

*In the opinion of Bond Counsel, assuming compliance by the District with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2019C Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2019C Bonds.*

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT**  
**(St. Johns and Duval County, Florida)**  
**\$15,865,000 Special Assessment Refunding Bonds, Series 2019C**

**Dated:** Date of original issuance

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

The \$15,865,000 Tolomato Community Development District Special Assessment Refunding Bonds, Series 2019C (the "Series 2019C Bonds"), are being issued by the Tolomato Community Development District (the "District") pursuant to a Master Trust Indenture dated as of February 1, 2006 (the "Master Indenture"), from the District to U.S. Bank National Association, as trustee (the "Trustee"), as amended and supplemented from time to time, and particularly as supplemented by an Eleventh Supplemental Trust Indenture dated as of June 1, 2019, from the District to the Trustee (the "Eleventh Supplemental Indenture" and together with the Master Indenture, the "Indenture").

The Series 2019C Bonds are being issued only in fully registered form, in denominations of \$5,000 and integral multiples thereof; provided, however, that delivery of the Series 2019C Bonds to the initial purchasers thereof shall be in denominations of \$100,000 or integral multiples of \$5,000 in excess of \$100,000. The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, any successor statute thereto, the Florida Constitution, and other applicable provisions of law (collectively, the "Act") and established by Rule 42SS-1, Florida Administrative Code adopted by the Florida Land and Water Adjudicatory Commission effective July 29, 2004, as amended (the "Rule"). The Series 2019C Bonds are payable from and secured by the Pledged Revenues, which consist primarily of the revenues derived by the District from non-ad valorem special assessments levied against certain lands within Nocatee (the "Development"). See "SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2019C BONDS" herein.

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

The Series 2019C 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 2019C Bonds are being issued, together with other legally available moneys, to (i) currently refund and redeem a portion of the District's Outstanding Special Assessment Refunding Bonds, Series 2012A-3 (the "Refunded Bonds"), (ii) make a deposit to the 2019C Acquisition and Construction Account to fund assessable improvements (as more fully described herein, the "2019 Project"), (iii) make a deposit into the 2019C Debt Service Reserve Account for the benefit of all of the Series 2019C Bonds, and (iv) pay the costs of issuance of the Series 2019C Bonds.

Simultaneously with the issuance of the Series 2019C Bonds, the District plans to issue its \$46,890,000 Special Assessment Refunding Bonds, Series 2019A-1 (Senior Lien) (the "Series 2019A-1 Bonds") and its \$14,010,000 Special Assessment Refunding Bonds, Series 2019A-2 (Subordinate Lien) (the "Series 2019A-2 Bonds") and together with the Series 2019A-1 Bonds, the "Series 2019A Bonds"), pursuant to the Master Indenture, as supplemented by a Ninth Supplemental Trust Indenture, dated as of June 1, 2019, from the District to the Trustee (the "Ninth Supplemental Indenture"), which Series 2019A Bonds will be issued, together with other legally available moneys, to (i) refund and redeem all of the District's Outstanding Special Assessment Bonds, Series 2006, (ii) make a deposit to the 2019A Acquisition and Construction Account to fund a portion of the costs of the 2019 Project, (iii) make a deposit into the 2019A-1 Debt Service Reserve Account solely for the benefit of the Series 2019A-1 Bonds and make a deposit into the 2019A-2 Debt Service Reserve Account for the benefit of all of the Series 2019A Bonds subject to the priority of lien of the Series 2019A-1 Bonds thereon, and (iv) pay the costs of issuance of the Series 2019A Bonds, including the premium for a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. guaranteeing the scheduled payment of principal of and interest on the Series 2019A-1 Bonds and the premium for a reserve bond surety to be deposited to the 2019A-1 Debt Service Reserve Account in partial satisfaction of the 2019A-1 Reserve Account Requirement. In addition, simultaneously with the issuance of the Series 2019C Bonds, the District plans to issue its \$24,360,000 Special Assessment Refunding Bonds, Series 2019B (the "Series 2019B Bonds") and collectively with the Series 2019C Bonds and the Series 2019A Bonds, the "Series 2019 Bonds"), pursuant to the Master Indenture, as supplemented by a Tenth Supplemental Trust Indenture, dated as of June 1, 2019, from the District to the Trustee (the "Tenth Supplemental Indenture"), which Series 2019B Bonds will be issued, together with other legally available moneys, to (i) refund and redeem all of the District's Outstanding Special Assessment Bonds, Series 2007-1, all of the District's Outstanding Special Assessment Bonds, Series 2007A-1 and the portion of the District's Outstanding Special Assessment Refunding Bonds, Series 2012A-3 not refunded with the proceeds of the Series 2019C Bonds, (ii) make a deposit to the 2019B Acquisition and Construction Account to fund a portion of the costs of the 2019 Project, (iii) make a deposit into the 2019B Debt Service Reserve Account for the benefit of all of the Series 2019B Bonds, and (iv) pay the costs of issuance of the Series 2019B Bonds, including the premium for a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. guaranteeing the scheduled payment of principal of and interest on the Series 2019B Bonds and the premium for a reserve bond surety to be deposited to the 2019B Debt Service Reserve Account in partial satisfaction of the 2019B Reserve Account Requirement. The Series 2019A Bonds and the Series 2019B Bonds will not be secured by the Pledged Revenues and the Series 2019C Bonds will not be secured by the pledged revenues securing the Series 2019A Bonds or the Series 2019B Bonds under the Ninth Supplemental Indenture or Tenth Supplemental Indenture, respectively.

THE SERIES 2019C BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE PLEDGED REVENUES (AS DESCRIBED HEREIN) PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, ST. JOHNS COUNTY, FLORIDA, DUVAL COUNTY, FLORIDA, THE STATE OF FLORIDA (THE "STATE"), OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2019C BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION 2019C SPECIAL ASSESSMENTS (AS DEFINED HEREIN) TO SECURE AND PAY THE SERIES 2019C BONDS. THE SERIES 2019C BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, ST. JOHNS COUNTY, FLORIDA, DUVAL COUNTY, FLORIDA, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

THE SERIES 2019C BONDS INVOLVE A DEGREE OF RISK (SEE "BONDOWNERS' RISKS" HEREIN) AND ARE NOT SUITABLE FOR ALL INVESTORS (SEE "SUITABILITY FOR INVESTMENT" HEREIN). THE UNDERWRITER IS LIMITING THE OFFERING OF THE SERIES 2019C BONDS TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES; HOWEVER, THE LIMITATION OF THE INITIAL OFFERING OF SERIES 2019C BONDS TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2019C BONDS. THE SERIES 2019C BONDS ARE NOT CREDIT ENHANCED AND ARE NOT RATED AND NO APPLICATION HAS BEEN MADE FOR A RATING WITH RESPECT TO THE SERIES 2019C BONDS, NOR IS THERE ANY REASON TO BELIEVE THAT THE DISTRICT WOULD HAVE BEEN SUCCESSFUL IN OBTAINING A RATING FOR THE SERIES 2019C BONDS HAD APPLICATION BEEN MADE.

This cover page contains information for quick reference only. It is not, and is not intended to be, a summary of the Series 2019C Bonds. Investors must read the entire Limited Offering Memorandum, including the appendices attached hereto, to obtain information essential to the making of an informed investment decision.

*The Series 2019C Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer with notice and the receipt of the opinion of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, as to the validity of the Series 2019C Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams P.A., Tallahassee, Florida, for the Trustee by its counsel, Greenberg Traurig, P.A., Orlando, Florida and for the Underwriter by its counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida. It is expected that the Series 2019C Bonds will be available for delivery through The Depository Trust Company in New York, New York on or about June 28, 2019.*

**MBS Capital Markets, LLC**

Dated: June 21, 2019

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

\$2,685,000 3.450% Term Series 2019C Bonds Due May 1, 2024 Yield 3.450% Price 100.000 CUSIP No. 889560 DV7\*  
\$3,210,000 3.750% Term Series 2019C Bonds Due May 1, 2029 Yield 3.750% Price 100.000 CUSIP No. 889560 DW5\*  
\$9,970,000 4.400% Term Series 2019C Bonds Due May 1, 2040 Yield 4.400% Price 100.000 CUSIP No. 889560 DX3\*

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

## **TOLOMATO COMMUNITY DEVELOPMENT DISTRICT**

### **BOARD OF SUPERVISORS**

Richard T. Ray\*, Chairman  
William Fitzgerald, Vice Chairman  
Cherya Cavanaugh, Assistant Secretary  
Ron Howland, Assistant Secretary  
Jon Morris, Assistant Secretary

### **DISTRICT MANAGER/ASSESSMENT CONSULTANT**

Governmental Management Services, LLC  
St. Augustine, Florida

### **DISTRICT COUNSEL**

Hopping Green & Sams P.A.  
Tallahassee, Florida

### **DISTRICT ENGINEER**

England, Thims & Miller  
Jacksonville, Florida

### **BOND COUNSEL**

Bryant Miller Olive, P.A.  
Orlando, Florida

### **UNDERWRITER'S COUNSEL**

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

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\* Affiliate or employee of the Master Developer.

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## **REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM**

No dealer, broker, salesman or other person has been authorized by the District, the State of Florida or the Underwriter to give any information or to make any representations other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2019C Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District, the District Manager, the District Engineer, the Assessment Consultant and other sources that are believed by the Underwriter to be reliable. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The District, the District Manager, the District Engineer and the Assessment Consultant will all, at closing, deliver certificates certifying that certain of the information each supplied does not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change with respect to the matters described herein since the date hereof.

In connection with this offering, the Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the Series 2019C 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 2019C Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth in such acts. The registration, qualification or exemption of the Series 2019C Bonds in accordance with the applicable securities law provisions of any jurisdictions wherein these securities have been or will be registered, qualified or exempted should not be regarded as a recommendation thereof. Neither the District, St. Johns County, Florida, Duval County, Florida, the State of Florida, nor any of its subdivisions or agencies have guaranteed or passed upon the merits of the Series 2019C Bonds, upon the probability of any earnings thereon or upon the accuracy or adequacy of this Limited Offering Memorandum.

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget" or other similar words. The achievement of certain results

or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when any of its expectations or events, conditions or circumstances on which such statements are based occur, other than as described under "CONTINUING DISCLOSURE" herein.

The order and placement of materials in this Limited Offering Memorandum, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Limited Offering Memorandum, including the appendices, must be considered in its entirety. The captions and headings in this Limited Offering Memorandum are for convenience of reference only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Limited Offering Memorandum.

This Limited Offering Memorandum is being provided to prospective purchasers either in bound printed form ("Original Bound Format") or in electronic format on the following websites: [www.munios.com](http://www.munios.com) and [www.emma.msrb.org](http://www.emma.msrb.org). 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 websites.

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

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APPENDIX D	Form of Opinion of Bond Counsel
APPENDIX E	Form of Continuing Disclosure Agreement
APPENDIX F	Audited General Purpose Financial Statements of the District for Fiscal Year Ended September 30, 2018

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**LIMITED OFFERING MEMORANDUM**  
**relating to**

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT**  
**(St. Johns and Duval County, Florida)**

**\$15,865,000 Special Assessment Refunding Bonds, Series 2019C**

**INTRODUCTION**

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information concerning the Tolomato Community Development District (the "District") in connection with the offering and issuance by the District of its Special Assessment Refunding Bonds, Series 2019C (the "Series 2019C Bonds").

The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, any successor statute thereto, the Florida Constitution, and other applicable provisions of law (collectively, the "Act") and established by Rule 42SS-1, Florida Administrative Code, adopted by the Florida Land and Water Adjudicatory Commission ("FLWAC") effective July 29, 2004, as amended on March 2, 2010. Rule 42SS-1 was further amended on July 17, 2013 and June 11, 2018 (the "Boundary Amendments") to expand the boundaries of the District to include an additional approximately 11 acres and an additional approximately 80 acres, respectively, all located entirely within St. Johns County (as so amended, the "Rule"). See "THE DISTRICT" herein.

The Series 2019C Bonds are being issued pursuant to the Act and a Master Trust Indenture dated as of February 1, 2006 (the "Master Indenture"), from the District to U.S. Bank National Association, as trustee (the "Trustee"), as amended and supplemented from time to time, and particularly as supplemented by an Eleventh Supplemental Trust Indenture dated as of June 1, 2019, from the District to the Trustee (the "Eleventh Supplemental Indenture" and together with the Master Indenture, the "Indenture") and resolutions adopted by the Board of Supervisors of the District on October 21, 2004 and June 11, 2019, authorizing the issuance of the Series 2019C Bonds. All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the Indenture which appears in APPENDIX C attached hereto.

The District was established for the purposes, among other things, of financing and managing the planning, acquisition, construction, maintenance and operation of the infrastructure necessary for community development in Nocatee (the "Development"). For a complete discussion of the Development, see "THE DEVELOPMENT" and "SERIES 2019C ASSESSMENT AREA" herein. The Act authorizes the District to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, equipping, operating and maintaining water management, water supply, sewer and wastewater management, bridges or culverts, district roads, recreational facilities and other basic infrastructure projects within or without the boundaries of the District, all as provided in the Act.

Under the Constitution and laws of the State of Florida (the "State"), including the Act, the District has the power and authority to levy non-ad valorem assessments upon District Lands (hereinafter defined) and to issue the Series 2019C Bonds for the purposes of providing community development services and facilities, including those financed or refinanced with the proceeds of the Refunded Bonds (hereinafter defined) and a portion of the Series 2019C Bonds as described herein.

Consistent with the requirements of the Indenture and the Rule, the Series 2019C Bonds are being issued, together with other legally available moneys, for the primary purposes of (i) currently refunding and redeeming a portion of the District's Outstanding Special Assessment Refunding Bonds, Series 2012A-3 (the "Refunded Bonds"), (ii) making a deposit to the 2019C Acquisition and Construction Account to fund assessable improvements (as more fully described herein, the "2019 Project"), (iii) making a deposit into the 2019C Debt Service Reserve Account for the benefit of all of the Series 2019C Bonds, and (iv) paying the costs of issuance of the Series 2019C Bonds.

Proceeds of the Refunded Bonds were used to finance the acquisition and construction of certain infrastructure improvements, including transportation and recreation improvements, for the special benefit of the lands within the District (the "District Lands"). The District Lands encompass approximately 13,468 acres located in the southeastern corner of Duval County, Florida ("Duval County") and the northeastern corner of St. Johns County, Florida ("St. Johns County" and together with Duval County, each a "County" and collectively the "Counties") and are collectively approved to include 10,079 single-family units, 4,121 multi-family units, 710 hotel rooms, 720 assisted living units, 250,000 square feet of light industrial use, 4,208,000 square feet of office use, 1,000,000 square feet of retail, and a 54-hole golf course. For more complete information about the District, its Governing Body, and the District Manager, see "THE DISTRICT" herein.

The Series 2019C Bonds are payable from and secured by the Pledged Revenues, which is defined in the Eleventh Supplemental Indenture as (a) all revenues received by the District from 2019C Special Assessments levied and collected on the District Lands benefitted by the 2012A-3 Project (hereinafter defined) and the 2019 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such 2019C Special Assessments or from the issuance and sale of tax certificates with respect to such 2019C Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues shall not include (i) revenues received by the District from other special assessments levied and collected on District Lands with respect to any future Series of Bonds, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such other special assessments or from the issuance and sale of tax certificates with respect to such other special assessments, (ii) any moneys transferred to the 2019C Rebate Fund, or investment earnings thereon, and (iii) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (i), (ii) and (iii) of this proviso).

"2019C Special Assessments" is defined in the Eleventh Supplemental Indenture as the Special Assessments originally levied against District Lands that are subject to assessment as a result of the refinancing of the 2012A-3 Project and the financing of the 2019 Project, pursuant to Section 190.022, Florida Statutes, and the Assessment Resolutions.

"Special Assessments" is defined in the Master Indenture as (a) the net proceeds derived from the levy and collection of "special assessments," as provided for in Sections 190.011(14) and 190.022 of the Act (except for any such special assessments levied and collected for maintenance purposes), against the lands located within the District that are subject to assessment as a result of a particular Project or any portion thereof, and (b) the net proceeds derived from the levy and collection of "benefit special assessments," as provided for in Section 190.021(2) of the Act, against the 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" does not include "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act.

The 2019C Special Assessments represent an allocation of a portion of the costs of the 2012A-3 Project and the 2019 Project, including bond financing costs, to the Series 2019C Assessment Area (hereinafter defined) in accordance with the Methodology Report (hereinafter defined). The Methodology Report and assessment resolutions with respect to the Series 2019C Bonds (the "2019C Assessment Proceedings") do not require any prepayment of the 2019C Special Assessments prior to the due date therefor. However, the 2019C Assessment Proceedings do permit the prepayment in part or in full of the 2019C Special Assessments at any time without penalty. See "SERIES 2019C ASSESSMENT AREA" herein.

Simultaneously with the issuance of the Series 2019C Bonds, the District plans to issue its \$46,890,000 Special Assessment Refunding Bonds, Series 2019A-1 (Senior Lien) (the "Series 2019A-1 Bonds") and its \$14,010,000 Special Assessment Refunding Bonds, Series 2019A-2 (Subordinate Lien) (the "Series 2019A-2 Bonds" and together with the Series 2019A-1 Bonds, the "Series 2019A Bonds"), pursuant to the Master Indenture, as supplemented by a Ninth Supplemental Trust Indenture, dated as of June 1, 2019, from the District to the Trustee (the "Ninth Supplemental Indenture"), which Series 2019A Bonds will be issued, together with other legally available moneys, to (i) refund and redeem all of the District's Outstanding Special Assessment Bonds, Series 2006, (ii) make a deposit to the 2019A Acquisition and Construction Account to fund a portion of the costs of the 2019 Project, (iii) make a deposit into the 2019A-1 Debt Service Reserve Account solely for the benefit of the Series 2019A-1 Bonds and make a deposit into the 2019A-2 Debt Service Reserve Account for the benefit of all of the Series 2019A Bonds subject to the priority of lien of the Series 2019A-1 Bonds thereon, and (iv) pay the costs of issuance of the Series

2019A Bonds, including the premium for a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. guaranteeing the scheduled payment of principal of and interest on the Series 2019A-1 Bonds and the premium for a reserve bond surety to be deposited to the 2019A-1 Debt Service Reserve Account in partial satisfaction of the 2019A-1 Reserve Account Requirement. In addition, simultaneously with the issuance of the Series 2019C Bonds, the District plans to issue its \$24,360,000 Special Assessment Refunding Bonds, Series 2019B (the "Series 2019B Bonds" and collectively with the Series 2019C Bonds and the Series 2019A Bonds, the "Series 2019 Bonds"), pursuant to the Master Indenture, as supplemented by a Tenth Supplemental Trust Indenture, dated as of June 1, 2019, from the District to the Trustee (the "Tenth Supplemental Indenture"), which Series 2019B Bonds will be issued, together with other legally available moneys, to (i) refund and redeem all of the District's Outstanding Special Assessment Bonds, Series 2007-1, all of the District's Outstanding Special Assessment Refunding Bonds, Series 2012A-3 not refunded with the proceeds of the Series 2019C Bonds, (ii) make a deposit to the 2019B Acquisition and Construction Account to fund a portion of the costs of the 2019 Project, (iii) make a deposit into the 2019B Debt Service Reserve Account for the benefit of all of the Series 2019B Bonds, and (iv) pay the costs of issuance of the Series 2019B Bonds, including the premium for a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. guaranteeing the scheduled payment of principal of and interest on the Series 2019B Bonds and the premium for a reserve bond surety to be deposited to the 2019B Debt Service Reserve Account in partial satisfaction of the 2019B Reserve Account Requirement. The Series 2019A Bonds and the Series 2019B Bonds will not be secured by the Pledged Revenues and the Series 2019C Bonds will not be secured by the pledged revenues securing the Series 2019A Bonds or the Series 2019B Bonds under the Ninth Supplemental Indenture or Tenth Supplemental Indenture, respectively.

Subsequent to the issuance of the Series 2019C Bonds, the District may cause one or more Series of Bonds to be issued pursuant to the Indenture, subject to the terms and conditions thereof. Bonds may be issued for the purpose of financing the Cost of acquisition or construction of a Project, to refund all or a portion of a Series of Bonds or for the completion of a Project. The Eleventh Supplemental Indenture provides that the Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2019C Bonds except for Bonds issued to refund a portion of the Series 2019C Bonds and as otherwise permitted under the Master Indenture. See "SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2019C BONDS" herein.

There follows in this Limited Offering Memorandum a brief description of the District, the Development and the 2019 Project, together with summaries of the terms of the Series 2019C Bonds, the Indenture, and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents and all references to the Series 2019C Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture, the forms of which appear as APPENDIX C attached hereto.

