

(v) The number of single-family homes under contract with retail end users;

(vi) The number of single-family lots under contract with builders;

(vii) The number of single-family lots closed with builders;

(viii) The estimated date of complete build-out of residential units;

(ix) Whether the Developer has made any bulk sale of the land subject to the Assessments other than as contemplated by the Limited Offering Memorandum;

(x) The status of development approvals for the Development;

(xi) Materially adverse changes or determinations to permits/approvals for the Development which necessitate changes to the Developer's land-use or other plans for the Development;

(xii) Updated plan of finance for the Development (i.e., status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Developer, additional mortgage debt, etc.); and

(xiii) Any event that would have a material adverse impact on the implementation of the Development as described in the Limited Offering Memorandum or on the Developer's ability to undertake the Development as described in the Limited Offering Memorandum.

(c) Any of the items listed in subsection (b) above may be incorporated by reference from other documents which are available to the public on the MSRB Website or filed with the SEC. The Developer shall clearly identify each such other document so incorporated by reference.

(d) If the Developer sells, assigns or otherwise transfers ownership of real property in the Development to a third party, which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "Transfer"), the Developer hereby agrees to require such third party to assume the disclosure obligations of the Developer hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Developer involved in such Transfer shall promptly notify the District and the Dissemination Agent in writing of the Transfer. For purposes of Sections 3(b), 5, 6 and 7 hereof, the term "Developer" shall be deemed to include each of the Developer and any third party that becomes an Obligated Person hereunder as a result of a Transfer. In the event that the Developer remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Developer from their obligations hereunder.

## **6. Provision of Quarterly Reports.**

(a) The Developer shall provide a Quarterly Report which contains the information in Section 5 of this Disclosure Agreement to the Dissemination Agent no later than the Quarterly Filing Date for such Quarterly Report. The Dissemination Agent shall immediately file the Quarterly Report upon receipt from the Developer with each Repository.

(b) If on the seventh (7<sup>th</sup>) calendar day prior to each Quarterly Filing Date the Dissemination Agent has not received a copy of the Quarterly Report due on such Quarterly Filing Date, the Dissemination Agent shall contact the Developer by telephone and in writing (which may be by e-mail) to remind the Developer of its undertaking to provide the Quarterly Report pursuant to Sections 5 and 6. Upon such reminder, the Developer shall either (i) provide the Dissemination Agent with an electronic copy of the Quarterly Report in accordance with Section 6(a) above, or (ii) instruct the Dissemination Agent in writing that the Developer will not be able to file the Quarterly Report within the time required under this Disclosure Agreement and state the date by which such Developer Report will be provided.

(c) If the Dissemination Agent has not received a Quarterly Report that contains the information in Section 5 of this Disclosure Agreement by the Quarterly Filing Date, a Listed Event described in Section 7(s) shall have occurred and the District and the Developer hereby direct the Dissemination Agent to immediately send a notice to each Repository in electronic format as required by such Repository, no later than the following Business Day in substantially the form attached as Exhibit A hereto, with a copy to the District.

(d) The Dissemination Agent shall:

(i) determine prior to each Quarterly Filing Date the name and address of each Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Developer and the District stating that the Quarterly Report has been provided pursuant to this Disclosure Agreement and stating the date(s) it was provided.

**7. Reporting of Significant Events.** Pursuant to the provisions of this Section 7, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2019A Bonds (but only as it relates to the Issuer as an Obligated Person with respect to Sections 7(j), 7(l), 7(m), 7(q), 7(r), and 7(s) below), and the Developer shall give, or cause to be given, notice of any of the events in Sections 7(j), 7(l), 7(m), 7(q), 7(r), and 7(s) below, 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 the occurrence of the event, with the exception of the event described in paragraph (s) below, which notice shall be given in a timely manner:

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults, if material;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

(e) Substitution of credit or liquidity providers, or their failure to perform;

(f) 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 Series 2019A Bonds, or other material events affecting the tax status of the Series 2019A Bonds;

(g) Modifications to rights of the holders of the Series 2019A Bonds, if material;

(h) Bond calls, if material, and tender offers;

- (i) Defeasances;
- (j) Release, substitution, or sale of property securing repayment of the Series 2019A Bonds, if material (including property leased, mortgaged or pledged as such security). The sale of any real property owned by a Landowner within the District in the ordinary course of the Landowner's respective business shall not be a Listed Event for purposes of the foregoing;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the District 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 District 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 District 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 District or any Obligated Person);
- (m) The consummation of a merger, consolidation, or acquisition involving the District or any Obligated Person or the sale of all or substantially all of the assets of the District 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;
- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) Occurrence of any Event of Default under the Indenture (other than as described in clause (i) above);
- (p) Amendment to the Indenture or this Disclosure Agreement modifying the rights of the Owners of the Series 2019A Bonds;
- (q) Incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenants, Events of Default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect security holders, if material;
- (r) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties; and
- (s) Failure to provide (i) any Annual Report as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Sections 3(a) and 3(d) of this Disclosure Agreement, respectively, or (ii) any Quarterly Report that contains, in all material respects, the information required to be included therein

under Section 5 of this Disclosure Agreement, which failure shall, in all cases, be deemed material under federal securities laws.