## **SUITABILITY FOR INVESTMENT**

Investment in the Series 2019C Bonds poses certain economic risks. No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum. Additional information will be made available to each prospective investor, including the benefit of a site visit to the District, and the opportunity to ask questions of the District, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Series 2019C Bonds. Prospective investors are encouraged to request such additional information, visit the District and ask such questions.

While the Series 2019C Bonds are not subject to registration under the Securities Act of 1933, as amended (the "Securities Act"), the Underwriter has determined that the Series 2019C Bonds are not suitable for investment by persons other than, and, as required by Chapter 189, Florida Statutes, will offer the Series 2019C Bonds only to, "accredited investors" as defined in Chapter 517, Florida Statutes, and the rules promulgated thereunder. However, the limitation of the initial offering to accredited investors does not denote restrictions on transfer in any secondary market for the Series 2019C Bonds. Prospective investors in the Series 2019C 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 2019C Bonds and should have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

## **REFUNDING PLAN**

A portion of the proceeds of the Series 2019C Bonds, together with other available moneys, are being used for the purpose of currently refunding the Refunded Bonds. The Refunded Bonds will be redeemed on or about July 22, 2019 (the "Redemption Date") at a Redemption Price equal to the principal amount plus prepayment premium, if any, and accrued interest to the date of redemption, which amount will be determined at or prior to the time of pricing. The portion of the proceeds of the Series 2019C Bonds used to refund a portion of the Outstanding Series 2012A-3 Bonds will be irrevocably placed in the 2012A-3 General Account of the 2012A-3 Bond Redemption Fund established pursuant to that certain Fourth Supplemental Trust Indenture, dated as of August 1, 2012, from the District to the Trustee (the "Fourth Supplemental Indenture" and together with the Master Indenture, the "2012A-3 Indenture") and held uninvested in cash in an amount sufficient to pay the principal of, prepayment price and accrued interest on such portion of the Outstanding Series 2012A-3 Bonds on the Redemption Date. The remaining portion of the Outstanding Series 2012A-3 Bonds are anticipated to be refunded with proceeds of the Series 2019B Bonds.

Upon the deposit of such cash, the Refunded Bonds shall no longer be deemed Outstanding for purposes of the 2012A-3 Indenture applicable to their issuance, the resolutions and other documents authorizing their issuance, and all liability of the District with respect thereto shall cease, terminate and be completely discharged and extinguished, and the holders thereof shall be entitled to payment solely out of the moneys and securities on deposit pursuant to the Fourth Supplemental Indenture.

## **VERIFICATION**

As of the delivery date of the Series 2019C Bonds, Causey, Demgen & Moore P.C., certified public accountants (the "Verification Agent"), will verify, from information provided to them, the mathematical accuracy of the computations contained in schedules provided by MBS Capital Markets, LLC, to determine that the cash deposit to be held in the 2012A-3 General Account of the 2012A-3 Bond Redemption Fund will be sufficient to pay, when due, the principal of, prepayment price and interest on the Refunded Bonds.

## **PRIOR AND OUTSTANDING INDEBTEDNESS AND DEFAULT HISTORY**

### **Series 2006 Bonds**

On February 16, 2006, the District issued, sold and delivered its \$91,020,000 Tolomato Community Development District Special Assessment Bonds, Series 2006 (the "Series 2006 Bonds"), pursuant to the Master Indenture, as supplemented by the First Supplemental Trust Indenture, dated as of February 1, 2006, from the District to the Trustee, which were issued for the primary purpose of financing the acquisition and construction of certain infrastructure improvements, including transportation and recreation improvements, within the District. The Series 2006 Bonds are currently Outstanding in the aggregate principal amount of \$53,215,000 and are anticipated to be refunded with the proceeds of the Series 2019A Bonds.

### **Series 2007 Bonds, Summary of 2012 Restructuring and Series 2012 Bonds**

On May 14, 2007, Split Pine (hereinafter defined) issued, sold and delivered its \$32,885,000 Split Pine Community Development District Special Assessment Bonds, Series 2007A, pursuant to a Master Trust Indenture dated as of May 1, 2007, as amended (the "SP Master Indenture") from Split Pine to the Trustee, as supplemented by a First Supplemental Trust Indenture dated as of May 1, 2007, as amended (the "SP First Supplemental Indenture" and together with the SP Master Indenture, the "SP 2007A Indenture") from Split Pine to the Trustee. Following the Merger (hereinafter defined), these bonds were re-designated as the Tolomato Community Development District (successor by merger to Split Pine Community Development District) Special Assessment Bonds, Series 2007A (as re-designated, the "Series 2007A Bonds"). For more complete information regarding Split Pine and the Merger, see "THE DISTRICT" herein.

The District applied the proceeds of the Series 2007A Bonds to (i) the payment of costs of certain master infrastructure improvements (as more particularly described in Schedule I to the SP First Supplemental Indenture, the "Series 2007A Project"), (ii) the payment of interest on the Series 2007A Bonds through November 1, 2009, (iii) the funding of the Series 2007A Debt Service Reserve Account (as defined in the SP First Supplemental Indenture), and (iv) the payment of the costs of issuance of the Series 2007A Bonds. The Series 2007A Bonds as originally issued were secured by a pledge of the Pledged Revenues (as defined in the SP First Supplemental Indenture), which Pledged Revenues include the Series 2007A Special Assessments (as defined in the SP First Supplemental Indenture). The Series 2007A Special Assessments were imposed, levied and collected by the District with respect to property specially benefited by the Series 2007A Project.



On October 19, 2007, the District issued, sold and delivered its \$167,185,000 Tolomato Community Development District Special Assessment Bonds, Series 2007 (the "Series 2007 Bonds" and together with the Series 2007A Bonds, the "Prior Bonds") pursuant to the Master Indenture, as supplemented by a Second Supplemental Trust Indenture dated as of October 1, 2007, as amended (the "Second Supplemental Indenture" and together with the Master Indenture, the "Tolomato 2007 Indenture" and collectively with the SP 2007A Indenture, the "Prior Bonds Indentures").

The District applied the proceeds of the Series 2007 Bonds to (i) the payment of costs of certain master infrastructure improvements (as more particularly described in Schedule I to the Second Supplemental Indenture, the "Series 2007 Project"), (ii) the payment of interest on the Series 2007 Bonds through November 1, 2010, (iii) the funding of the Series 2007 Debt Service Reserve Account (as defined in the Second Supplemental Indenture), and (iv) the payment of the costs of issuance of the Series 2007 Bonds. The Series 2007 Bonds as originally issued were secured by a pledge of the Pledged Revenues (as defined in the Second Supplemental Indenture), which Pledged Revenues include the Series 2007 Special Assessments (as defined in the Second Supplemental Indenture, and together with the Series 2007A Special Assessments, the "Original Assessments"). The Series 2007 Special Assessments were imposed, levied and collected by the District with respect to property specially benefited by the Series 2007 Project.

Due to nonpayment of certain Original Assessments by SONOC Company, LLC, a Delaware limited liability company, the master developer of the Development (the "Master Developer") and its affiliate, HyDry Company, LLC, a Delaware limited liability company (the "Developer"), the District was unable to collect sufficient funds to make the May 1, 2011 debt service payments on the Prior Bonds and, as a result, the District utilized debt service reserve funds in the amounts of \$5,118,728.12 from the Series 2007 Debt Service Reserve Account and \$788,819.35 from the Series 2007A Debt Service Reserve Account to make such debt service payments. Subsequently, the District was unable to collect sufficient funds to make the November 1, 2011 debt service payments on the Prior Bonds. As a result, the District utilized debt service reserve funds in the amount of \$4,958,767.00 from the Series 2007 Debt Service Reserve Account to make such debt service payment on the Series 2007 Bonds. At the direction of a majority of the Split Pine Bondholders (hereinafter defined), the District did not pay the November 1, 2011 debt service payment on the Series 2007A Bonds, as the Split Pine Bondholders were, at that time, in negotiations with the Master Developer to restructure the Series 2007A Bonds (as more fully described below). Finally, the District was unable to collect sufficient funds to make the May 1, 2012 debt service payment on the Series 2007 Bonds and, because there were insufficient funds in the Series 2007 Debt Service Reserve Account to make such debt service payment, an event of default occurred.

As a result of the Master Developer and the Developer's failure to pay those certain Original Assessments (hereinafter, the "Delinquent Assessments") levied on lands owned by the Master Developer and the Developer (hereinafter, the "Delinquent Lands") when due, the District was authorized under the Act, Chapter 170, Florida Statutes, as amended, and other applicable provisions of law, to pursue certain remedial actions against the Delinquent Lands to recover such Delinquent Assessments for the benefit of the District and the Owners of the Prior Bonds, respectively. To the extent that a landowner within the District failed to pay all or a portion of the Original Assessments allocated to lands owned

by it and such Delinquent Assessments are not collected and enforced pursuant to the Uniform Method, the District is required by the Prior Bonds Indentures and the Act to take certain remedial actions, including foreclosure of the lien on property.

The Master Developer negotiated a restructuring of a portion of the Series 2007 Bonds (the "Tolomato Bond Restructuring") with the holders of the Series 2007 Bonds in order to avoid foreclosure and to accommodate the slower than anticipated development and sale of the lands in the Development encumbered by the Series 2007 Special Assessments and owned by the Master Developer and the Developer.

Similarly, the Master Developer negotiated a restructuring of a portion of the Series 2007A Bonds (the "Split Pine Bond Restructuring" and together with the Tolomato Bond Restructuring, the "2012 Restructuring") with the holders of the Series 2007A Bonds (individually, a "Split Pine Bondholder" and collectively, the "Split Pine Bondholders") in order to avoid foreclosure and to accommodate the slower than anticipated development and sale of the lands in the Development encumbered by the Series 2007A Special Assessments and owned by the Master Developer.

The District determined that the 2012 Restructuring was in the best interests of the District and to participate in the 2012 Restructuring and, in furtherance of the 2012 Restructuring and in consideration of certain covenants, warranties and agreements contained in (i) that certain Restructuring Agreement dated August 23, 2012, among the Developer, the Master Developer, the District and the Trustee, and (ii) that certain Agreement regarding Allocation and Future Assignment of Land Use and Development Rights and Duties dated August 23, 2012, by and among the Developer, the Master Developer and the Trustee, the District and the Trustee, acting on behalf of each of the Owners of 100% of the Outstanding Series 2007 Bonds and the Owners of 100% of the Outstanding Series 2007A Bonds, agreed, *inter alia*, to modify certain terms of the Series 2007 Bonds and the Series 2007A Bonds and to cause to be made certain modifications to the Original Assessments corresponding thereto.

In furtherance of the 2012 Restructuring, the District issued its \$36,035,000 Tolomato Community Development District Special Assessment Refunding Bonds, Series 2012A-1 (the "Series 2012A-1 Bonds"), \$9,472,634.50 Tolomato Community Development District Special Assessment Refunding Bonds, Series 2012A-2 (the "Series 2012A-2 Bonds"), \$19,579,917.50 Tolomato Community Development District Special Assessment Refunding Bonds, Series 2012A-3 (the "Series 2012A-3 Bonds"), and \$8,440,759.00 Tolomato Community Development District Special Assessment Refunding Bonds, Series 2012A-4 (the "Series 2012A-4 Bonds" and together with the Series 2012A-2 Bonds and Series 2012A-3 Bonds, the "Series 2012 CAB Bonds" and together with the Series 2012A-1 Bonds, the "Series 2012 Bonds"). The Series 2012A-1 Bonds were issued pursuant to the Master Indenture, as supplemented by a Third Supplemental Trust Indenture, dated as of August 1, 2012, from the District to the Trustee, as amended. The Series 2012 CAB Bonds were issued pursuant to the Master Indenture, as supplemented by the Fourth Supplemental Indenture, as amended. In connection with the 2012 Restructuring and pursuant to the Fourth Supplemental Indenture, certain moneys on deposit in the Funds and Accounts established for the Series 2007 Bonds and the Series 2007A Bonds were transferred to the Funds and Accounts established for the Series 2012 CAB Bonds, including moneys transferred to the 2012 CAB Acquisition and Construction Account to pay a portion of the

costs of certain assessable improvements (as more particularly described in the Fourth Supplemental Indenture, the "2012 CAB Project"). The portion of the 2012 CAB Project allocable to the Series 2012A-3 Bonds is herein referred to as the "2012A-3 Project").

The Series 2012A-1 Bonds were issued in exchange for \$32,940,000 aggregate principal amount of the then Outstanding Series 2007 Bonds and \$3,095,000 aggregate principal amount of the then Outstanding Series 2007A Bonds. The Series 2012A-1 Bonds were refunded by the Series 2018A Bonds (hereinafter defined). See "– Series 2018 Bonds" below.

The Series 2012 CAB Bonds were issued in exchange for \$31,430,000 aggregate principal amount of the then Outstanding Series 2007 Bonds and \$6,065,000 aggregate principal amount of the then Outstanding Series 2007A Bonds. The Series 2012A-2 Bonds were refunded by the Series 2018B Bonds (hereinafter defined). See "– Series 2018 Bonds" below. The Series 2012A-3 Bonds are currently outstanding in the aggregate principal amount of \$30,055,000. As previously noted, a portion of the Outstanding Series 2012A-3 Bonds will be refunded with proceeds from the Series 2019C Bonds, and the remaining portion of the Outstanding Series 2012A-3 Bonds are anticipated to be refunded with proceeds of the Series 2019B Bonds. See "REFUNDING PLAN" herein.

The Series 2012A-4 Bonds are currently outstanding in the aggregate principal amount of \$15,850,000. The Series 2012A-4 Bonds are anticipated to ultimately be secured by Special Assessments levied on a separate and distinct area from the area on which the 2019C Special Assessments are levied; provided, however, that until the 2019C Special Assessments allocated on the undeveloped developable acreage (approximately 178 acres) within the northern portion of the District are fully absorbed by parcels sold with specific entitlements and/or that receive county site plan approval, the 2019C Special Assessments levied on such undeveloped acreage will overlap with the Special Assessments securing the Series 2012A-4 Bonds levied on such undeveloped acreage. However, order of priority of debt assignment will be given to the Series 2019C Bonds before the Series 2012A-4 Bonds thereby resulting in assignment of 2019C Special Assessments to the next parcels sold with specific entitlements and/or that receive county site plan approval. See "SERIES 2019C ASSESSMENT AREA" herein.

Upon issuance of the Series 2012A-1 Bonds and the Series 2012 CAB Bonds in exchange for a portion of the Series 2007 Bonds and the Series 2007A Bonds as described above, \$100,515,000 aggregate principal amount of Series 2007 Bonds remained Outstanding (the "Unexchanged Series 2007 Bonds") and \$22,660,000 aggregate principal amount of Series 2007A Bonds remained Outstanding (the "Unexchanged Series 2007A Bonds").

The District and the Owners of all of the Outstanding Unexchanged Series 2007 Bonds determined it was in their respective best interests to divide the Trust Estate for the Outstanding Unexchanged Series 2007 Bonds into three separate and distinct trust estates (the "Trifurcation"). In furtherance of the Trifurcation, the following were executed and exchanged for the Outstanding Unexchanged Series 2007 Bonds: (i) \$2,545,000 Tolomato Community Development District Special Assessment Bonds, Series 2007-1 (the "Series 2007-1 Bonds"); (ii) \$77,555,000 Tolomato Community Development District Special Assessment Bonds, Series 2007-2 (the "Series 2007-2 Bonds"); and (iii) \$20,415,000

Tolomato Community Development District Special Assessment Bonds, Series 2007-3 (the "Series 2007-3 Bonds").

The Series 2007-1 Bonds are currently outstanding in the aggregate principal amount of \$1,485,000 and are anticipated to be refunded with proceeds of the Series 2019B Bonds. The Series 2007-2 Bonds were exchanged in 2015. See "– Summary of 2015 Restructuring and Series 2015 Bonds" below. The Series 2007-3 Bonds are currently outstanding in the aggregate principal amount of \$20,415,000. The Series 2007-3 Bonds are secured by Special Assessments levied on a separate and distinct area from the area on which the 2019C Special Assessments are levied.

The District and the Owners of all of the Outstanding Unexchanged Series 2007A Bonds determined that it was in their respective best interests to divide the Trust Estate for the Outstanding Unexchanged Series 2007A Bonds into two separate and distinct trust estates (the "Bifurcation"). In furtherance of the Bifurcation, the following were executed and exchanged for the Outstanding Unexchanged Series 2007A Bonds: (i) \$7,115,000 Tolomato Community Development District (successor by merger to Split Pine Community Development District) Special Assessment Bonds, Series 2007A-1 (the "Series 2007A-1 Bonds"); and (ii) \$15,545,000 Tolomato Community Development District (successor by merger to Split Pine Community Development District) Special Assessment Bonds, Series 2007A-2 (the "Series 2007A-2 Bonds").

The Series 2007A-1 Bonds are currently outstanding in the aggregate principal amount of \$3,170,000 and are anticipated to be refunded with proceeds of the Series 2019B Bonds. The Series 2007A-2 Bonds are currently outstanding in the aggregate principal amount of \$15,545,000. The Series 2007A-2 Bonds are secured by Special Assessments levied on a separate and distinct area from the area on which the 2019C Special Assessments are levied.

### **Summary of 2015 Restructuring and Series 2015 Bonds**

Subsequent to the 2012 Restructuring, the Master Developer failed to pay certain Special Assessments levied on lands securing the Series 2007-2 Bonds and, as a result, the Series 2007-2 Bonds were restructured (the "2015 Restructuring"). In furtherance of the 2015 Restructuring, the District issued its \$30,165,277 Tolomato Community Development District Special Assessment Refunding Bonds, Series 2015-1, \$15,248,334 Tolomato Community Development District Special Assessment Refunding Bonds, Series 2015-2, and \$32,140,000 Tolomato Community Development District Special Assessment Refunding Bonds, Series 2015-3 (collectively, the "Series 2015 Bonds").

The Series 2015 Bonds are currently outstanding in the aggregate principal amount of \$109,695,000. The Series 2015 Bonds are secured by Special Assessments levied on a separate and distinct area from the area on which the 2019C Special Assessments are levied.

### **Series 2018 Bonds**

On March 29, 2018, the District issued, sold and delivered its \$29,130,000 Tolomato Community Development District Special Assessment Refunding Bonds, Series 2018A-1

(Senior Lien) (the "Series 2018A-1 Bonds") and its \$8,095,000 Tolomato Community Development District Special Assessment Refunding Bonds, Series 2018A-2 (Subordinate Lien) (the "Series 2018A-2 Bonds" and together with the Series 2018A-1 Bonds, the "Series 2018A Bonds"), which were issued for the primary purpose of refunding all of the outstanding Series 2012A-1 Bonds. The Series 2018A-1 Bonds are currently outstanding in the aggregate principal amount of \$28,160,000 and the Series 2018A-2 Bonds are currently outstanding in the aggregate principal amount of \$7,895,000. The Series 2018A Bonds are secured by Special Assessments levied on a separate and distinct area from the area on which the 2019C Special Assessments are levied.

Simultaneously with the issuance of the Series 2018A Bonds, the District issued, sold and delivered its \$10,585,000 Tolomato Community Development District Special Assessment Refunding Bonds, Series 2018B-1 (Senior Lien) (the "Series 2018B-1 Bonds") and its \$4,230,000 Tolomato Community Development District Special Assessment Refunding Bonds, Series 2018B-2 (Subordinate Lien) (the "Series 2018B-2 Bonds" and together with the Series 2018B-1 Bonds, the "Series 2018B Bonds"), which were issued for the primary purpose of refunding all of the outstanding Series 2012A-2 Bonds. The Series 2018B-1 Bonds are currently outstanding in the aggregate principal amount of \$10,060,000 and the Series 2018B-2 Bonds are currently outstanding in the aggregate principal amount of \$4,110,000. The Series 2018B Bonds are secured by Special Assessments levied on a separate and distinct area from the area on which the 2019C Special Assessments are levied.

On July 26, 2018, the District issued, sold and delivered its \$1,930,000 Tolomato Community Development District Special Assessment Revenue Bonds, Series 2018 (Expansion Parcel Project) (the "Series 2018 Bonds"), which were issued for the primary purpose of financing the costs of certain recreation improvements. The Series 2018 Bonds are currently outstanding in the aggregate principal amount of \$1,900,000. The Series 2018 Bonds are secured by Special Assessments levied on a separate and distinct area from the area on which the 2019C Special Assessments are levied.

The Series 2007-3 Bonds, the Series 2007A-2 Bonds, the Series 2012A-4 Bonds, the Series 2015 Bonds, the Series 2018A Bonds, the Series 2018B Bonds and the Series 2018 Bonds are herein referred to collectively as the "Prior Outstanding Bonds."

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

### **General Description**

The Series 2019C Bonds are issuable as fully registered bonds, without coupons, in denominations of \$5,000 or any multiple thereof; provided, however, all initial purchasers must purchase at least \$100,000 of the Series 2019C Bonds and integral multiples of \$5,000 in excess thereof at the time of initial delivery of the Series 2019C Bonds.

The Series 2019C Bonds will be dated their date of issuance and delivery to the initial purchasers thereof and will bear interest payable on each May 1 and November 1, commencing November 1, 2019 (each, an "Interest Payment Date") and shall be computed on the basis of a 360-day year of twelve 30-day months. The Series 2019C Bonds will

mature on May 1 of such years, in such amounts and at such rates as set forth on the inside cover page of this Limited Offering Memorandum.

Interest on each Series 2019C Bond will be payable on each Interest Payment Date as heretofore described in any coin or currency of the United States of America which, at the date of payment thereof, is legal tender for the payment of public and private debts. Except as otherwise provided in the Indenture in connection with a book-entry only system of registration of the Series 2019C Bonds, interest on any Series 2019C 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 Series 2019C 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 Series 2019C 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 Series 2019C Bond is authenticated between a Record Date and the next succeeding Interest Payment Date, such Series 2019C Bond shall bear interest from such succeeding Interest Payment Date; provided further, however, that if at the time of authentication of any Series 2019C Bond interest thereon is in default, such Series 2019C Bond shall bear interest from the date to which interest has been paid. Any interest on any Series 2019C Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2019C 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 will cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2019C Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the 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 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.

The Series 2019C Bonds will initially be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), which will act initially as securities depository for the Series 2019C Bonds and, so long as the Series 2019C Bonds are held in book-entry only form, Cede & Co. will be considered the registered owner for all purposes hereof. See "Book-Entry Only System" below for more information about DTC and its book-entry only system.

## Redemption Provisions

Optional Redemption. The Series 2019C Bonds may, at the option of the District, be called for redemption prior to maturity in whole or in part at any time on or after May 1, 2029 (less than all Series 2019C Bonds to be selected by lot), at the Redemption Price of 100% of the principal amount of the Series 2019C Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the redemption date.

Mandatory Sinking Fund Redemption. The Series 2019C Bonds maturing on May 1, 2024 are subject to mandatory redemption in part by the District prior to their scheduled maturity from moneys in the 2019C Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year (May 1)</u>	<u>Sinking Fund Installment</u>	<u>Year (May 1)</u>	<u>Sinking Fund Installment</u>
2020	\$500,000	2023	\$555,000
2021	520,000	2024*	575,000
2022	535,000		
*Final Maturity			

The Series 2019C Bonds maturing on May 1, 2029 are subject to mandatory redemption in part by the District prior to their scheduled maturity from moneys in the 2019C Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year (May 1)</u>	<u>Sinking Fund Installment</u>	<u>Year (May 1)</u>	<u>Sinking Fund Installment</u>
2025	\$595,000	2028	\$665,000
2026	620,000	2029*	690,000
2027	640,000		
*Final Maturity			

The Series 2019C Bonds maturing on May 1, 2040 are subject to mandatory redemption in part by the District prior to their scheduled maturity from moneys in the 2019C Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
2030	\$720,000	2036	\$940,000
2031	755,000	2037	980,000
2032	785,000	2038	1,025,000
2033	820,000	2039	1,070,000
2034	860,000	2040*	1,120,000
2035	895,000		
*Final Maturity			

The above Sinking Fund Installments are subject to recalculation, as provided in the Master Indenture, as the result of certain purchases or the redemption of Series 2019C Bonds other than in accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of Series 2019C Bonds in substantially equal installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term thereof.

*Extraordinary Mandatory Redemption.* The Series 2019C Bonds are subject to extraordinary mandatory redemption prior to maturity by the District, in whole on any date, or in part on any Quarterly Redemption Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2019C Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from 2019C Prepayment Principal deposited into the 2019C Prepayment Account of the 2019C Bond Redemption Fund following the payment of 2019C Special Assessments in accordance with the Eleventh Supplemental Indenture;

(ii) from moneys, if any, on deposit in the 2019C Funds and Accounts (other than the 2019C Rebate Fund), sufficient to pay and redeem all Outstanding Series 2019C Bonds;

(iii) from amounts transferred from the 2019C Debt Service Reserve Account in accordance with the Eleventh Supplemental Indenture;

(iv) from proceeds received by the District from property damage or destruction insurance or from the condemnation of the 2012A-3 Project or the 2019 Project or any part thereof deposited to the 2019C Bond Redemption Fund in accordance with the Indenture; and

(v) following condemnation or the sale of any portion of the 2012A-3 Project or the 2019 Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the 2012A-3 Project or the 2019 Project to the Trustee by or on behalf of the District for deposit into the 2019C General Account of the 2019C Bond Redemption Fund in accordance with the manner it has credited such moneys toward extinguishment of 2019C Special Assessments which the District shall describe to the Trustee in writing.



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

### **Notice of Redemption**

When required to redeem or purchase Bonds of a Series under any provision of the Indenture or directed to do so by the District, the Trustee shall cause notice of the redemption, either in whole or in part, to be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses and also to any Credit Facility Issuer, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Bonds of such Series for which notice was duly mailed in accordance with the Master Indenture. Such notice shall be given in the name of the District, shall be dated, shall set forth the Bonds of such Series Outstanding which shall be called for redemption or purchase and shall include, without limitation, the following additional information:

- (a) the redemption or purchase date;
- (b) the redemption or purchase price;
- (c) CUSIP numbers, to the extent applicable, and any other distinctive numbers and letters;
- (d) if less than all Outstanding Bonds of a Series to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed or purchased;
- (e) that on the redemption or purchase date the redemption or purchase price will become due and payable upon surrender of each such Bond or portion thereof called for redemption or purchase, and that interest thereon shall cease to accrue from and after said date; and

(f) the place where such Bonds are to be surrendered for payment of the redemption or purchase price, which place of payment shall be a corporate trust office of the Trustee.

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

### **No Acceleration**

The Indenture does not permit the acceleration of the principal of the Series 2019C Bonds upon an Event of Default (as defined in the Indenture). See "SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2019C BONDS – Enforcement and Collection of 2019C Special Assessments" herein and "APPENDIX C – Copy of Master Indenture and Form of Eleventh Supplemental Indenture" attached hereto.

### **Book-Entry Only System**

The information in this caption concerning The Depository Trust Company, New York, New York, ("DTC") and DTC's book-entry system has been obtained from DTC and neither the District nor the Underwriter makes any representation or warranty or takes any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Series 2019C Bonds. The Series 2019C Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each Series of the Series 2019C Bonds and will be deposited with DTC. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S.

securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard and Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

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

To facilitate subsequent transfers, all Series 2019C Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019C 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 2019C Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019C Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

Redemption proceeds, distributions, and dividend payments on the Series 2019C Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent for the Series 2019C Bonds. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but 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 2019C 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 2019C BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM.

## **SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2019C BONDS**

### **General**

The Series 2019C Bonds are payable from and secured by the Pledged Revenues, which is defined in the Eleventh Supplemental Indenture as (a) all revenues received by the District from 2019C Special Assessments levied and collected on the District Lands

benefitted by the 2012A-3 Project and the 2019 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such 2019C Special Assessments or from the issuance and sale of tax certificates with respect to such 2019C Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues shall not include (i) revenues received by the District from other special assessments levied and collected on District Lands with respect to any future Series of Bonds, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such other special assessments or from the issuance and sale of tax certificates with respect to such other special assessments, (ii) any moneys transferred to the 2019C Rebate Fund, or investment earnings thereon, and (iii) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (i), (ii) and (iii) of this proviso).

The 2019C Special Assessments represent an allocation of a portion of the costs of the 2012A-3 Project and the 2019 Project, including bond financing costs, to the District Lands benefiting from the 2012A-3 Project and the 2019 Project in accordance with the Methodology Report, which report has been adopted by the District and attached hereto as APPENDIX B.

NEITHER THE SERIES 2019C 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 2019C BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2019C BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2019C BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2019C SPECIAL ASSESSMENTS AND THE PLEDGED REVENUES PLEDGED TO THE SERIES 2019C BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

### **No Parity Bonds**

In the Eleventh Supplemental Indenture, the District covenants and agrees that, so long as there are any Series 2019C Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Pledged Revenues. Except as set forth in the next succeeding sentence, the District further covenants and agrees that, so long as there are any Series 2019C Bonds Outstanding and it shall not incur additional indebtedness, whether in the form of bonds or otherwise, secured by Special Assessments levied upon the

same property that is subject to the 2019C Special Assessments without the consent of the Owners of a majority in aggregate principal amount of the Series 2019C Bonds at the time Outstanding. Notwithstanding the preceding sentence, the District: (i) may incur additional indebtedness payable from additional Special Assessments to be levied by the District for the purpose of effecting repairs to or replacements of property, facilities or equipment of the District; and (ii) may issue Refunding Bonds. WHILE NO FUTURE ADDITIONAL BONDS WILL BE PAYABLE FROM OR SECURED BY THE SPECIAL ASSESSMENTS PLEDGED AS SECURITY FOR THE SERIES 2019C BONDS, THE DISTRICT, ST. JOHNS COUNTY, DUVAL COUNTY, THE SCHOOL BOARD OF ST. JOHNS COUNTY, FLORIDA, THE SCHOOL BOARD OF DUVAL COUNTY, FLORIDA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF MAY IN THE FUTURE IMPOSE, LEVY AND COLLECT ASSESSMENTS AND TAXES THE LIENS OF WHICH WILL BE CO-EQUAL WITH THE LIEN OF ASSESSMENTS WHICH INCLUDES THE 2019C SPECIAL ASSESSMENTS SECURING THE SERIES 2019C BONDS. See "SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2019C BONDS – Enforcement and Collection of 2019C Special Assessments" herein.

## **Funds and Accounts**

The Indenture requires that the Trustee establish the following funds and accounts: within the Acquisition and Construction Fund, a "2019C Acquisition and Construction Account" and a "2019C Costs of Issuance Account;" within the Revenue Fund, a "2019C Revenue Account;" within the Debt Service Fund, a "2019C Principal Account," a "2019C Interest Account," and a "2019C Sinking Fund Account"; within the Debt Service Reserve Fund, a "2019C Debt Service Reserve Account"; and a "2019C Bond Redemption Fund" and therein a "2019C General Account," and a "2019C Prepayment Account."

### **2019C Debt Service Reserve Account**

The Eleventh Supplemental Indenture creates a 2019C Debt Service Reserve Account. The "2019C Reserve Account Requirement" is defined in the Eleventh Supplemental Indenture as an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirements for the Series 2019C Bonds as of the time of any such calculation and which as of the date of issuance is \$572,733.75; provided, that, the 2019C Reserve Account Requirement shall be satisfied one hundred percent (100%) by a cash deposit in accordance with the Eleventh Supplemental Indenture.

Amounts on deposit in the 2019C Debt Service Reserve Account shall be used, except as otherwise provided in the Eleventh Supplemental Indenture, only for the purpose of making payments into the 2019C Interest Account, the 2019C Principal Account or the 2019C Sinking Fund Account to pay Debt Service Requirements on the Series 2019C Bonds, when due, without distinction as to Series 2019C Bonds and without privilege or priority of one Series 2019C Bond over another, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose, except as specified in the Eleventh Supplemental Indenture.

Anything in the Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Interest Payment Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business Day preceding such forty-fifth (45th) day), the Trustee

is authorized and directed to recalculate the 2019C Reserve Account Requirement and to transfer any excess on deposit in the 2019C Debt Service Reserve Account (other than excess resulting from earnings on investments) into the 2019C Prepayment Account of the 2019C Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2019C Bonds.

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

### **2019C Bond Redemption Fund**

Except as otherwise provided in the Eleventh Supplemental Indenture, moneys to be deposited into the 2019C Bond Redemption Fund shall be deposited to the 2019C General Account. Moneys in the 2019C General Account of the 2019C Bond Redemption Fund (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the 2019C Rebate Fund, if any, as the District may direct in accordance with the Master Indenture and the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Master Indenture and the Arbitrage Certificate. Any moneys so transferred from the 2019C General Account of the 2019C Bond Redemption Fund to the 2019C Rebate Fund shall thereupon be free from the lien and pledge of the Indenture; and

SECOND, to be used to call for extraordinary mandatory redemption pursuant to the Indenture an amount of Series 2019C Bonds equal to the amount of money transferred to the 2019C General Account of the 2019C Bond Redemption Fund pursuant to the Indenture, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in the Indenture.

Moneys in the 2019C Prepayment Account of the 2019C Bond Redemption Fund (including all earnings on investments therein) shall be accumulated therein to be used to call for extraordinary mandatory redemption an amount of Series 2019C Bonds equal to the amount of money transferred to the 2019C Prepayment Account of the 2019C Bond Redemption Fund on the dates and at the prices provided in the Indenture.

### **2019C Revenue Account**

The Indenture directs the Trustee to deposit into the 2019C Revenue Account all 2019C Special Assessments (except for Prepayments of 2019C Special Assessments which shall be deposited into the 2019C Prepayment Account), including, without limitation, Delinquent Special Assessments.

(a) The Eleventh Supplemental Indenture provides that the Trustee shall transfer from amounts on deposit in the 2019C Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day preceding each May 1, to the 2019C Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2019C Bonds becoming due on the next succeeding May 1, less any amounts on deposit in the 2019C Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the 2019C Principal Account of the Debt Service Fund, an amount equal to the principal amount of Series 2019C Bonds Outstanding maturing on such May 1, if any, less any amounts on deposit in the 2019C Principal Account not previously credited;

THIRD, no later than the Business Day next preceding each May 1, commencing May 1, 2020, to the 2019C Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2019C Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the 2019C Sinking Fund Account not previously credited;

FOURTH, upon receipt but no later than the Business Day preceding each November 1, to the 2019C Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2019C Bonds becoming due on the next succeeding November 1, less any amounts on deposit in the 2019C Interest Account not previously credited;

FIFTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Series 2019C Bonds remain Outstanding, to the 2019C Debt Service Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the 2019C Reserve Account Requirement for the Series 2019C Bonds; and

SIXTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the 2019C Revenue Account, unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the 2019C Rebate Fund, in which case the District shall direct the Trustee to make such deposit thereto.

(b) On or after each November 2, the amounts on deposit in the 2019C Revenue Account shall be transferred to the District by the Trustee, at the written direction of the District, to be used for any lawful District purpose; provided, however, that on the date of such proposed transfer the amount on deposit in the 2019C Debt Service Reserve Account shall be equal to the 2019C Reserve Account Requirement; and provided further that the Trustee shall not have actual knowledge of an Event of Default under the Indenture relating to any of the Series 2019C Bonds, including the payment of Trustee's fees and expenses then due.

(c) Anything in the Indenture to the contrary notwithstanding, earnings on investments in all of the Funds and Accounts held as security for the Series 2019C Bonds,



except for earnings on investments in the 2019C Debt Service Reserve Account, shall be invested only in Series 2019 Investment Obligations, and further, earnings on the 2019C Interest Account shall be retained, as realized, in such Account and used for the purpose of such Account. Earnings on investments in the Funds and Accounts, other than the 2019C Debt Service Reserve Account and other than as set forth above, shall be deposited, as realized, to the credit of the 2019C Revenue Account and used for the purpose of such Account.

Earnings on investments in the 2019C Debt Service Reserve Account shall be disposed of as follows:

(i) if there was no deficiency in the 2019C Debt Service Reserve Account as of the most recent date on which amounts on deposit in such Debt Service Reserve Account were valued by the Trustee, and if no withdrawals have been made from such Debt Service Reserve Account since such date which have created a deficiency, then earnings on investments in the 2019C Debt Service Reserve Account shall be deposited into the 2019C Revenue Account and used for the purpose of such Account; and

(ii) if as of the last date on which amounts on deposit in the 2019C Debt Service Reserve Account were valued by the Trustee there was a deficiency or if after such date withdrawals have been made from the 2019C Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the 2019C Debt Service Reserve Account shall be deposited into the 2019C Debt Service Reserve Account until the amount on deposit therein is equal to the 2019C Reserve Account Requirement, and thereafter earnings in the 2019C Debt Service Reserve Account shall be deposited into the 2019C Revenue Account and used for the purpose of such Account.

### **2019C Acquisition and Construction Account**

The Eleventh Supplemental Indenture establishes a 2019C Acquisition and Construction Account within the Acquisition and Construction Fund. Amounts on deposit in the 2019C Acquisition and Construction Account shall be applied to pay the Cost of the 2019 Project or a portion thereof; provided, however, that if any amounts remain in the 2019C Acquisition and Construction Account after the Completion Date of the 2019 Project or portion thereof and if such amounts are not reserved for payment of any remaining part of the Cost of the 2019 Project, such amounts shall be transferred to the 2019C General Account of the 2019C Bond Redemption Fund for application to the redemption of the Series 2019C Bonds.

### **2019C Costs of Issuance Account**

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

## **Provisions Relating to Bankruptcy or Insolvency of Landowner**

The provisions of this section shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel representing ten percent (10%) or more of the 2019C Special Assessments (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding"). For as long as any Series 2019C Bonds remain Outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, the Series 2019C Bonds or the 2019C Special Assessments, the District shall be obligated to act in accordance with direction from the Trustee with regard to all matters directly or indirectly affecting the Series 2019C Bonds or for as long as any Series 2019C Bonds remain Outstanding, in any proceeding involving the District, any Insolvent Taxpayer, the Series 2019C Bonds or the 2019C Special Assessments or the Trustee. The District agrees in the Indenture that it shall not be a defense to a breach of the foregoing covenant that it has acted upon advice of counsel in not complying with this covenant.

The District acknowledges and agrees in the Indenture that, although the Series 2019C Bonds were issued by the District, the Owners of the Series 2019C Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer: (a) the District agrees that it shall 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 2019C Special Assessments, the Series 2019C Bonds or any rights of the Trustee under the Indenture; (b) the District agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the 2019C Special Assessments, the Series 2019C Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee; (c) the Trustee shall have the right, but is not obligated to, (i) vote in any such Proceeding any and all claims of the District, or (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the District, including without limitation, motions seeking relief from the automatic stay, dismissal of the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, and objections to disclosure statements, plans of liquidation or reorganization, and motions for use of cash collateral, seeking approval of sales or post-petition financing. If the Trustee chooses to exercise any such rights, the District shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute any claims, to propose and prosecute a plan, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the 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 the lands owned by any Insolvent Taxpayer submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to the Trustee's

enforcement of the District's claim and rights with respect to the 2019C 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 2019C 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 this section shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance assessments, and the District shall be free to pursue such a claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for operation and maintenance assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or directions with respect to the 2019C Special Assessments whether such claim is pursued by the District or the Trustee; provided, however, that the Issuer shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (c) of the paragraph above.

### **Enforcement and Collection of 2019C Special Assessments**

The primary sources of payment for the Series 2019C Bonds are the 2019C Special Assessments imposed on each landowner within the District which are specially benefited by the 2012A-3 Project and the 2019 Project. To the extent that landowners fail to pay such 2019C Special Assessments, delay payments, or are unable to pay such 2019C Special Assessments, the successful pursuit of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2019C Bonds. The Act provides for various methods of collection of delinquent taxes by reference to other provisions of the Florida Statutes. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein for a summary of special assessment payment and collection procedures appearing in the Florida Statutes.

Pursuant to the Indenture, 2019C Special Assessments levied on platted lots and pledged to secure the Series 2019C Bonds will be collected pursuant to the Uniform Method and the 2019C Special Assessments levied on unplatted land and pledged to secure the Series 2019C Bonds will be collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes and not pursuant to the Uniform Method. Notwithstanding the immediately preceding sentence or any other provision in the Indenture to the contrary, if the Trustee, acting at the direction of the Majority Owners, requests that the District not use the Uniform Method, but instead collect and enforce Delinquent Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the District shall collect and enforce said Delinquent Special Assessments that have not been paid in the manner and pursuant to the method so requested by the Trustee unless the District demonstrates to the Trustee that collection of any such Delinquent Special Assessments in the manner and pursuant to the method so requested by the Trustee is materially harmful to the District.

Any 2019C 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.

If any property shall be offered for sale for the nonpayment of any 2019C Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the 2019C Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the 2019C Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the Issuer and the Issuer shall receive in its corporate name or in the name of a special purpose entity title to the property for the benefit of the Owners of the Series 2019C Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners of the Series 2019C Bonds, but shall not be obligated, to direct the Issuer with respect to any action taken pursuant to this Section. The Issuer, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the 2019C Revenue Account. The Issuer, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the Series 2019C Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the Series 2019C Bonds.