**8. Identifying Information.** In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Agreement to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any Annual Financial Information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the Issuer;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

**9. Termination of Disclosure Agreement.** In addition to any other provision of this Disclosure Agreement relating to termination, the Issuer's and the Developer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2019A Bonds, so long as there is no remaining liability of the Issuer and/or the Developer, or if the Rule is repealed or no longer in effect. If such termination occurs prior to the final maturity of the Series 2019A Bonds, the Issuer and/or the Developer shall give notice of such termination in the same manner as for a Listed Event under Section 7.

**10. Dissemination Agent.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent shall be Governmental Management Services, LLC. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

**11. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Issuer, the Developer and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Section 3(a), 4, 5, 6 or 7, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer and/or the Developer, or the type of business conducted;



(b) The undertaking, as amended or taking into account such waiver, would in the opinion of counsel expert in federal securities laws, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Series 2019A Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of holders or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interest of the holders or Beneficial Owners of the Series 2019A Bonds.

Notwithstanding the foregoing, the Issuer, the Developer and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District and/or the Developer shall describe such amendment in its next report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the District and the Developer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (a) notice of such change shall be given in the same manner as for a Listed Event; and (b) 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.

**12. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer or the Developer 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 potential material event, in addition to that which is required by this Disclosure Agreement. If the Issuer or the Developer 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 or the Developer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**13. Default.** In the event of a failure of the Issuer, the Developer, the Disclosure Representative of the District, the Disclosure Representative of the Developer or a Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Holders of more than 50% aggregate principal amount of outstanding Series 2019A Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any Beneficial Owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer, the Developer, the Disclosure Representative of the District, the Disclosure Representative

of the Developer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. No default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Developer, the Disclosure Representative of the District, the Disclosure Representative of the Developer or the Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

**14. Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement.

**15. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Developer, the Dissemination Agent, the Participating Underwriter, the Trustee, and Beneficial Owners of the Series 2019A Bonds, and shall create no rights in any other person or entity.

**16. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**17. Governing Law.** This Disclosure Agreement shall be governed by the laws of the State of Florida and Federal law.

**18. Agent.** The Issuer and the Developer agree that the Dissemination Agent is a bona fide agent of the Issuer and the Developer and may receive from the Trustee, the Issuer or Developer directly or the Trustee may deliver to the Dissemination Agent at its request and at the expense of the Issuer or the Developer, as applicable, any information or reports it requests that the Issuer and the Developer have a right to request (inclusive of balances, payments, etc.), and in the case of the Trustee, is in the possession of and readily accessible to the Trustee.

[SIGNATURE PAGES TO FOLLOW]

**SIGNATURE PAGE FOR  
CONTINUING DISCLOSURE AGREEMENT  
(THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT  
SERIES 2019A BONDS)**

**IN WITNESS WHEREOF**, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

**THREE RIVERS COMMUNITY  
DEVELOPMENT DISTRICT**

ATTEST:

\_\_\_\_\_  
James Oliver  
Assistant Secretary

By: \_\_\_\_\_  
Liam O'Reilly  
Chairman, Board of Supervisors

**SIGNATURE PAGE FOR  
CONTINUING DISCLOSURE AGREEMENT  
(THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT  
SERIES 2019A BONDS)**

**IN WITNESS WHEREOF**, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

**THREE RIVERS DEVELOPERS, LLC**, a  
Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SIGNATURE PAGE FOR  
CONTINUING DISCLOSURE AGREEMENT  
(THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT  
SERIES 2019A BONDS)**

**IN WITNESS WHEREOF**, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

**U.S. BANK NATIONAL ASSOCIATION,**  
as Trustee, solely for purposes of  
acknowledging Sections 13, 15 and 18 hereof.

By: \_\_\_\_\_  
Name: Stacey L. Johnson  
Title: Vice President

**SIGNATURE PAGE FOR  
CONTINUING DISCLOSURE AGREEMENT  
(THREE RIVERS COMMUNITY DEVELOPMENT DISTRICT  
SERIES 2019A BONDS)**

**IN WITNESS WHEREOF**, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

**GOVERNMENTAL MANAGEMENT  
SERVICES, LLC**, as Dissemination Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**  
**NOTICE TO REPOSITORIES**  
**OF FAILURE TO FILE ANNUAL REPORT/DEVELOPER REPORT**

Name of District: Three Rivers Community Development District

Name of Bond Issue: \$16,170,000 Three Rivers Community Development District  
Special Assessment Bonds, Series 2019A-1

\$1,575,000 Three Rivers Community Development District  
Special Assessment Bonds, Series 2019A-2

Name of Obligated Person: Three Rivers Community Development District  
Three Rivers Developers, LLC

Date of Issuance: September 30, 2019

NOTICE IS HEREBY GIVEN that [the District][ Three Rivers Developers, LLC (the "Developer")] has not provided a(n) [Annual Report][Quarterly Report] with respect to the above-named Series 2019A Bonds as required by [Section 4][Section 6] of the Continuing Disclosure Agreement dated September 30, 2019, among the District, the Developer, the Dissemination Agent and the Trustee named therein for the [Fiscal Year ending September 30, 20\_\_][quarter ending \_\_\_\_\_, 20\_\_]. The District has advised the undersigned that it anticipates that the [Annual Report][Quarterly Report] will be filed by \_\_\_\_\_, 20\_\_\_\_.

Dated: \_\_\_\_\_, 20\_\_\_\_

**[DISSEMINATION AGENT]**

cc: Three Rivers Community Development District  
Three Rivers Developers, LLC

[THIS PAGE INTENTIONALLY LEFT BLANK]