The District covenants and agrees in the Indenture that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Special Assessments, the provisions for the foreclosure of liens of Delinquent Special Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, the Majority Owners, from time to time, of the Series 2019C Bonds.

The District further covenants and agrees in the Indenture to furnish, at its expense, no later than thirty (30) days after the due date of each installment of 2019C Special Assessments, a list of all Delinquent Special Assessments, together with a list of foreclosure actions currently in progress and the current status of such Delinquent Special Assessments, to any Owner of Series 2019C Bonds who requests the same.

If the owner of any lot or parcel of land assessed for the 2012A-3 Project or the 2019 Project shall be delinquent in the payment of any 2019C Special Assessment, then such 2019C 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 2019C 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 2019C Special Assessment the District shall, to the extent permitted by law, utilize any other method of enforcement as provided in the Master Indenture, including, without limitation, declaring the entire unpaid balance of such 2019C Special Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed, pursuant to the provisions of Section 170.10, Florida Statutes, in the same method now or hereafter

provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, Florida Statutes, and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law.

If the 2019C Special Assessments levied and collected under the Uniform Method 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 2019C Special Assessment, and no person or persons shall purchase the same for an amount at least equal to the full amount due on the 2019C Special Assessment (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the 2019C Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), and the District shall thereupon receive in its corporate name the title to the property for the benefit of the Registered Owners of the Series 2019C Bonds. The District, 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 2019C Revenue Account. Not less than ten (10) days prior to the filing of any foreclosure action or any sale of a tax deed as provided in the Indenture, the District shall cause written notice thereof to be mailed to the Registered Owners of the Series 2019C Bonds secured by the delinquent 2019C Special Assessments. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the District, it shall give written notice thereof to such Registered Owners. The District, either through its own actions, or actions caused to be done through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the 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 Series 2019C Bonds payable from 2019C Special Assessments assessed on such property.

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

### **Additional Covenants Regarding Assessments**

The District covenants in the Indenture to comply with the terms of the proceedings heretofore adopted with respect to the 2019C Special Assessments, including the Assessment Methodology (as defined in the Eleventh Supplemental Indenture), and to levy the 2019C Special Assessments, in accordance with such proceedings and in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2019C Bonds, when due. The Assessment Methodology shall not be amended in a manner that will or is likely to have a material adverse effect on the interests of the Owners of the Series 2019C Bonds without the written consent of the Owners of a majority in aggregate principal amount of the Series 2019C Bonds.

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

Section 10.02 of the Master Indenture is amended by the Eleventh Supplemental Indenture with respect to the Series 2019C Bonds by inserting at the conclusion thereof the following paragraph:

"(j) Any portion of the 2019C Special Assessments shall have become Delinquent Assessments and after realization of proceeds from the sale of tax certificates and tax deeds, the Indenture provides for the Trustee to withdraw funds from the 2019C Debt Service Reserve Account to pay Debt Service Requirements on the Series 2019C Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners, actually withdraw such funds from the 2019C Debt Service Reserve Account to pay Debt Service Requirements on the Series 2019C Bonds)."

## **Prepayment**

At any time any owner of property subject to the 2019C Special Assessments may, at its option, require the District to reduce or release and extinguish the lien upon its property by virtue of the levy of the 2019C Special Assessments by paying to the District all or a portion of the 2019C Special Assessment, which shall constitute 2019C Prepayment Principal, pursuant to the Assessment Methodology, plus accrued interest to the next succeeding Interest Payment Date (or the second succeeding Interest Payment Date if such prepayment is made within 45 calendar days before an Interest Payment Date), attributable to the property subject to the 2019C Special Assessment owned by such owner.

Upon receipt of 2019C Prepayment Principal as described in the preceding paragraph, subject to satisfaction of the conditions set forth therein, the District shall immediately pay the amount so received to the Trustee, and the District shall take such action as is necessary to record in the official records of St. Johns County or Duval County, as applicable, an affidavit or affidavits, as the case may be, executed by the District Manager, to the effect that the 2019C Special Assessment has been paid in whole or in part and that such 2019C Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the District, the Trustee shall immediately deposit the same into the 2019C Prepayment Account of the 2019C Bond Redemption Fund to be applied to the extraordinary mandatory redemption of Series 2019C Bonds in accordance with the Eleventh Supplemental Indenture. See "DESCRIPTION OF THE SERIES 2019C BONDS – Redemption Provisions" herein.

## **Re-Assessment**

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

In case such second Special Assessment shall be annulled, the District shall obtain and make other Special Assessments until a valid Special Assessment shall be made.

## **ENFORCEMENT OF ASSESSMENT COLLECTIONS**

### **General**

The primary source of payment for the Series 2019C Bonds is the revenues received by the District from the collection of 2019C Special Assessments imposed on certain lands in the District specially benefited by the 2012A-3 Project and the 2019 Project pursuant to the Methodology Report and assessment resolutions with respect to the Series 2019C Bonds (the "2019C Assessment Proceedings"). See "SPECIAL ASSESSMENT METHODOLOGY" herein and "APPENDIX B – Methodology Report" attached hereto.

The imposition, levy, and collection of 2019C Special Assessments must be done in compliance with the provisions of Florida law. Failure by the District, the St. Johns County Tax Collector and Duval County Tax Collector (collectively, the "Tax Collector") or the St. Johns County Property Appraiser and Duval County Property Appraiser (collectively, the "Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, 2019C Special Assessments during any year. Such delays in the collection of 2019C Special Assessments, or complete inability to collect any 2019C Special Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the Debt Service Requirements on the Series 2019C Bonds. See "BONDOWNERS' RISKS" herein. To the extent that landowners fail to pay the 2019C Special Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2019C Bonds.

For the 2019C Special Assessments to be valid, the 2019C Special Assessments must meet two requirements: (1) the benefit from the 2012A-3 Project and the 2019 Project to the lands subject to the 2019C Special Assessments must exceed or equal the amount of the 2019C Special Assessments, and (2) the 2019C Special Assessments must be fairly and reasonably allocated across all such benefitted properties. The Assessment Consultant will certify that these requirements have been met with respect to the 2019C Special Assessments.

Pursuant to the Act, and the 2019C Assessment Proceedings, the District may collect the 2019C Special Assessments through a variety of methods. See "BONDOWNERS' RISKS" herein. Pursuant to the Eleventh Supplemental Indenture, the 2019C Special Assessments levied on platted lots and pledged to secure the Series 2019C Bonds will be collected pursuant to the Uniform Method and the 2019C Special Assessments levied on unplatted land and pledged to secure the Series 2019C Bonds will be collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method. Notwithstanding the immediately preceding sentence or any other provision in the Indenture to the contrary, if the Trustee, acting at the direction of the Majority Owners, requests that the District not use the Uniform Method, but instead collect and enforce Delinquent Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the District shall collect and enforce said Delinquent

Special Assessments in the manner and pursuant to the method so requested by the Trustee unless the District demonstrates to the Trustee that collection of any such Delinquent Special Assessments in the manner and pursuant to the method so requested by the Trustee is materially harmful to the District. See "SPECIAL ASSESSMENT METHODOLOGY" herein and "APPENDIX B – Methodology Report" attached hereto. The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

### **Direct Billing & Foreclosure Procedures**

As noted above, and pursuant to Chapter 170, Florida Statutes, and the Act, the District may directly levy, collect and enforce the 2019C Special Assessments levied on unplatted land. In this context, Section 170.10, Florida Statutes, provides that upon the failure of any property owner to timely pay all or any part of the annual installment of principal and/or interest of a special assessment due, including the 2019C Special Assessments, the whole assessment, with the interest and penalties thereon, shall immediately become due and payable and subject to foreclosure. Generally stated, the governing body of the entity levying the special assessment, in this case the District, may foreclose by commencing a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or, alternatively, by commencing an action under Chapter 173, Florida Statutes, which relates to foreclosure of municipal tax and special assessment liens. Such proceedings are in rem, meaning that the action would be brought against the land, and not against the landowner. In light of the one year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

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

### **Uniform Method Procedure**

Subject to certain conditions, and for platted lots, the District shall collect the 2019C Special 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 2019C Special Assessments to be levied and then collected in this manner.

If the Uniform Method of collection is used, the 2019C Special Assessments will be collected together with County, school, special district, and other ad valorem taxes and non-ad valorem assessments (together, "Taxes and Assessments"), all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of Taxes and Assessments provide that such Taxes and Assessments become due and payable on November 1 of the year when assessed, or as soon



thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such Taxes and Assessments, including the 2019C Special 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 2019C Special Assessments.

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

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

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to the holders of the Series 2019C Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the 2019C Special Assessments, (2) that future landowners and taxpayers in the District will pay such 2019C Special Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the 2019C Assessment Proceedings to discharge the lien of the 2019C Special Assessments and all other liens that are coequal therewith.

Collection of delinquent 2019C Special Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the 2019C Special Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax certificate process by paying the total amount of delinquent Taxes and Assessments plus all applicable interest, costs and charges. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates by public bid to the person who pays the delinquent Taxes and Assessments owing, and any

applicable interest, costs and charges, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%).

If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest, which is currently 18%. The Tax Collector does not collect any money if tax certificates are issued, or "struck off," to the County. The County may sell such certificates to the public at any time after issuance, but before a tax deed application is made, at the face amount thereof plus interest at the rate of not more than 18% per annum, costs and charges. Proceeds from the sale of tax certificates are required to be used to pay Taxes and Assessments (including the 2019C Special Assessments), interest, costs and charges on the real property described in the certificate.

Any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued (unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees), at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, and charges due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 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 (7) 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 (2) 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 (7) 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 (2) years after April 1 of the year of issuance of the certificate or as soon thereafter as is reasonable. The County pays costs and fees to the Tax Collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale.

In any such public sale conducted by the Clerk of the Circuit Court, the private holder of the tax certificate who is seeking a tax deed for non-homestead property is deemed to submit a minimum bid equal to the amount required to redeem the tax certificate, charges for the cost of sale, including costs incurred for the service of notice required by statute, redemption of other tax certificates on the land, and all other costs to the applicant for the tax deed, plus interest thereon. In the case of homestead property, the minimum bid is also deemed to include, in addition to the amount of money required for the minimum bid

on non-homestead property, an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bids, the holder receives title to the land, and the amounts paid for the certificate and in applying for a tax deed are credited toward the purchase price. The holder is also responsible for payment of any amounts included in the bid not already paid, including but not limited to, documentary stamp tax, recording fees, and, if property is homestead property, the moneys to cover the one-half value of the homestead. If there are other bids, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate, together with all subsequent unpaid taxes plus the costs and expenses of the application for deed, with interest on the total of such sums, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholder of record, mortgagees of record, vendees of recorded contracts for deeds, and other lienholders and any other person to whom the land was last assessed on the tax roll for the year in which the land was assessed, all as their interest may appear. If the property is purchased for an amount in excess of the statutory bid of the certificate holder, but such excess is not sufficient to pay all governmental liens of record, the excess shall be paid to each governmental unit pro rata.

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

If there are no bidders at the public sale, the clerk shall enter the land on a list entitled "lands available for taxes" and shall immediately notify the County Commission that the property is available. At any time within ninety (90) days from the date the property is placed on the list, the County may purchase the land for the opening bid, or may waive its rights to purchase the property. Thereafter, and without further notice or advertising, any person, the County or any other governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three (3) years from the date the property was offered for sale, unsold lands escheat to the County in which they are located, free and clear, and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the governing board of such County.

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

## **THE DISTRICT**

### **General**

The District is a local unit of special purpose government duly organized and existing under the provisions of the Act and established by the Rule.

The Split Pine Community Development District ("Split Pine") was a local unit of special purpose government duly organized under the provisions of the Act and established by Rule 42TT-1 of FLWAC effective July 29, 2004. Pursuant to (i) a Merger Agreement by and between the District and Split Pine, dated as of October 16, 2008, as supplemented by the Merger Implementation Agreement by and between the District and Split Pine, executed on February 18, 2010 and effective on March 2, 2010, and (ii) the proceedings of the FLWAC meeting on January 26, 2010, at which meeting the merger of the District and Split Pine (herein, the "Merger") was approved, FLWAC Rule 42SS-1 establishing the District was amended and FLWAC Rule 42TT-1 establishing Split Pine was repealed, such that the boundaries of the District are a combination of the boundaries of the District and Split Pine as each existed prior to the Merger. The District assumed all indebtedness of, and received title to all property owned by, Split Pine. All of the then existing bond indebtedness of the District and Split Pine continued to be secured by and allocated in the same manner as the existing debt assessment liens. The rights of creditors of either District or Split Pine or other parties with whom either the District or Split Pine had entered into a contractual relationship were not adversely affected.

Following the Merger, the District encompassed approximately 13,377 acres of land. The boundaries of the District were expanded by the Boundary Amendments, which added approximately 91 acres of land to the District, increasing the District Lands to approximately 13,468 acres.

### **Legal Powers and Authority**

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

The Act provides that community development districts have the power to issue general obligation, revenue and special assessment revenue debt obligations in any combination to pay all or part of the cost of infrastructure improvements authorized under the Act. The Act further provides that community development districts have the power under certain conditions to levy and assess ad valorem taxes or non-ad valorem assessments, including the 2019C Special Assessments, on all taxable real and tangible personal property within their boundaries to pay the principal of and interest on debt obligations issued and to provide for any sinking or other funds established in connection with any such debt obligation issues. Pursuant to the Act, such assessments may be assessed, levied, collected and enforced in the same manner and time as county property taxes.

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

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

The Act exempts all property of the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any owner of bonds of the District to pursue any remedy for enforcement of any lien or pledge of the District in connection with such bonds, including the Series 2019C Bonds.

## **Board of Supervisors**

The Act provides for a five-member Board of Supervisors (the "Board") to serve as a governing body of the District. Members of the Board must be residents of the State and citizens of the United States. Pursuant to the Act, ten (10) years after establishment and after 500 qualified electors reside within the District, the seats of Board members whose terms expire are filled by votes of the qualified electors of the District. A qualified elector is a registered voter who is a resident of the District and the State and a citizen of the United States. Members serve four-year terms with staggered expiration dates in the manner set forth in the Act. The current members of the Board and their respective term expiration dates are set forth below.

<u>Name</u>	<u>Title</u>	<u>Expiration of Term</u>
Richard T. Ray*	Chairman	November, 2022
William Fitzgerald	Vice Chairman	November, 2020
Cherya Cavanaugh	Assistant Secretary	November, 2022
Ron Howland	Assistant Secretary	November, 2022
Jon Morris	Assistant Secretary	November, 2020

\*Affiliate or employee of the Master Developer

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

### **District Manager and Other Consultants**

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

Governmental Management Services, LLC, has been retained as the firm to provide district management services for the District (in that capacity, the "District Manager"). The District Manager is actively involved in the management of 125 special districts throughout the State. The District Manager's office is located at 475 West Town Place, Suite 114, St. Augustine, Florida 32092 and their phone number is (904) 940-5850.

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

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

### **THE 2019 PROJECT**

Detailed information concerning the 2019 Project for the District is contained in the 2019 Supplemental Engineer's Report for Master Infrastructure Improvements dated June 11, 2019, as updated June 25, 2019 (the "Engineer's Report"), which is included herein as

"APPENDIX A – Engineer's Report." The information in this section is qualified in its entirety by reference to such Engineer's Report, which should be read in its entirety.

A portion of the proceeds of the Series 2019C Bonds, along with proceeds of the Series 2019A Bonds and Series 2019B Bonds, will be utilized to fund certain amenity/recreation and transportation improvements within the District, as described below (the "2019 Project"):

*Spray Park.* The Spray Park is the second major waterpark in the District, which opened to residents in March, 2019. This unique park includes pools, water features and a 42-foot interactive spray structure. The Master Developer advanced \$1,586,527 and the District advanced an additional \$654,516 for construction of the Spray Park, which will be reimbursed with bond proceeds. The total cost of the Spray Park is approximately \$11,000,000. Bond proceeds may also be used for additional enhancements to the Spray Park, which may include shade structures, pavilions, furniture, additional lighting and food service equipment.

*Crosswater Park.* To meet the growing community's demands for amenities, the District is currently in the process of designing and permitting Crosswater Park. Located in the southern portion of Nocatee, Crosswater Park will feature a pool with lap lanes, a large playground, a dog park and an open-air pavilion. The total cost of Crosswater Park is projected to be \$4,500,000. The District is currently advancing funds from the General Fund, which may be reimbursed with bond proceeds.

*Other Amenities, Enhancements and Refurbishments.* It is anticipated that additional future amenities throughout the District will be required to support development. These may include components such as additional greenway trails, playgrounds, jogging trails, pools and additional water features, restrooms, dog parks, courts, multi-use fields, passive parks and picnic areas, parking, landscaping, lighting, phone system and other such amenity improvements. Projects may also include enhancements to existing parks and amenities, as well as refurbishments to extend the life of current District capital assets. Additional construction may also include a maintenance facility, and the purchase of vehicles to support the upkeep of District assets.

*Transportation Improvements.* Design and construction efforts for future transportation improvements are dependent upon market conditions and demand. Improvements may include additional roadways, traffic signals, cross walk improvements, signage/stripping, greenway trails and other necessary transportation features.

The 2019 Project is estimated to cost approximately \$17,259,889; provided, however, that since the District will not be entering into a completion agreement in connection with the 2019 Project, project costs have been modified to match bond proceeds generated from the refinancing based on the final pricing. Of the costs of the 2019 Project, approximately \$8,811,292 will be funded by proceeds of the Series 2019A Bonds, approximately \$5,659,667 will be funded by proceeds of the Series 2019B Bonds, and approximately \$2,788,930 will be funded by proceeds of the Series 2019C Bonds.

The status of construction for the 2019 Project is outlined in the Engineer's Report attached hereto as APPENDIX A. The District Engineer has indicated that all permits

necessary to construct the 2019 Project have either been obtained or are expected to be obtained in the ordinary course.

## **THE DEVELOPMENT**

### **General**

Nocatee (the "Development") is an approximately 14,000-acre mixed-use master-planned community located approximately twenty (20) miles south of downtown Jacksonville and fifteen (15) miles northwest of historic St. Augustine. The Development is highly accessible via a number of roadways and thoroughfares and borders US Highway 1 to the west. Both Racetrack Road and County Road 210 intersect with the Development's US Highway 1 border. US Highway 1 and County Road 210 both provide access to Interstate 95. Interstate 95 is the major north-south corridor along the eastern seaboard, from Canada to Miami and runs north-south through the heart of St. Johns County and Duval County. Interstate 295 and Interstate 4 are approximately six (6) miles north and sixty (60) miles south, respectively, via Interstate 95.

The Jacksonville International Airport is approximately thirty (30) miles north of the center of the Development via Interstate 95 and the St. Augustine and St. Johns County Airport, a general aviation airport, is approximately fifteen (15) miles southeast of the center of the Development. The Orlando International Airport can be reached in approximately two (2) hours.

The Development is centrally located to recreational opportunities, shopping and restaurants. The Intracoastal Waterway and the Atlantic Ocean are approximately one (1) and five (5) miles, respectively, from the Development. Located approximately eighteen (18) miles southeast from the center of the Development at the interchange of Interstate 95 and State Road 16 is the St. Augustine Premium Outlets. The nearest regional shopping mall, the Avenues Mall, is a multi-level shopping center offering more than 1.1 million square-feet of enclosed retail shopping and is located at the merger of U.S. Highway 1 and Southside Boulevard in south Jacksonville, approximately eleven (11) miles from the Development.

The Development offers a unique opportunity for a quality of life where residents can live, work, shop, attend school and play, all within the same community. The Development currently has thirty-six (36) distinct neighborhoods, eighteen (18) of which are completely sold out. The Development has captured various demographics with marketing efforts targeting families, empty nesters/retirees, and singles. According to RCLCO (a real estate consulting firm), the Development leads North Florida in home sales and is also ranked within the top ten (10) best-selling master planned communities in the U.S. In 2018, the Development ranked seventh nationally behind The Villages, Lakewood Ranch and West Villages (all located in Florida) having sold 938 homes, up 7% from sales in 2017. The Development has sold more than 6,800 of the planned 11,000 single-family homes to end-users, as reported by the Master Developer.

The Town Center is the hub of the community and provides many of the uses required to provide services to the residents of the Development. As the Development's "downtown," the Town Center includes retail and specialty shopping and offices mixed with



a blend of residential housing, parks, schools and churches. The Development includes a network of interconnected bicycle and hiking trails connecting residential villages with the Town Center. The completed phases of Town Center include approximately 190,000 square feet of office space and 160,000 square feet of retail space, which includes the largest Publix Supermarket in Northeast Florida, clothing retailers Artsy Adobe and Gwen Berlin, Starbucks, Tijuana Flats, Dunkin Donuts, Chase Bank, Jersey Mikes Subs, GNC, Ponte Vedra Plastic Surgery, and Orangetheory Fitness. In addition, another approximately 150,000 square feet of mixed-use space has been constructed in the Development with additional mixed-use space currently under construction.

The Development also provides residents with extensive resort-style amenities including the Splash Water Park featuring adult and children's pools, poolside cabanas, a 377-foot zip line, a lagoon pool, a children's spray ground and the Lazy Tide River for tube floating. Across from the Splash Water Park is the new spray water park, featuring a four-story interactive spray structure and a sandy beach, the Nocatee Swim Club and sports courts. Other parks within Nocatee available to all residents include Twenty Mile Park, Nocatee Community Park, Greenleaf Park and Davis Park all of which have various amenities including swimming pools, dog parks, covered pavilions, children's playgrounds, fitness centers and sports activities fields.

Additionally, the lands within the Development maintain the integrity of its natural environmental state. In 2006, the Master Developer dedicated the Nocatee Preserve to St. Johns County, which includes over three and one-half (3.5) miles of frontage along the Tolomato River. The Nocatee DRI also requires designation of a conservation area known as the Nocatee Greenway consisting of at least 5,091 acres with a minimum of 979 acres of upland component. The Nocatee Greenway provides an interconnected network of upland and wetland areas running throughout the Development serving as wildlife habitat corridor.

More information on the Development can be found by visiting [www.nocatee.com](http://www.nocatee.com).

## **Utilities**

Water, wastewater and reuse water are all provided by JEA. Electric (including for street lighting) is provided by JEA for property north of Palm Valley Road, and by Florida Power and Light for property south of Palm Valley Road.

## **Property Taxes, Other Assessments and Homeowner's Association Fees**

As more particularly described herein, in addition to debt service assessments, all residential units in the District are subject to annual ad valorem taxes as well as O&M Assessments (as hereinafter defined). The O&M Assessments will vary annually based on the adopted budget of the District each year. See "SERIES 2019C ASSESSMENT AREA" herein.

## **SERIES 2019C ASSESSMENT AREA**

### **General**

The District issued the Series 2012A-3 Bonds pursuant to the 2012 Restructuring. See "PRIOR AND OUTSTANDING INDEBTEDNESS AND DEFAULT HISTORY" herein. The Series 2012A-3 Bonds are secured by special assessments (the "2012A-3 Special Assessments") levied over certain parcels within the District that are in various stages of development (the "Series 2012A-3 Assessment Area"). The 2012A-3 Special Assessments are allocated as parcels of property are sold with specific entitlements transferred or as county site plan approval occurs. The Series 2012A-3 Assessment Area currently includes 1,347 residential units (946 vertically constructed units and 401 vacant developed builder-owned lots), commercial uses (vertically constructed, vacant developed and undeveloped) and undeveloped parcels on which the remaining portion of the 2013A-3 Special Assessments are levied and yet to be assigned. The Series 2012A-3 Bonds are currently Outstanding in the aggregate principal amount of \$30,055,000 with a final maturity date of May 1, 2040, and an average fixed interest rate of 6.61%.

The portion of the Series 2012A-3 Bonds being refunded with proceeds of the Series 2019C Bonds in the principal amount of \$16,075,000 (as previously defined, the "Refunded Bonds") is secured by the 2012A-3 Special Assessments levied on 63 vertically constructed homes, 401 vacant developed residential units, all commercial lands (vertically constructed, vacant developed and undeveloped) and parcels of all land on which the remaining portion of the 2012A-3 Special Assessments are levied and yet to be assigned. Such portion of the Series 2012A-3 Assessment Area is hereinafter referred to as the "Series 2019C Assessment Area." The remaining portion of the Series 2012A-3 Bonds secured by the 2012A-3 Special Assessments levied on the 883 vertically constructed units within the Series 2012A-3 Assessment Area are anticipated to be refunded with proceeds of the Series 2019B Bonds. Such remaining portion of the Series 2012A-3 Assessment Area will be a separate and distinct assessment area from the Series 2019C Assessment Area and there will be no cross collateralization of the assessment areas.

The Series 2012 CAB Bonds, comprised of the Series 2012A-2 Bonds, Series 2012A-3 Bonds and Series 2012A-4 Bonds, are first allocated on an equal developable-acre basis until a parcel is included in a county-approved MDP or county-approved site plan outlining the individual units of development planned for such parcel. Upon full absorption of the Series 2012A-2 Bonds principal allocated to the individual units of development, any additional individual unit under development will be assigned to the subsequent series of Series 2012 CAB Bonds until such issuance has been fully absorbed. The Series 2012A-2 Bonds principal have been fully allocated and subsequently refunded by the District's Series 2018B Bonds.

Based upon the current land ownership and development status in the Series 2019C Assessment Area, 55.2% (or \$7.5 million) of the 2012A-3 Special Assessments are assigned to residential property and 16.7% (or \$2.3 million) of the 2012A-3 Special Assessments are assigned to commercial property within the Series 2019C Assessment Area. The remaining 28.1% (or \$3.8 million) of the 2012A-3 Special Assessments have yet to be assigned to a specific development parcel and are currently allocated on a per acreage basis on the undeveloped developable acreage (approximately 178 acres) within the northern portion of

the District. Such portion of the 2012A-3 Special Assessments will continue to be allocated until fully absorbed by parcels that are sold with specific entitlements and/or that receive county site plan approval. Until such time, the unallocated portion of the Series 2012A-3 Bonds and subsequently the Series 2019C Bonds will overlap with the Series 2012A-4 Bonds. However, order of priority of debt assignment will be given to the Series 2019C Bonds before the Series 2012A-4 Bonds thereby resulting in assignment to the next parcels sold with specific entitlements and/or that receive county site plan approval.

Per the Master Developer, the unassigned Series 2012A-3 Bonds principal is anticipated to be allocated to certain residential lands located in the Series 2019C Assessment Area that are currently planned to include (i) a single-family neighborhood to be developed by the Master Developer planned for approximately 200 single-family 40' and townhome lots; and (ii) an approximately 300-unit apartment complex. The timing of the development and sale of the single-family and apartment parcels, respectively, will ultimately determine the allocation of the unassigned principal to such parcels. The table below illustrates the current and estimated future allocation of the 2012A-3 Special Assessments levied in connection with the Refunded Bonds with the latter anticipated to result in more than 80% of the Series 2012A-3 Assessments levied on residential parcels.

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County	Neighborhood	Product Type	# of Units	Refunded Bonds Special Assessment*	Refunded Bonds Par Amount	% Allocation
Residential						
St. Johns	Twenty Mile at Nocatee	SF 60'	23	\$34,255	\$365,204	2.7%
		SF 70'	9	14,362	153,113	1.1%
		SF 80'	31	52,766	562,548	4.2%
		SF 90'	47	90,000	959,514	7.1%
Subtotal			110	\$191,383	\$2,040,379	15.1%
St. Johns	Colony at Twenty Mile	SF 60'	51	\$75,957	\$809,799	6.0%
		SF 70'	79	126,063	1,343,992	9.9%
Subtotal			130	\$202,021	\$2,153,791	15.9%
St. Johns	Oakwood at Nocatee	TH	43	\$54,894	\$585,234	4.3%
Subtotal			43	\$54,894	\$585,234	4.3%
St. Johns	Daniel Park at Town Center	SF 40'	3	\$3,830	\$40,830	0.3%
		SF 50'	6	8,298	88,466	0.7%
Subtotal			9	\$12,128	\$129,296	1.0%
Duval	Timberland Ridge	SF 50'	52	\$73,081	\$766,699	5.7%
		SF 60'	24	36,324	381,084	2.8%
Subtotal			76	\$109,405	\$1,147,783	8.5%
St. Johns	Settlement	SF 50'	96	\$132,766	\$1,415,449	10.5%
Subtotal			96	\$132,766	\$1,415,449	10.5%
Total Residential			464	\$702,596	\$7,471,933	55.2%
Commercial						
St. Johns	Pyrotek			\$7,979	\$85,063	0.6%
	Planet Swim, LLC			5,915	63,060	0.5%
	Wheelhouse Storage			6,645	70,846	0.5%
	Starling Assisted Living (SSL NOC, LLC)			28,954	308,681	2.3%
	Starling Assisted Living (SSL2 NOC, LLC)			41,208	439,330	3.2%
	Crosswater School, LLC (Primrose)			23,489	250,426	1.9%
	K9s for Warriors, Inc.			2,487	26,511	0.2%
	Planet Swim – Tennis			6,447	68,731	0.5%
	Baptist II (Swap)			21,277	226,835	1.7%
	TC North, LLC – Publix Greenwise Anchored Shp Ctr			51,872	553,024	4.1%
Duval	Amsdell Storage Ventures			\$15,716	\$164,876	1.2%
Total Commercial				\$211,988	\$2,257,382	16.7%
Unassigned Debt						
Unassigned Debt				\$357,046	\$3,806,548	28.1%
Total Unassigned				\$357,046	\$3,806,548	28.1%
Subtotal				\$1,271,630	\$13,535,862	100.0%
Applicable Prepayments**				238,391	2,541,588	
Total				\$1,510,021	\$16,077,450	

\* Gross up for discounts and cost of collection estimated at 7.5% for Duval County and 6% for St. Johns County.

\*\* Includes the recent prepayment from the 244 unit vertically constructed Chadbourne apartment complex totaling approximately \$2.4 million.

The Series 2019C Bonds will be secured by the 2019C Special Assessments which will be levied on the Series 2019C Assessment Area. Under the proposed refunding scenario, the District's objective is twofold: 1) to fund additional capital to finance the 2019 Project, consisting of new recreational facilities and transportation improvements and 2) to benefit from the reduction in annual debt service resulting in annual assessment savings for the benefited property owners. The Series 2019C Bonds will be structured such that revenues are derived from one (1) assessment area and have one (1) revenue source.

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						Series 2019C Par	Series
County	Neighborhood	Product Type	# of Units	2019C Special Assessments Per Unit	2019C Special Assessments*	Amount Per Unit	2019C Par Amount
Residential							
St. Johns	Twenty Mile at Nocatee	SF 60'	23	\$1,430	\$32,885	\$18,611	\$428,045
		SF 70'	9	1,532	13,787	19,940	179,459
		SF 80'	31	1,634	50,655	21,269	659,346
		SF 90'	47	1,838	86,400	23,928	1,124,620
Subtotal			110		\$183,728		\$2,391,470
St. Johns	Colony at Twenty Mile	SF 60'	51	\$1,430	\$72,919	\$18,611	\$949,143
		SF 70'	79	1,532	121,021	19,940	1,575,255
Subtotal			130		\$193,940		\$2,524,398
St. Johns	Oakwood at Nocatee	TH	43	\$1,226	\$52,698	\$15,952	\$685,936
Subtotal			43		\$52,698		\$685,936
St. Johns	Daniel Park at Town Center	SF 40'	3	\$1,226	\$3,677	\$15,952	\$47,856
		SF 50'	6	1,328	7,966	17,281	103,688
Subtotal			9		\$11,643		\$151,544
Duval	Timberland Ridge	SF 50'	52	\$1,349	\$70,158	\$17,281	\$898,626
		SF 60'	24	1,453	34,872	18,611	446,658
Subtotal			76		\$105,029		\$1,345,284
St. Johns	Settlement	SF 50'	96	\$1,328	\$127,455	\$17,281	\$1,659,008
Subtotal			96		\$127,455		\$1,659,008
Total Residential			464		\$674,492		\$8,757,640
Commercial							
St. Johns	Pyrotek				\$7,660		\$99,700
	Planet Swim, LLC				5,678		73,911
	Wheelhouse Storage				6,379		83,037
	Starling Assisted Living (SSL NOC, LLC)				27,795		361,796
	Starling Assisted Living (SSL2 NOC, LLC)				39,560		514,926
	Crosswater School, LLC (Primrose)				22,550		293,517
	K9s for Warriors, Inc.				2,387		31,073
	Planet Swim – Tennis				6,189		80,558
	Baptist II (Swap)				20,426		265,867
	TC North, LLC – Publix Greenwise Anchored Shp Ctr				49,797		648,183
Duval	Amsdell Storage Ventures				\$15,087		\$193,246
Total Commercial					\$203,509		\$2,645,813
Unassigned Debt							
Unassigned Debt					\$342,764		\$4,461,547
Total Unassigned					\$342,764		\$4,461,547
Total					\$1,220,765		\$15,865,000

\* Gross up for discounts and cost of collection estimated at 7.5% for Duval County and 6% for St. Johns County.

In addition to debt service assessments, all assessable units in the District are subject to annual ad valorem taxes as well as non-ad valorem special assessments levied by the District for its operation, maintenance, and administrative functions ("O&M Assessments"). The 2018 certified millage rate for the lands within the District located in Duval County is 18.0231 mills and the lands within the District located within St. Johns County is 14.1233 mills. O&M Assessments are consistent throughout the District and are dependent on lot size. The O&M Assessments for Fiscal Year 2019 are listed below and will vary annually based on the adopted budget of the District each year.

<b>Product-Type</b>	<b>FY 2019 Net O&amp;M Fee</b>
Single-Family 40'	\$461.19
Single-Family 50'	512.43
Single-Family 60'	563.68
Single-Family 70'	614.92
Single-Family 80'	666.16
Single-Family 90'	717.41
Single-Family 100'	768.65
TH	409.95
Condo	358.70
AP	307.46

## **Development Status**

Currently, the Series 2019C Assessment Area includes 63 vertically constructed homes, 401 vacant developed residential units, all commercial lands (vertically constructed, vacant developed and undeveloped) and parcels of all land on which the remaining portion of the Series 2012A-3 Assessments are levied and yet to be assigned. Based upon information obtained from the St. Johns and Duval County Property Appraisers, the total market value for all assessable parcels located in the Series 2019C Assessment Area (as of May 1, 2019) is \$86,461,632, which equates to a direct market value-to-lien ratio for the Series 2019C Assessment Area of approximately 5.4:1.

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					Series 2019C		
County	Neighborhood	Product Type	# of Units	Development Status	Bonds Par Amount	Just Value (5.1.2019)	Value-to- Lien
Residential							
St. Johns	Twenty Mile at Nocatee	SF 60'	23	Developed/Vertical	\$428,045	\$2,189,000	5.1
		SF 70'	9	Developed/Vertical	179,459	693,000	3.9
		SF 80'	31	Developed/Vertical	659,346	3,261,000	4.9
		SF 90'	47	Developed/Vertical	1,124,620	5,170,000	4.6
Subtotal			110		\$2,391,470	\$11,313,000	4.7
St. Johns	Colony at Twenty Mile	SF 60'	51	Developed/Vertical	\$949,143	\$4,284,000	4.5
		SF 70'	79	Developed/Vertical	1,575,255	6,636,000	4.2
Subtotal			130		\$2,524,398	\$10,920,000	4.3
St. Johns	Oakwood at Nocatee		43	Vacant Undeveloped	\$685,936	\$1,220,400	1.8
Subtotal			43		\$685,936	\$1,220,400	1.8
St. Johns	Daniel Park at Town Center	SF 40'	3	Developed/Vertical	\$47,856	\$192,000	4.0
		SF 50'	6	Developed/Vertical	103,688	408,000	3.9
Subtotal			9		\$151,544	\$600,000	4.0
Duval	Timberland Ridge	SF 50'	52	Developed/Vertical	\$898,626	\$4,045,016	4.5
		SF 60'	24	Developed/Vertical	446,658	3,403,236	7.6
Subtotal			76		\$1,345,284	\$7,448,252	5.5
St. Johns	Settlement	SF 50'	96	Developed/Vertical	\$1,659,008	\$8,064,000	4.9
Subtotal			96		\$1,659,008	\$8,064,000	4.9
Total Residential			464		\$8,757,640	\$39,565,652	4.5
Commercial							
St. Johns	Pyrotek			Active Construction	\$99,700	\$620,938	6.2
	Planet Swim, LLC			Active Construction	73,911	302,755	4.1
	Wheelhouse Storage			Vertical	83,037	5,463,000	65.8
	Starling Assisted Living (SSL NOC, LLC)			Vertical	361,796	11,554,414	31.9
	Starling Assisted Living (SSL2 NOC, LLC)			Active Construction	514,926	1,564,458	3.0
	Crosswater School, LLC (Primrose)			Vertical	293,517	3,477,960	11.8
	K9s for Warriors, Inc.			Vertical	31,073	1,945,375	62.9
	Planet Swim – Tennis			Vacant Undeveloped	80,558	330,475	4.1
	Baptist II (Swap)			Active Construction	265,867	3,132,738	11.8
	TC North, LLC – Publix Greenwise Anchored Shp Ctr			Active Construction	648,183	-	-
Duval	Amsdell Storage Ventures			Vertical	\$193,246	\$6,122,500	31.7
Total Commercial					\$2,645,813	\$34,514,613	13.0
Unassigned							
Unassigned Debt				Vacant Undeveloped	\$4,461,547	\$12,381,367	2.8
Total Unassigned					\$4,461,547	\$12,381,367	2.8
Total					\$15,865,000	\$86,461,632	5.4



## Top Ten Assessment Payers

The information appearing in the following chart illustrates the top ten (10) largest debt service assessment payers in the Series 2019C Assessment Area based on current information pulled from the St. Johns and Duval County Property Appraisers in conjunction with information provided by the District and the percentage of the projected annual 2019C Special Assessments to be paid by such property.

Property Owner	# Units	Land Use	Development Status	Total Series 2019C Gross Revenues*	% of Total Series 2019C Debt
SONOC Company, LLC		Unassigned	Vacant Undeveloped	\$328,270	26.9%
TMN Construction Holdings, LLC	83	Residential	Vacant Developed	116,732	9.6%
Toll Southeast LP Company, Inc.	84	Residential	Vacant Developed/Vacant Undeveloped (43 TH)	105,804	8.7%
Weekley Homes, LLC	56	Residential	Vacant Developed	80,532	6.6%
Providence Construction Company	51	Residential	Vacant Developed	76,679	6.3%
Pineapple & Co., Inc.	38	Residential	Vacant Developed	69,856	5.7%
JAX Construction Holdings, LLC	44	Residential	Vacant Developed	60,402	4.9%
TC North – Publix		Commercial	Active Construction	49,797	4.1%
Dostie Homes, LLC	28	Residential	Vacant Developed	43,915	3.6%
SSL NOC2, LLC		Commercial	Active Construction	39,560	3.2%
Top Ten Assessment Payers				\$971,547	79.6%
All Other Assessment Payers				\$249,218	20.4%
<b>Total</b>				<b>\$1,220,765</b>	<b>100.0%</b>

\* Gross up for discounts and costs of collection estimated at 7.5% for Duval County and 6% for St. Johns County.

Upon full diversification of residential landownership, it is anticipated that the commercial use will comprise the top ten assessment payers and will account for 16.1% (or \$197,129) of the gross annual debt service.

## Tax Levies and Collections

Annual debt service payments and the related annual assessments were not due on the Series 2012A-3 Bonds during their accretion period and as such there have not previously been any collections for the Series 2012A-3 Bonds. The Series 2012A-3 Bonds have an accretion period through May 1, 2019 and as such the first interest payment date is November 1, 2019. The District expects to be fully collected for such interest payment upon remittance of the 2012A-3 Special Assessments from the Counties at the end of June.

## BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds secured by special assessments issued by a public authority or governmental body in the State. Certain of these risks are described in the section above entitled "ENFORCEMENT OF ASSESSMENT COLLECTIONS"; however, certain additional risks are associated with the Series 2019C Bonds offered hereby. This section does not purport to summarize all risks

that may be associated with purchasing or owning the Series 2019C Bonds and prospective purchasers are advised to read this Limited Offering Memorandum including all appendices hereto in its entirety to identify investment considerations relating to the Series 2019C Bonds.

### **Limited Pledge**

The principal security for the payment of the principal of and interest on the Series 2019C Bonds is the timely collection of the 2019C Special Assessments. 2019C Special Assessments do not constitute a personal indebtedness of the owners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the owners will be able to pay the 2019C Special Assessments or that they will pay such 2019C Special Assessments even though financially able to do so. Landowners are not guarantors of payment of any 2019C Special Assessment and the recourse for the failure of any landowner to pay the 2019C Special Assessments is limited to the collection proceedings against the land. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein. The District has not granted, and may not grant under State law, a mortgage or security interest in the 2012A-3 Project or the 2019 Project. Furthermore, the District has not pledged the revenues, if any, from the operation of the 2012A-3 Project or the 2019 Project as security for, or a source of payment of, the Series 2019C Bonds. Neither has the District covenanted to establish rates, fees and charges for the 2012A-3 Project or the 2019 Project at any specified levels. The Series 2019C Bonds are payable solely from, and secured solely by, the 2019C Special Assessments. The failure of a landowner to pay the required 2019C Special Assessment on its property will not result in an increase in the amount of 2019C Special Assessments other landowners are or would be required to pay.

### **Bankruptcy Risks**

Until further development takes place on the benefited land within the District and assessable properties are sold to end users, payment of the 2019C Special Assessments is substantially dependent upon their timely payment by the Master Developer or any other landowner. In the event of the institution of bankruptcy or similar proceedings with respect to the Master Developer or any other landowner or subsequent owner of property subject to the 2019C Special Assessments, delays and impairment could occur in the payment of debt service on the Series 2019C Bonds as such bankruptcy could negatively impact the ability of: (i) the Master Developer or any other landowner being able to pay the 2019C Special Assessments; (ii) the respective County to sell tax certificates in relation to such property; and (iii) the District's ability to enforce collection. In addition, the remedies available to the Owners of the Series 2019C Bonds, the Trustee and the District upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including during a bankruptcy of the Master Developer or any other landowner, the remedies specified by federal, state and local law and in the Indenture and the Series 2019C Bonds, including, without limitation, enforcement of the obligation to pay 2019C Special Assessments and the ability of the District to foreclose the lien of the 2019C Special Assessments, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2019C Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency

or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available respecting the Series 2019C Bonds could have a material adverse impact on the interest of the Owners thereof.

### **Delay and Discretion Regarding Remedies**

Beyond legal delays that could result from bankruptcy, the ability of the respective County to sell tax certificates in regard to delinquent 2019C Special Assessments collected pursuant to the Uniform Method will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two (2) years. Similarly, the ability of the District to enforce collection of delinquent 2019C Special Assessments collected directly by the District will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the 2019C Special Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. If the District should commence a foreclosure action against a landowner for nonpayment of applicable 2019C Special Assessments which are being collected off the roll and that are delinquent, such landowners may raise affirmative defenses to such foreclosure action, which although such affirmative defenses would likely be proven to be without merit, could result in delays in completing the foreclosure action.

### **Limitation on Funds Available to Exercise Remedies**

In the event of default by a landowner in payment of 2019C Special Assessments which are being collected off the roll, the District is required under the Indenture to fund the costs of foreclosure of such delinquent 2019C Special Assessments. It is possible that the District will not have sufficient funds and will be compelled to request the Series 2019C Bondholders to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Internal Revenue Code of 1986, as amended (the "Code"), there are limitations on the amounts of Series 2019C Bond proceeds that can be used for such purpose. As a result, there may be insufficient funds for the exercise of remedies.

### **Determination of Land Value Upon Default**

The assessment of the benefits to be received by the land within the District as a result of implementation of the 2012A-3 Project and the 2019 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 2012A-3 Project and the 2019 Project is lower than the assessment of benefits, the ability of the District to realize sufficient value from a foreclosure action to pay debt service on the Series 2019C Bonds may be adversely affected. Such adverse effect could render the District unable to collect delinquent 2019C Special Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of debt service on the Series 2019C Bonds.

## **Failure to Comply with Assessment Proceedings**

The District is required to comply with statutory procedures in levying the 2019C Special Assessments. Failure of the District to follow these procedures could result in the 2019C Special Assessments not being levied or subject the 2019C Special Assessments to potential future challenges to such levy. See "SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2019C BONDS" herein.

## **Other Taxes and Assessments**

The willingness and/or ability of an owner of land within the Development to pay the 2019C Special Assessments could be affected by the existence of other taxes and assessments imposed upon the property by the District, the Counties or other governmental entities with jurisdiction over the District. Public entities whose boundaries overlap those of the District, such as the Counties, the St. Johns County School District, the Duval County School District and other special districts, could, without the consent of the owners of the land within the Development, impose additional taxes or assessments on the property within the Development. County, municipal, school, special district taxes and assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, including the 2019C Special Assessments, are payable at one time. As referenced above, if a taxpayer does not make complete payment, he or she cannot designate specific line items on the tax bill as deemed paid in full. In such case, the Tax Collector does not accept such partial payment. Therefore, any failure to pay any one line item, whether or not it is the 2019C Special Assessments, would cause the 2019C Special Assessments not to be collected to that extent, which could have a significant adverse impact on the District's ability to make full or punctual payment of debt service on the Series 2019C Bonds. As referenced herein, the District may also impose additional assessments which could encumber the property burdened by the 2019C Special Assessments.

Under State law, a landowner may contest the assessed valuation determined for its property which 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 2019C Special Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to the 2019C Special Assessments even though the landowner is not contesting the amount of 2019C Special Assessment.

## **Limited Secondary Market**

The Series 2019C Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2019C Bonds in the event an Owner thereof determines to solicit purchasers of the Series 2019C Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2019C Bonds may be sold. Such price may be lower than that paid by the current Owner of the Series 2019C Bonds, depending on the progress of the Development, existing market conditions and other factors.

## **Inadequacy of Reserve Account**

Some of the risk factors described herein, which, if materialized, would result in a delay in the collection of the 2019C Special Assessments, may not affect the timely payment of debt service on the Series 2019C Bonds because of the 2019C Debt Service Reserve Account established by the District for the Series 2019C Bonds. The ability of the 2019C Debt Service Reserve Account to fund deficiencies caused by delinquent 2019C Special Assessments is dependent upon the amount, duration and frequency of such deficiencies. Moneys on deposit in the 2019C Debt Service Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys available in the 2019C Debt Service Reserve Account to make up deficiencies. If the District has difficulty in collecting the 2019C Special Assessments, the 2019C Debt Service Reserve Account could be rapidly depleted and the ability of the District to pay debt service could be materially adversely affected. Owners should note that although the Indenture contains a 2019C Reserve Account Requirement for the 2019C Debt Service Reserve Account and a corresponding obligation on the part of the District to replenish the 2019C Debt Service Reserve Account to the 2019C Reserve Account Requirement, if in fact those accounts are accessed for any purpose, the District does not have a designated revenue source for replenishing such accounts. Moreover, the District will not be permitted to re-assess real property subject to the 2019C Special Assessments in order to provide for the replenishment of the 2019C Debt Service Reserve Account.

## **Regulatory and Environmental Risks**

The development of the 2019 Project 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. The District Engineer has indicated that all permits necessary to construct the 2019 Project have either been obtained or are expected to be obtained in the ordinary course.

The value of the land within the District, the successful completion of the Development and the likelihood of timely payment of principal and interest on the Series 2019C Bonds could be affected by environmental factors with respect to the land in the District. Should any of 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 Development and the likelihood of the timely payment of the Series 2019C 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. 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, 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 completion of the Development. See "THE SERIES 2019C ASSESSMENT AREA" herein.

## **Economic Conditions**

The successful sale of developed lots and homes, once such homes are built within the Development, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Master Developer, builders and other landowners.

## **Undeveloped Land**

A portion of the acreage within the Series 2019C Assessment Area and encumbered by the 2019C Special Assessments is undeveloped. The ultimate successful development of such acreage in the Series 2019C Assessment Area depends of several factors discussed herein. There is no assurance that the Master Developer and other landowners will be successful in developing part of all of the undeveloped acreage.

## **Change in Development Plan**

The Master Developer has the right to modify or change plans for the development of property owned by the Master Developer within the Series 2019C Assessment Area and the Development from time to time, including, without limitation, land use changes, changes in 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.

## **District May Not be Able to Obtain Permits**

In connection with a foreclosure of lien of the assessments prior to completion of the development, the Circuit Court in and for Lake County, Florida concluded that a community development district had no right, title or interest in any permits and approvals owned by the owner of the parcels so foreclosed. In the event that the District forecloses on the property subject to the lien of the 2019C Special Assessments to enforce payment thereof, the District may not have the right, title or interest in the permits and approvals owned by the landowner and failure to obtain any such permits or approvals in a timely manner could delay or adversely affect the completion of the development of the District Lands.

## **IRS Examination and Audit Risk**

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

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

On February 23, 2016, the IRS issued a notice of proposed rulemaking containing proposed regulations (the "Proposed Regulations") that provided guidance as to the definition of a political subdivision for purposes of the rules for tax-exempt bonds. If adopted, the Proposed Regulations would have affected certain State and local governments that issue tax-exempt bonds, including special districts such as the District.

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

Because the Proposed Regulations have been withdrawn, it is not possible to determine the extent to which all or a portion of the discussion herein regarding the Village Center CDD and the TAMs may continue to be applicable in the absence of further guidance from the IRS.

It has been reported that the IRS has closed audits of other community development districts in the State with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within five (5) years of the issuance of tax-exempt bonds or their bonds may be determined to be taxable

retroactive to the date of issuance. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. Currently, four of the five members of the Board of the District are elected by qualified electors.

Although it is impossible to predict whether the IRS will select the Series 2019C Bonds for audit, the District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable State or federal law.

Owners of the Series 2019C Bonds are advised that, if the IRS does audit the Series 2019C 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 2019C 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 2019C 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 2019C 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 2019C Bonds would adversely affect the availability of any secondary market for the Series 2019C Bonds. Should interest on the Series 2019C Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2019C Bonds be required to pay income taxes on the interest received on such Series 2019C Bonds and related penalties, but because the interest rate on such Series 2019C Bonds will not be adequate to compensate Owners of the Series 2019C Bonds for the income taxes due on such interest, the value of the Series 2019C Bonds may decline.

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

### **Legislative Proposals**

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 2019C 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 2019C 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 2019C Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect



upon, the Series 2019C Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been made and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2019C Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of the Series 2019C Bonds.

### **Loss of Exemption from Securities Registration**

In addition to a possible determination by the IRS that the District is not a political subdivision for purposes of the Code, and regardless of the IRS determination, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of federal and state securities laws. Accordingly, the District and purchasers of Series 2019C 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 2019C Bonds would need to ensure that subsequent transfers of the Series 2019C Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

### **No Credit Enhancement**

No application for credit enhancement or a rating on the Series 2019C Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining either for the Series 2019C Bonds had application been made.

### **Mortgage Default and FDIC**

In the event a bank forecloses on property because of a default on a mortgage in favor of such bank on any lands within the District, and then the bank itself fails, the Federal Deposit Insurance Corporation (the "FDIC"), as receiver will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the 2019C Special Assessments. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

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## ESTIMATED SOURCES AND USES OF BOND PROCEEDS

### **Source of Funds**

Par Amount of Series 2019C Bonds	\$15,865,000.00
Plus Other Legally Available Moneys <sup>(1)</sup>	4,399,043.63
<b>Total Sources</b>	<b>\$20,264,043.63</b>

### **Uses of Funds**

Deposit to 2012A-3 General Account of the 2012A-3 Bond Redemption Fund	\$16,314,075.44
Deposit to 2019C Acquisition and Construction Account	2,788,929.54
Deposit to 2019C Debt Service Reserve Account	572,733.75
Deposit to 2019C Interest Account	222,659.90
Costs of Issuance <sup>(2)</sup>	365,645.00
<b>Total Uses</b>	<b>\$20,264,043.63</b>

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<sup>(1)</sup> Represents moneys remaining in the funds and accounts created under 2012A-3 Indenture for the benefit of the Refunded Bonds.

<sup>(2)</sup> Costs of issuance include, without limitation, underwriter's discount, legal fees and other costs associated with the issuance of the Series 2019C Bonds.

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## DEBT SERVICE REQUIREMENTS

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

Period Ending November 1st	Principal	Interest	Total Debt Service
2019	--	\$ 222,659.90	\$ 222,659.90
2020	\$ 500,000.00	643,062.50	1,143,062.50
2021	520,000.00	625,467.50	1,145,467.50
2022	535,000.00	607,268.75	1,142,268.75
2023	555,000.00	588,466.25	1,143,466.25
2024	575,000.00	568,973.75	1,143,973.75
2025	595,000.00	547,898.75	1,142,898.75
2026	620,000.00	525,117.50	1,145,117.50
2027	640,000.00	501,492.50	1,141,492.50
2028	665,000.00	477,023.75	1,142,023.75
2029	690,000.00	451,617.50	1,141,617.50
2030	720,000.00	422,840.00	1,142,840.00
2031	755,000.00	390,390.00	1,145,390.00
2032	785,000.00	356,510.00	1,141,510.00
2033	820,000.00	321,200.00	1,141,200.00
2034	860,000.00	284,240.00	1,144,240.00
2035	895,000.00	245,630.00	1,140,630.00
2036	940,000.00	205,260.00	1,145,260.00
2037	980,000.00	163,020.00	1,143,020.00
2038	1,025,000.00	118,910.00	1,143,910.00
2039	1,070,000.00	72,820.00	1,142,820.00
2040	1,120,000.00	24,640.00	1,144,640.00
	<b>\$15,865,000.00</b>	<b>\$8,364,508.65</b>	<b>\$24,229,508.65</b>

## **SPECIAL ASSESSMENT METHODOLOGY**

Governmental Management Services, LLC, has prepared the Supplemental Assessment Methodology Report, dated June 26, 2019 (the "Methodology Report"). The Methodology Report is included herein as APPENDIX B. The Methodology Report sets forth an overall method (the "Methodology") for allocating the special benefit to the residential units in the District resulting from the financing or refinancing of the 2012A-3 Project and the 2019 Project. The 2012A-3 Special Assessments have been, and the 2019C Special Assessments will be, allocated in accordance with the Methodology, based on product type, all as set forth in the Methodology Report. See "APPENDIX B – Methodology Report" attached hereto for a more detailed description of the Methodology and the property in the Development subject to the 2019C Special Assessments. See also "SERIES 2019C ASSESSMENT AREA" for a detailed description of the 2019C Special Assessments.

## **TAX MATTERS**

### **General**

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2019C Bonds in order that interest on the Series 2019C Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2019C Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2019C Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2019C Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The District has covenanted in the Indenture with respect to the Series 2019C Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2019C Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2019C Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2019C Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2019C Bonds. Prospective purchasers of Series 2019C Bonds should be aware that the ownership of Series 2019C Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2019C Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2019C Bonds; (iii) the inclusion of interest on Series 2019C Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the

inclusion of interest on Series 2019C Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2019C Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the District, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2019C Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

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

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Series 2019C Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2019C Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2019C Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2019C Bonds and proceeds from the sale of Series 2019C Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2019C Bonds. This withholding generally applies if the owner of Series 2019C Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2019C Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **Other Tax Matters**

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2019C 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 2019C 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 2019C Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2019C Bonds.

Prospective purchasers of the Series 2019C Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2019C Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

On February 22, 2016, the Internal Revenue Service ("IRS") issued a notice of proposed rulemaking containing proposed regulations (the "Proposed Regulations") that provide guidance as to the definition of a political subdivision for purposes of the rules for tax-exempt bonds. If adopted, the Proposed Regulations would have affected certain State and local governments that issue tax-exempt bonds, including community development districts such as the District. However, on July 24, 2017, in response to Executive Order 13789 issued by President Trump (the "Executive Order"), the Secretary of the Treasury (the "Secretary") identified the Proposed Regulations among a list of eight regulations that (i) impose an undue financial burden on U.S. taxpayers; (ii) add undue complexity to the federal tax laws; or (iii) exceed the statutory authority of the IRS. On October 2, 2017, in his Second Report to the President on Identifying and Reducing Tax Regulatory Burdens, the Secretary reported that Treasury and the IRS believe that the Proposed Regulations should be withdrawn in their entirety, and the Treasury Department and the IRS withdrew the Proposed Regulations on October 20, 2017. The Secretary further provided that Treasury and the IRS will continue to study the legal issues relating to political subdivisions and may propose more targeted guidance in the future.

Because the Proposed Regulations have been withdrawn, it is not possible to determine the extent to which all or a portion of the discussion herein regarding the Villages and the Villages TAM (each as defined below) may continue to be applicable in the absence of further guidance from the IRS. Bond Counsel will render its opinion regarding the exclusion from gross income of interest on the Series 2019C Bonds as described below.

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

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

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

Unlike the board of the Village Center CDD, the Board of Supervisors of the District is elected by the landowners residing in the District. The Act, which contains the uniform statutory charter for all community development districts and by which the District is governed, delegates to the District certain traditional sovereign powers including, but not limited to, eminent domain, ad valorem taxation and regulatory authority over rates, fees and charges for district facilities. It does not appear from the facts and circumstances that the District was organized to avoid indefinitely responsibility to a public electorate. On the basis of the foregoing and other factors, Bond Counsel has concluded that under current law the District is a political subdivision for purposes of Section 103 of the Code, notwithstanding that its Board of Supervisors is temporarily elected by landowners. Bond counsel intends to deliver its unqualified approving opinion in the form attached hereto as "APPENDIX D – Form of Opinion of Bond Counsel."

The release of the Villages TAM may cause an increased risk of examination of the Series 2019C Bonds. Owners of the Series 2019C Bonds are advised that if the IRS does audit the Series 2019C 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 2019C Bonds may have limited rights to participate in such procedure. The Indenture does not provide for any adjustment to the interest rates borne by the Series 2019C Bonds in the event of a change in the tax-exempt status of the Series 2019C Bonds. The commencement of an audit or an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2019C Bonds could adversely impact both liquidity and pricing of the Series 2019C Bonds in the secondary market.

## **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. Except as otherwise disclosed herein, the District is not and has not ever been in default as to principal and interest on its bonds or other debt obligations. See "PRIOR AND OUTSTANDING INDEBTEDNESS AND DEFAULT HISTORY" herein.

## **VALIDATION**

The Series 2019C Bonds refund Bonds that were validated by a Final Judgment of the Circuit Court for St. Johns County, Florida, entered on December 17, 2004 and a Final Judgment of the Circuit Court for Duval County, Florida, entered on January 7, 2005. The period during which an appeal can be taken has expired.

## **LITIGATION**

There is no pending or, to the knowledge of the District, any threatened litigation against the District of any nature whatsoever which in any way questions or affects the validity of the Series 2019C Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the execution of the Indenture. Neither the creation, organization or existence of the District, nor the title of the present members of the Board has been challenged.

From time to time, the District expects to experience routine litigation and claims incidental to the conduct of its affairs. In the opinion of District Counsel, there are no actions presently pending or threatened, the adverse outcome of which would have a material adverse effect on the availability of the Pledged Revenues or the ability of the District to pay the Series 2019C Bonds from the Pledged Revenues.

## **CONTINUING DISCLOSURE**

In order to comply with the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "SEC Rule"), the District, the Master Developer and Lerner Reporting Services, Inc., as dissemination agent (the "Dissemination Agent") will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement"), the form of which is attached hereto as APPENDIX E. Pursuant to the Disclosure Agreement, the District and the Master Developer have covenanted for the benefit of the Owners to provide to the Dissemination Agent certain financial information and operating data relating to the District, the Development and the Series 2019C Bonds in each year (collectively, the "Reports"), and to provide notices of the occurrence of certain enumerated material events. Such covenant by the District and the Master Developer shall only apply so long as the Series 2019C Bonds remain Outstanding under the Indenture.

The Reports will be filed by the Dissemination Agent with the Municipal Security Rulemaking Board's Electronic Municipal Markets Access ("EMMA") repository described in the form of the Disclosure Agreement attached hereto as APPENDIX E. The notices of material events will also be filed by the Dissemination Agent with EMMA. The specific nature of the information to be contained in the Reports and the notices of material events are described in APPENDIX E. The Disclosure Agreement will be executed at the time of issuance of the Series 2019C Bonds. The foregoing covenants have been made in order to assist the Underwriter in complying with the SEC Rule.

The District has previously entered into continuing disclosure undertakings related to the Prior Outstanding Bonds (collectively, the "Prior CDAs"). Within the last five years, the District failed to timely file its audited financial statements for the fiscal year ending



September 30, 2016 and failed to timely file a failure to file notice with respect to such audited financial statements. In addition, with respect to the Prior CDA for the Series 2012 Bonds (the "2012 CDA") and the Prior CDA for the Series 2015 Bonds (the "2015 CDA"), the District failed to timely file Interim Reports for fiscal years 2013 through 2018 as required by the 2012 CDA and 2015 CDA and failed to timely file failure to file notices with respect to such Interim Reports. Finally, with respect to the 2015 CDA, the District failed to timely file its audited financial statements for the fiscal years ending September 30, 2015, September 30, 2017 and September 30, 2018, and failed to timely file failure to file notices with respect to such audited financial statements. Such failures to file have since been cured.

Pursuant to the Prior CDAs, the Master Developer is required to submit Quarterly Reports to the dissemination agent for filing. Within the last five years, the Master Developer has, on several occasions, failed to timely provide Quarterly Reports to the dissemination agent, causing several Quarterly Reports to be filed anywhere from one (1) to eight (8) days late. In addition, certain of the Quarterly Reports were not filed on all CUSIPs. Such failures to file have since been cured.

## **UNDERWRITING**

The Underwriter will agree, pursuant to a contract to be entered into with the District, subject to certain conditions, to purchase the Series 2019C Bonds from the District at a purchase price of \$15,627,025.00 (representing the par amount of the Series 2019C Bonds less an Underwriter's discount of \$237,975.00). See "ESTIMATED SOURCES AND USES OF BOND PROCEEDS" herein. The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all the Series 2019C Bonds if any are purchased.

The Underwriter intends to offer the Series 2019C Bonds at the offering prices set forth on the inside cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Underwriter may offer and sell the Series 2019C Bonds to certain dealers (including dealers depositing the Series 2019C Bonds into investment trusts) at prices lower than the initial offering prices and such initial offering prices may be changed from time to time by the Underwriter.

## **LEGAL MATTERS**

The Series 2019C Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer with notice and the receipt of the opinion of Bryant Miller Olive, P.A., Orlando, Florida, Bond Counsel, as to the validity of the Series 2019C Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams P.A., Tallahassee, Florida, for the Trustee by its counsel, Greenberg Traurig, P.A., Orlando, Florida, and for the Underwriter by its counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida.

## **AGREEMENT BY THE STATE**

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2019C Bonds, that it will not limit or alter the rights of the issuer of such bonds to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

## **FINANCIAL STATEMENTS**

The general purpose financial statements of the District for the fiscal year ended September 30, 2018, included in this Limited Offering Memorandum have been audited by Grau & Associates, independent certified public accountants, as stated in their report appearing in APPENDIX F. The consent of the District's auditor to include in this Limited Offering Memorandum the aforementioned report was not requested, and the general purpose financial statements of the District are provided only as publicly available documents. The auditor was not requested nor did they perform any procedures with respect to the preparation of this Limited Offering Memorandum or the information presented herein. The District has covenanted in the Disclosure Agreement attached hereto as APPENDIX E to provide its annual audit commencing with the audit for the District fiscal year ended September 30, 2019 to certain information repositories as described therein.

## **EXPERTS AND CONSULTANTS**

The references herein to England, Thims & Miller, as District Engineer have been approved by said firm. The Engineer's Report prepared by such firm has been included as APPENDIX A attached hereto in reliance upon such firm as an expert in engineering. References to and excerpts herein from such Engineer's Report do not purport to be adequate summaries of the 2019 Project or complete in all respects. Such Engineer's Report is an integral part of this Limited Offering Memorandum and should be read in its entirety for complete information with respect to the subjects discussed therein.

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

## **CONTINGENT AND OTHER FEES**

The District has retained Bond Counsel, District Counsel, the Assessment Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee

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

### **NO RATING OR CREDIT ENHANCEMENT**

No application for credit enhancement or a rating on the Series 2019C Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining either for the Series 2019C Bonds had application been made.

### **MISCELLANEOUS**

Any statements made in this Limited Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Limited Offering Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2019C Bonds.

The information contained in this Limited Offering Memorandum has been compiled from official and other sources deemed to be reliable, and is believed to be correct as of the date of the Limited Offering Memorandum, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The Underwriter listed on the cover page hereof has reviewed the information in this Limited Offering Memorandum in accordance with and as part of its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

The information and expression of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District or the Development from the date hereof. However, certain parties to the transaction will, on the closing date of the Series 2019C Bonds, deliver certificates to the effect that nothing has come to their attention that would lead them to believe that applicable portions of the Limited Offering Memorandum contain an untrue statement of a material fact or omit to state a material fact that should be included herein for the purpose for which the Limited Offering Memorandum is intended to be used, or that is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading and to the effect that from the date of the Limited Offering Memorandum to the date of closing of the Series 2019C Bonds that there has been no material adverse change in the information provided.

This Limited Offering Memorandum is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. The appendices hereof are integral parts of this Limited Offering Memorandum and must be read in their entirety together with all foregoing statements.

**TOLOMATO COMMUNITY  
DEVELOPMENT DISTRICT**

By: /s/ Richard T. Ray

Name: Richard T. Ray

Its: Chairman

## **APPENDIX A**

### **Engineer's Report**

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**TOLOMATO COMMUNITY  
DEVELOPMENT DISTRICT**

**2019 Supplemental Engineer's Report for  
Master Infrastructure Improvements**

**Prepared for**

**BOARD OF SUPERVISORS**

**TOLOMATO COMMUNITY  
DEVELOPMENT DISTRICT**

**June 11, 2019  
as updated June 25, 2019**

## **I. OVERVIEW**

The Tolomato Community Development (“District”) is located with the Nocatee DRI in the City of Jacksonville and St. Johns County, Florida. The District comprises approximately 13,468 acres of land. Refer to Exhibit 1.

The District was established by Rule 42SS of the Florida Land and Water Adjudicatory Commission effective July 29, 2004. The District was created to provide an efficient mechanism for planning, financing, developing, and managing infrastructure associated with the Nocatee DRI. The District has previously issued bonds to finance the District’s Capital Improvement Plan as described in the [Master Engineer’s Report], as subsequently updated (“CIP”).<sup>1</sup>

## **II. PURPOSE**

The purpose of this Supplemental Report is to identify the improvements that will be included in the 2019 project. Additionally, a description of additional proposed infrastructure improvements and related costs necessary for the continued development of the District is included herein.

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<sup>1</sup> The [Master Engineer’s Report] was subsequently updated by the 2007 Supplemental Engineer’s Report prepared for the Tolomato CDD, dated July 19, 2007, the 2007 Supplemental Engineer’s Report prepared for the Split Pine CDD, dated April 5, 2007, the 2012 Supplemental Engineer’s Report prepared for the Tolomato CDD, dated August 16, 2012, and the 2014 Supplemental Engineer’s Report prepared for the Tolomato CDD, dated September 29, 2014 (updated 2/23/15), the 2018 Supplemental Engineer’s Report prepared for the Tolomato CDD, dated March 27, 2018, the Second 2018 Supplemental Engineer’s Report prepared for the Tolomato CDD, dated June 12, 2018 (Amended and Restated July 24, 2018) and the third 2018 Supplemental Engineer’s Report dated June 12, 2018.



### III. STATUS OF ORIGINAL CAPITAL IMPROVEMENT PLAN

Given the size of the District, construction of the master infrastructure contained in its CIP remains underway. The attached Summary of Master Infrastructure Costs updates the completion status and costs associated with each project. Below is a brief description of each column:

- **Completed Project Costs** – Reflects the actual expenditures, by project, through April 23, 2019.
- **Committed Project Costs** – This is the cost to complete projects already approved by the Board of Supervisors. This includes work already in progress as well as work approved to start, but not yet commenced. All committed projects are anticipated to be completed in 2020.
- **Estimated Future Project Costs with Funding** – These are future projects that are not yet approved by the Board of Supervisors. Funding for these projects is expected to be available from the collection of Impact Fees by the District in the future, from the proceeds of bond issuances, refinancing or through some other dedicated funding source.
- **Estimated Future Project Costs without Funding** – These are future projects that are not yet approved by the Board of Supervisors. At this time, a funding source for these projects has not been identified and may not be available. The “Philips Highway Improvements – Contribution” and “Transportation Mitigation Payment” may not be required per the Notice of Proposed Change (NOPC) to the Nocatee DRI approved March 6, 2012. As explained in the following sections, funding for these projects may not be required.
- **Estimated R/W and Land Contribution Values** – The estimated value of right-of-way and lands contributed by the primary landowner.
- **Estimated Total Project Costs** – This is the sum of the preceding columns (including R/W and land contributions) representing the total of all costs by project line item.

TABLE I

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
SUMMARY OF MASTER INFRASTRUCTURE COSTS**

IMPROVEMENT PLAN						
Description	Completed Project Costs	Committed Project Costs	Estimated Future Project Costs With Funding	Estimated Future Project Costs Without Funding	Estimated R/W and Land Contribution Values	Estimated Total Project Costs
<b>JOINT MASTER INFRASTRUCTURE</b>						
<b>Transportation</b>						
Stage 1 Nocatee Parkway (ICW Bridge to US 1) w/ Stage 1 North Perimeter Road	\$69,800,000					\$69,800,000
① Stage 2 Nocatee Parkway (West Int. to US 1) (aka Racetrack Extension)	\$71,775,000				\$45,235,000	\$117,010,000
CR 210 (Mickler Road to ICW Bridge)	\$6,495,000					\$6,495,000
Stage 1 Crosswater Parkway with Stage 1 South Perimeter Road	\$17,222,000					\$17,222,000
① Stage 2 Crosswater Parkway	\$12,811,000				\$6,155,000	\$18,966,000
① Stage 2 North Perimeter Road	\$12,620,000				\$4,756,000	\$17,376,000
① Stage 2 South Perimeter Road	\$4,575,000				\$2,837,000	\$7,412,000
① Conservation Trail (fka Snowden Parkway)	\$1,238,700	\$4,462,500	\$8,231,400		\$7,102,000	\$21,034,600
① Preserve Southern Access Road	\$2,951,500				\$2,391,000	\$5,342,500
① Pine Island Road - Southerly Connection			\$3,500,000		\$1,444,000	\$4,944,000
① Town Center Roadways	\$20,371,000		\$1,886,000		\$2,873,000	\$25,130,000
① Greenleaf Drive	\$1,912,000				\$1,030,000	\$2,942,000
Southern Villages Collector Roads			\$9,978,000	\$3,799,500		\$13,777,500
③ Philips Highway Improvements - Contribution				\$12,134,000		\$12,134,000
③ Transportation Mitigation Payment				\$55,837,000		\$55,837,000
PD&E Study	\$308,000					\$308,000
Environmental Mitigation	\$712,000		\$100,000			\$812,000
Greenway Improvements	\$4,034,000		\$500,000			\$4,534,000
④ Miscellaneous R/W and Stormwater Ponds					\$15,202,000	\$15,202,000
<b>Joint Transportation Sub-Total</b>	<b>\$226,825,200</b>	<b>\$4,462,500</b>	<b>\$24,195,400</b>	<b>\$71,770,500</b>	<b>\$89,025,000</b>	<b>\$416,278,600</b>
<b>Recreation</b>						
② ⑥ Amenities (including Resident Center)	\$33,442,000		\$17,260,000		\$33,982,500	\$84,684,500
② Greenleaf Community Park					\$1,280,000	\$1,280,000
② Cypress Trails Park	\$2,057,000					\$2,057,000
② Twenty Mile Post	\$701,485				\$1,398,700	\$2,100,185
② Twenty Mile Park	\$2,000,000				\$707,700	\$2,707,700
⑤ Preserve Areas					\$8,350,800	\$8,350,800
<b>Joint Recreation Sub-Total</b>	<b>\$38,200,485</b>		<b>\$17,260,000</b>		<b>\$45,719,700</b>	<b>\$101,180,185</b>
<b>JOINT MASTER INFRASTRUCTURE TOTAL</b>	<b>\$265,025,685</b>	<b>\$4,462,500</b>	<b>\$41,455,400</b>	<b>\$71,770,500</b>	<b>\$134,744,700</b>	<b>\$517,458,785</b>

(Note: Cost estimates in this 2019 update report are based upon 2018 dollars)

① denotes Joint Transportation items that include right-of-way and stormwater management facility land contribution values. As noted in the "Basis of Cost Estimates for Joint Master Infrastructure" on page 8, the value per acre has been estimated using an appraisal dated September 6, 2006. Approximately 355 acres are anticipated to be contributed by the Developer with an estimated value of \$76,417,000. The 355 acres also includes areas for ponds that serve roadways only plus portions of joint use ponds that also provide for development.

② denotes Recreation Improvements that include land contribution values. The land contribution values are from or are based upon Cantrell Real Estate, Inc. appraisals (CRE Appraisal Nos. 3878 thru 3880) dated April 5, 2012. Note: Land contribution values reflect only land conveyed prior to 2012.

③ denotes items where actual payments have been, or shall be, adjusted up to the date of payment using the Consumer Price Index for all Urban Consumers (CPI-U).

④ Approximately 70.6 acres have been contributed by the Developer, with an estimated value of \$15,202,000. These are independent of the contributions referenced in footnote 1.

⑤ Approximately 835 acres have been contributed by the Developer, based upon an estimated value of \$10,000/acre.

⑥ 2019 Issuance: There will be no completion agreement, and as such project costs will be modified to match bond proceeds generated from the proposed refinancing upon final pricing. That portion of the CIP to be constructed/acquired/reimbursed with proceeds of the 2019 Series Bonds is referred to as the "Series 2019 Project".

## **A. TRANSPORTATION PROJECT STATUS**

### ***1. COMPLETED PROJECTS***

Many of the District's transportation master improvements have been completed. See additional details below.

- **Stage 1 Nocatee Parkway (ICW Bridge to US 1) w/ Stage 1 North Perimeter Road**  
Construction has been completed for both roadways, and St. Johns County and the City of Jacksonville have accepted both projects for maintenance.
- **Stage 2 Nocatee Parkway (West Int. to US 1) (aka Racetrack Extension)**  
Construction has been completed, and St. Johns County and the City of Jacksonville have accepted the project for maintenance.
- **CR 210 (Mickler Road to ICW Bridge)**  
St. Johns County requested a lump sum payment in lieu of the design and construction efforts for this project. The \$5,500,000 contribution was adjusted from the year 2000 using the Consumer Price Index for all Urban Consumers (CPI-U). A payment of \$6,494,400 was made by the District in October 2010. In 2007, the design and construction costs were estimated to be \$10,188,000 and the lump sum payment saved the District approximately \$3,693,600.
- **Stage 1 Crosswater Parkway w/ Stage 1 South Perimeter Road**  
Construction has been completed and the roadways have been accepted for maintenance by St. Johns County.
- **Stage 2 Crosswater Parkway**  
Construction has been completed, and it is anticipated that it will be accepted for maintenance by St. Johns County in 2020.
- **Stage 2 North Perimeter Road**  
Construction has been completed and the roadway has been accepted for maintenance by St. Johns County and the City of Jacksonville.
- **Stage 2 South Perimeter Road**  
Construction has been completed and the roadway has been accepted for maintenance by St. Johns County and the City of Jacksonville.
- **Greenleaf Drive**  
Construction of this project was completed in January 2011, and it has been accepted for maintenance by St. Johns County.

- **Town Center Roadways**

Construction of the Phase I Town Center Roadways has been completed and conveyed to the District. Construction of Crosstown Drive Extension, located in the Duval County portion of Town Center Central, has also been completed and accepted by the City of Jacksonville.

Construction of the Phase II Town Center Roadways has been completed and accepted for maintenance by St. Johns County.

Construction of the Phase III Town Center Roadways has been completed and accepted for maintenance by St. Johns County.

- **PD&E Study**

The study has been completed and a payment of \$308,000 was made to the County in October 2011.

- **Greenway Improvements**

Construction for Phases 1 and 2 of the trails has been completed, and is maintained by the District.

## ***2. CURRENT PROJECTS***

Several of the District's master transportation projects are currently underway. See additional details below.

- **Conservation Trail (Formerly known as Snowden Parkway)**

The Master Development Plan has been approved by St. Johns County, and the construction plans for the first phase have been completed, permitted and approved. The first phase of construction of a combination of the four-lane and two-lane roadway is underway, and is anticipated to be completed in 2019. Upon completion, it is anticipated that Conservation Trail will be owned and maintained by St. Johns County.

- **Preserve Southern Access Road**

Design and permitting has been completed for this project, and construction of the first phase was completed in 2018. Construction of the second phase is substantially complete. Upon completion, it is anticipated that the entire Preserve Southern Access Road will be owned and maintained by St. Johns County.

- **Pine Island Road – Southerly Connection**

The District initiated design and permitting for this project. Design is approximately 90% complete. Construction is anticipated to be completed by 2023. Upon completion, it is anticipated that Pine Island Road – Southerly Connection will be owned and maintained by St. Johns County.

- **Town Center Roadways**  
Design and construction efforts for the future phases are dependent upon market conditions and demand. If additional Town Center Roadways are constructed, it is anticipated that they will be owned by St. Johns or Duval County.
- **Environmental Mitigation**  
Mitigation is continuing as the Tolomato CDD continues to develop. Many of the mitigation projects are underway as required by the SJRWMD and ACOE permits.

### **3. *TENTATIVE PROJECTS***

The following components of the District's master transportation improvements are only required upon the satisfaction of certain development conditions. Accordingly, it is undetermined whether these improvements will be required. See additional details below.

- **Philips Highway Improvements – Contribution**  
Notice of Proposed Change (NOPC) 2011-03 was approved by the St. Johns County Board of County Commissioners March 6, 2012. This NOPC changed the timing and requirements for this project. Under the original Development Order approvals, a contribution of \$12,134,000 (2009 dollar values) was to be paid to the Florida Department of Transportation ("FDOT") as directed by the FDOT. This payment was supposed to occur prior to the issuance of building permits for any development beyond that which generates 3,200 external p.m. peak hour trips from the Nocatee DRI, but not later than year 4 of Phase IV (2025). The NOPC now requires that the contribution for this project be paid when both residential and non-residential development combined generate 9,045 external PM peak hour trips within the Nocatee DRI. Considering that residential development within the District includes an age-restricted community and transportation management techniques should reduce external trips, the 9,045 threshold may not be exceeded; therefore, the Philips Highway Improvements – Contribution may not be required. Actual payments shall be adjusted up to the date of payment using the Consumer Price Index for all Urban Consumers (CPI-U).
- **Transportation Mitigation Payments**  
NOPC 2011-03 also changed the timing and requirements for the Transportation Mitigation Payment. Originally, the development order required payment of \$43,392,528 and this amount was escalated to \$55,837,000 for an estimated equivalent 2009 dollar value. Pursuant to the DRI development order, a developer funded traffic study was to have been performed to determine the actual internal trip capture in Nocatee and the proportionate share of necessary improvements recommended outside of the District in Phases IV and V of the DRI's development. Payments were anticipated to occur no sooner than 2022 and would have been paid incrementally through Phases IV and V (2022 to 2031). The NOPC now requires that the Transportation Mitigation Payment be paid when both residential and non-residential development combined generate 9,045 external PM peak hour trips within the Nocatee DRI. Considering that residential development within the District includes an age-restricted community and

transportation management techniques should reduce external trips, the 9,045 threshold may not be exceeded; therefore, the Transportation Mitigation Payment may not be required. Actual payments shall be adjusted up to the date of payment using the Consumer Price Index for all Urban Consumers (CPI-U).

## **B. RECREATION PROJECT STATUS**

### **1. *COMPLETED PROJECTS***

The District has completed the construction of extensive recreation facilities to date. See below for additional information.

- **Aquatics Park**  
Construction for Phase 1 of the Aquatics Park (which included Crosswater Hall, the Fitness Center, and Splash Water Park) has been completed, and the Aquatics Park opened in the spring of 2010. The expansion of Splash Water Park (which included the Family Fun Pool, the Swim Club, and a kid's spray area) was substantially completed in September 2014.
- **Additional Amenity Centers**
  - Cypress Trails Park was completed in 2015.
  - Twenty Mile Village Amenity Center was completed in 2015.
  - Twenty Mile Post Amenity Center was completed in 2017.
- **Greenleaf Community Park**  
Phase 1 of the Greenleaf Community Park was funded by the developer and has been completed and conveyed to the District.

## **IV. SERIES 2019 PROJECT**

With the issuance of the Series 2019 Bonds, the District will have capital funds to continue its Capital Improvement Plan. The District intends to continue to expand and enhance its transportation and amenity/recreation facilities, as described in the following sections.

- **Spray Park**  
The Spray Park is the second major waterpark in the District, and opened to residents in March, 2019. This unique park includes pools, water features and a 42 foot interactive spray structure. The developer advanced \$1,586,527 and the District advanced an additional \$654,515.85 for construction of the Spray Park, which will be reimbursed with bond proceeds. The total cost of the Spray Park is approximately \$11,000,000. Bond funds may also be used for additional enhancements to the Spray Park which may include shade structures, pavilions, furniture, additional lighting and food service equipment.

- **Crosswater Park**

To meet the growing community's demands for amenities, the District is currently in the process of designing and permitting Crosswater Park. Located in the southern portion of Nocatee, Crosswater Park will feature a pool with lap lanes, a large playground, a dog park and an open-air pavilion. The total cost of Crosswater Park is projected at \$4,500,000. The District is currently advancing funds from the General Fund, which may be reimbursed with bond proceeds.

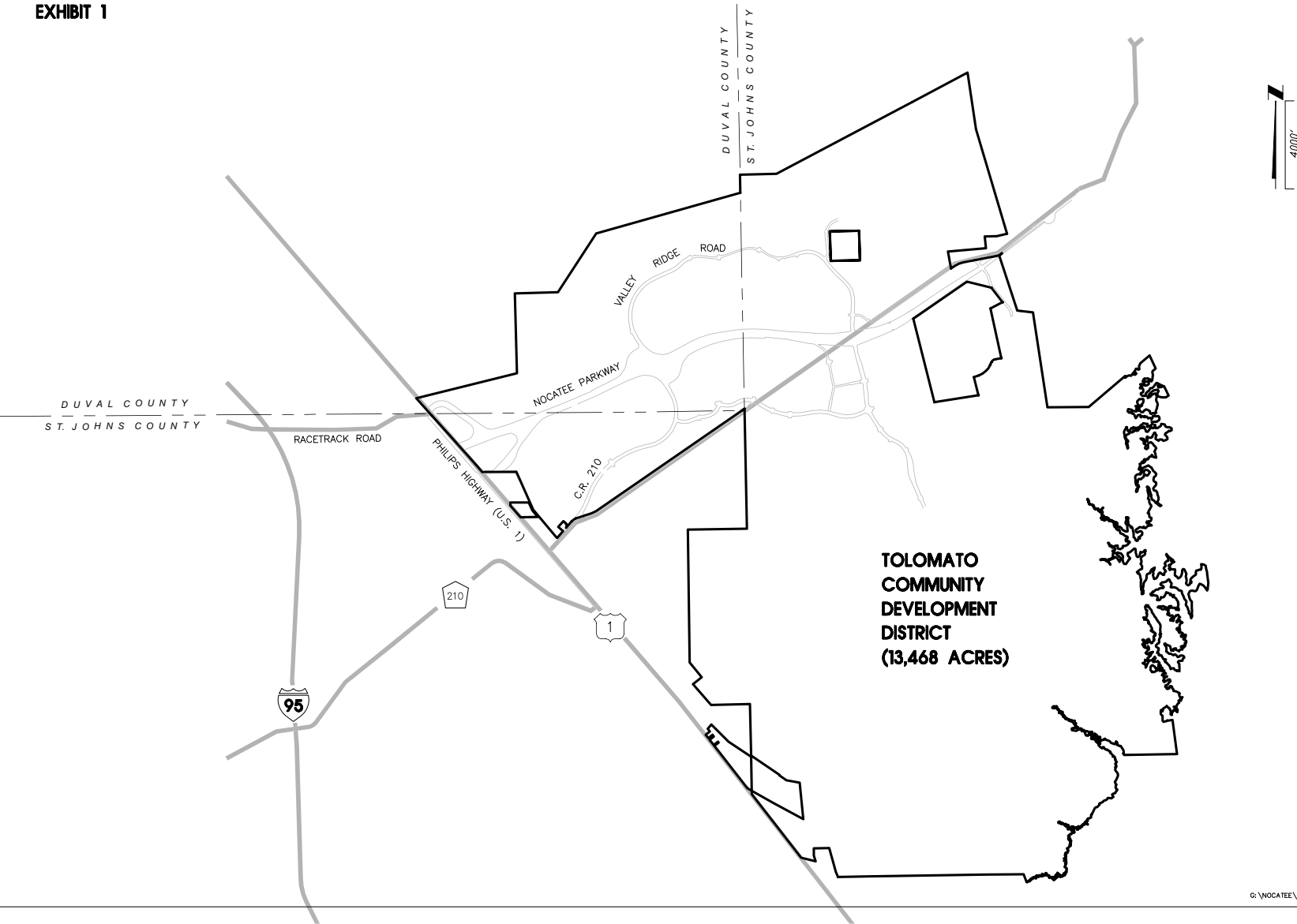
- **Other Amenities, Enhancements, and Refurbishments**

It is anticipated that additional future amenities throughout the District will be required to support development. These may include components such as additional greenway trails, playgrounds, jogging trails, pools and additional water features, restrooms, dog parks, courts, multi-use fields, passive parks and picnic areas, parking, landscaping, lighting, phone system and other such amenity improvements. Projects may also include enhancements to existing parks and amenities, as well as refurbishments to extend the life of current District capital assets. Additional construction may also include a maintenance facility, and the purchase of vehicles to support the upkeep of District assets.

- **Transportation Improvements**

Design and construction efforts for future transportation improvements are dependent upon market conditions and demand. Improvements may include additional roadways, traffic signals, cross walk improvements, signage/stripping, greenway trails, and other necessary transportation features.

**EXHIBIT 1**





## **APPENDIX B**

### **Methodology Report**

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# **TOLOMATO Community Development District**

**Supplemental Assessment Methodology Report for the  
Special Assessment Revenue Bonds Series 2019A  
Special Assessment Revenue Bonds Series 2019B  
Special Assessment Revenue Bonds Series 2019C**

**June 26, 2019**

**Prepared by  
Governmental Management Services, LLC**

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## **1.0 Introduction**

### **1.1 Purpose**

The Tolomato Community Development District's ("District") is proposing to issue its Series 2019A1/2019A2 Bonds (as defined herein), Series 2019B Bonds (as defined herein) and Series 2019C Bonds (as defined herein) (collectively, the "Series 2019 Refunding Bonds") to refund all of its outstanding Special Assessment Bonds, Series 2006 (the "Series 2006 Bonds"), Special Assessment Bonds, Series 2007-1 (the "Series 2007-1 Bonds"), Special Assessment Bonds, Series 2007A-1 (the "Series 2007A-1 Bonds") and Special Assessment Refunding Bonds, Series 2012A-3 (the "Series 2012A-3 CAB Bonds" and together with the Series 2006 Bonds, Series 2007-1 Bonds and Series 2007A-1 Bonds, the "Refunded Bonds"). This report outlines the allocation of assessments assigned to certain properties to secure the District's Series 2019 Refunding Bonds. The lands within the District are included within the boundaries of the Nocatee Development of Regional Impact ("Nocatee" or "Development"). Nocatee is a planned mixed-use development covering approximately 13,388.45 acres located within St. Johns County and Duval County. SONOC Company, LLC ("Developer") is the developer of Nocatee. The Methodology described herein quantifies the special benefits to properties in the District that are derived as a result of the installation of infrastructure facilities and equitably allocates those costs incurred by the District to provide these benefits to properties in the District.

### **1.2 Overview of the Series 2019A-1, 2019A-2, 2019B, and 2018C Bonds**

The District's Series 2019 refunding is comprised of all of its outstanding Series 2006 Bonds, the Series 2007-1 Bonds, the Series 2007A-1 Bonds and the Series 2012A-3 CAB Bonds.

The Series 2006 Bonds have remained current and the District has continued to comply with the conditions of the applicable trust indenture for this bond issuance since the time issuance.

The District's Board of Supervisors, the Developer, and the District's bondholders mutually agreed to reissue and/or restructure portions

of the District's existing bond debt in 2012. This reissued and/or restructured bond debt, and the related debt service assessments, are outlined in the Supplemental Assessment Methodology for the Series 2007-1, 2007-2, & 2007-3 Bonds; Series 2007A-1 & 2007A-2 Bonds; 2012A-1 Current Interest Bonds; 2012A- 2, 2012A-3, & 2012A-4 Convertible Capital Appreciation Bonds, dated August 16, 2012 ("2012 Methodology"). The District's Series 2007-1 Bonds, Series 2007A-1 Bonds and 2012-3 Bonds have remained current and the District has continued to comply with the conditions of the applicable trust indenture(s) for each of these bond issuances since the time of reissuance in 2012.

The District now has the opportunity to refund the Series 2006 Bonds, Series 2007-1 Bonds, Series 2007A-1 Bonds and 2012-3 Bonds and reissue them as the Series 2019A-1, 2019A-2, 2019B, and 2019C Special Assessment Revenue Refunding Bonds.

This refunding and reissuance will allow the District to achieve two objectives: 1) lowering the annual debt service requirements of the Refunded Bonds, and 2) raising additional proceeds to complete desired recreational and other capital improvements.

This Supplemental Methodology outlines the details of, and the assessments securing the repayment of, the District's Series 2019 Refunding Bonds.

### **1.3 Requirements of a Valid Assessment Methodology**

Valid special assessments under Florida law have two requirements. First, the properties assessed must receive a special benefit from the improvements paid for via the assessments. Second, the assessments must be fairly and reasonably allocated to the properties being assessed.

If these two characteristics of valid special assessments are adhered to, Florida law provides wide latitude to legislative bodies, such as the District's Board of Supervisors, in approving special assessments. Indeed, Florida courts have found that the mathematical perfection of calculated special benefit is probably impossible. Only if the District's Board was to act in an arbitrary, capricious, or unfair fashion would its assessment methods be overturned.

### **2.0 Benefit Conferred by the Capital Improvement Plan**

Table 1 (all tables are found in the attached Appendix) outlines the estimated development program for the District, including those units that have yet to be developed. The District has adopted a capital improvement plan ("CIP"), as described in the Supplemental Engineer's Report for Master Infrastructure Improvements dated June 11, 2019 ("2019 Engineer's Report"), which identifies certain infrastructure improvements that have or will be constructed and/or acquired and benefit lands within the District. The benefit provided to the lands within the District from the CIP will be apportioned among these planned development units according to the District-approved equivalent residential unit ("ERU") value assigned to each unit of Development.

Table 2 provides the estimated benefit provided by the District's CIP as described through a summary of the District's previous financings. The previous benefit analysis, completed in 2018, is shown at the top of Table 2. The bottom of Table 2 shows the revised CIP, as it currently is anticipated. Table 2 references certain new

components of the District's revised CIP that are outlined in more detail in the 2019 Engineer's Report. The Series 2019 Refunding Bonds will be issued to both refinance the Refunded Bonds and to raise approximately \$17.26 million in new proceeds to further the District's revised CIP. Governmental Management Services, LLC has examined these new components and determined that they are an extension of the District's CIP and provide a special benefit to the properties subject to Series 2019 Refunding Bonds assessments. A key new component of the revised CIP will be extensions and enhancements to the District's recreational amenities which will be funded with a portion of the proceeds raised by the Series 2019 Refunding Bonds. These recreational amenities, as described in the 2019 District Engineer's Report, clearly provide a special benefit to all properties subject to Series 2019 Refunding Bonds assessments.

As shown in Table 2, an examination of the various sources of funding available to the District indicates that the District expects to implement a portion of its revised CIP benefiting land within St. Johns County with bond debt issuances, contributions, and funds with a total value of \$457,548,972. This value represents the minimum benefit enjoyed by property owners within the St. Johns County portion of the District from the provision of the CIP as described in Table 2. Similarly, the District will arrange for the implementation of its CIP providing a minimum benefit of \$58,259,077 to the land within Duval County and the District.

Table 3 outlines the application of the revised benefit value for the St. Johns County portion of the District, to the units of development planned for St. Johns County, on the basis of the approved ERU values for those units. The "Revised Total Benefit Allocation/Unit" values outlined in Table 3 serve as caps on the amount of total District bond principal that can be assessed to each unit of development located within St. Johns County. Table 4 outlines a similar benefit analysis for the lands within the District and Duval County and the assessment values shown in this table serve as caps on the amount of bond principal assessed to each unit. As outlined below and in the Appendix tables, the properties within St. Johns and



Duval Counties within the District continue to receive a benefit in excess of the assessments levied to secure the 2019 Refunding Bonds.

### **3.0 Revised Bond Debt Assessments**

#### **3.1 Restructured Bond Debt Overview**

Table 5 provides details on the District's Series 2019A-1, 2019A-2, 2019B, and 2019C Special Assessment Revenue Refunding Bonds. The District's Series 2019A-1 Bonds repayment obligations will be superior to the Series 2019A-2 Bonds. However, all series comprising the Series 2019 Refunded Bonds debt service assessments will constitute legal, valid, and binding liens against the properties assessed to secure the repayment of these bonds.

The existing developed neighborhoods/communities that will be subject to the assessments securing the Series 2019 Refunded Bonds assessments are outlined in Table 6 and Table 7. The Series 2006 Bonds are shown in Table 6. The Series 2007-1 Bonds, Series 2007A-1 Bonds and Series 2012-3 Bonds are shown in Table 7 as Series 2007 and Series 2007A Special Assessment Revenue Bonds, which were the predecessor of the 2007-1, 2007-2 and 2012A-3 restructured bonds. The principal assessments previously assigned to these areas will be eliminated and replaced with Series 2019 Refunding Bonds assessments. Detailed lists of assessments, showing the assessments by unit type in each community, are found in Tables 8, 9 and 10.

#### **3.2 Assignment of Specific Bond Debt Service Assessments**

Initially, the District's bond debt was allocated to each of the undeveloped developable acres located within an area subject to bond debt assessments on an equal per-developable acre basis. As development progressed, the assessments were refined to reflect the development planned for the parcels subject to assessment. District bond debt service assessments have, and will continue to be, specifically assigned to the units of development planned for

parcels at the earliest of the following occurrences:

- 1) the parcel has been included in a county-approved master development plan ("MDP") outlining the individual units of development planned for the parcel; or
- 2) the property has transferred ownership from the Developer or a related entity to a third party and both parties have agreed that specific bond debt service assessments associated with the units of development planned for the property should also be assigned at the time of the transfer; or
- 3) the Developer or a related entity has requested that property be considered as "Under Development" by the District and assigned specific bond debt service assessments based upon the units of development planned for the property.

A parcel that has been identified by the District as having met one of these three conditions will be termed "Under Development". Each tract of property that has entered the Under Development stage and will be assigned specific bond debt service assessments based upon the units of development planned for the tract will constitute an "Assessment Area". As parcels enter the Under Development stage, an "Adjunct Supplemental Assessment Report" will be approved by the District's Board of Supervisors to describe both the units of development and accompanying bond debt service assessments for the new Assessment Area.

### **3.3 Series 2019A-1 & 2019A-2 Bond Assessments**

Table 11 outlines the annual Series 2019A-1 and Series 2019A-2 Special Assessment Revenue Refunding Bonds debt service assessment levels that will be assigned to individual units previously subject to Series 2006 Bond assessments. All of the communities and units listed in Table 8 have previously entered the Under Development stage and so will be assigned Series 2019 Refunding Bonds assessments concurrent with the issuance of the same bonds. All properties subject to Series 2019A-1 and 2019A-2 Special Assessment Revenue Refunding Bonds debt service assessments are included in the legal description attached as Exhibit "A." These annual Series 2019A-1 and 2019A-2 Special Assessment Revenue Refunding Bond debt service assessments will again be collected and enforced by the District, similar to the Series 2006 Bond assessments, as and when debt service on the Series 2019A-1 and 2019A-2 Special Assessment Revenue Refunding Bonds is due and payable. The benefit provided by the District's CIP to each unit of development, as indicated in Table 3, will exceed the amount of assessment that is being assigned to each development unit to pay the debt service necessary on the Series 2019A-1 and 2019A-2 Special Assessment Revenue Refunding Bonds.

### **3.4 Series 2019B Bond Assessments**

Tables 12 and 13 outline the annual Series 2019B Special Assessment Revenue Refunding Bonds debt service assessment levels that will be assigned to individual units previously subject to Series 2007-1, 2007A-1 and 2012A-3 Bond assessments. All of the communities and units listed in Tables 12 and 13 have previously entered the Under Development stage and so will be assigned Series 2019 Refunding Bonds assessments coinciding with the issuance of the same bonds. All properties subject to Series 2019B Special Assessment Revenue Refunding Bonds debt service assessments are included in the legal description attached as Exhibit "A." These annual Series 2019B Special Assessment Revenue Refunding Bond debt service

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assessments will again be collected and enforced by the District, similar to the Series 2007-1, 2007A-1 and 2012A-3 Bond assessments, as and when debt service on the Series 2019B Special Assessment Revenue Refunding Bonds is due and payable. The benefit provided by the District's CIP to each unit of development, as indicated in Table 3, will exceed the amount of assessment that is being assigned to each development unit to pay the debt service necessary on the Series 2019B Special Assessment Revenue Refunding Bonds.

### **3.5 Series 2019C Bond Assessments**

Series 2019C Special Assessment Revenue Refunding Bonds consist of vertical commercial properties, properties sold but not yet constructed, as well as undeveloped lands. Assessments will begin to be assigned to units planned for commercial as well as previously undeveloped lands as those properties enter the Under Development stage. Such assessments will be assigned, according to Tables 14 and 15, until the repayment of the Series 2019C Special Assessment Revenue Refunding Bonds is fully secured. These annual Series 2019C Special Assessment Revenue Refunding Bonds debt service assessments will be collected and enforced by the District, similar to the Series 2012A- 3 Bond assessments, as and when debt service on the Series 2019C Bonds is due and payable. The benefit provided by the District's CIP to each unit of development, as indicated in Table 3, will exceed the level of assessment that is being assigned to each development unit to pay the debt service necessary on the Series 2019C Special Assessment Revenue Refunding Bonds.

**EXHIBIT "A"**  
**Properties Subject to Series 2019 Refunding Bond Assessments**

EXHIBIT "A"  
Legal Description of the District and Tax Roll

0680570210	0680571830	0680611090	0680570530	0680572500	0680610450	0680611430	0680630640	0680612310
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0680570250	0680572070	0680611130	0680570570	0680572540	0680610490	0680611470	0680610090	0680612350
0680570260	0680572080	0680611140	0680571590	0680572550	0680610500	0680611480	0680610110	0680612360
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0680570310	0680572130	0680611210	0680571640	0680610040	0680610550	0680611530	0680611920	0680612410
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0680570330	0680572150	0680611230	0680571850	0680610060	0680610570	0680611550	0680611940	0680612430
0680570340	0680572160	0680611240	0680571860	0680610070	0680610580	0680611560	0680611950	0680612440
0680570350	0680572170	0680611250	0680571870	0680610080	0680610590	0680611570	0680611960	0680612450
0680570360	0680572180	0680611260	0680571880	0680610100	0680610600	0680611580	0680611970	0680612460
0680570370	0680572190	0680611270	0680571890	0680610120	0680610610	0680611590	0680611980	0680612470
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0680570420	0680572260	0680611340	0680571960	0680610200	0680610680	0680611660	0680612050	0680612540
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0680570440	0680572280	0680611360	0680571980	0680610220	0680610700	0680611680	0680612070	0680612560
0680570450	0680572290	0680611370	0680571990	0680610230	0680610710	0680611700	0680612080	0680612570
0680570460	0680572300	0680611380	0680572000	0680610240	0680610720	0680611710	0680612090	0680612580
0680570470	0680572310	0680611390	0680572010	0680610250	0680610730	0680611720	0680612100	0680612590
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0680571690	0680610950	0680570060	0680572360	0680610310	0680610790	0680611780	0680612160	0680612650
0680571700	0680610960	0680570070	0680572370	0680610320	0680610800	0680611790	0680612170	0680612660
0680571710	0680610970	0680570080	0680572380	0680610330	0680610810	0680611800	0680612180	0680612670
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0680571790	0680611050	0680570160	0680572460	0680610410	0680610890	0680630060	0680612270	0680613460

EXHIBIT "A"  
Legal Description of the District and Tax Roll

0680613470	0680621580	0680570850	0680571270	0680613680	0680614570	0680613330	0680620120	0680621050
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0680613510	0680621650	0680570890	0680571310	0680613720	0680614610	0680613370	0680620160	0680621090
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0680613570	0680621760	0680570950	0680571440	0680613810	0680614800	0680613430	0680620240	0680621150
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0680614710	0680570730	0680571220	0680613170	0680614100	0680612920	0680614870	0680620650	0680621430
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0680614740	0680570760	0680571250	0680613200	0680614130	0680612960	0680614900	0680621470	0680621460
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0680621530	0680570810	0680571370	0680613260	0680614520	0680613020	0680620020	0680620610	06806213300
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Legal Description of the District and Tax Roll

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0680620050	0680621970	0680630520	0680631030	0680632680	0680632410	0680590040	1681710860	1681710735
0680620080	0680621980	0680630530	0680631040	0680632690	0680632420	0680590070	1681710865	1681710755
0680620090	0680621990	0680630540	0680631050	0680632700	0680632430	0680590150	1681710885	1681710760
0680620110	0680630010	0680630550	0680631060	0680632710	0680632440	0680590130	1681710900	1681710795
0680620170	0680630020	0680630560	0680631070	0680632720	0680632450	0680590140	1681710905	1681710810
0680620190	0680630030	0680630570	0680631080	0680632730	0680632960	0680590170	1681710910	1681710820
0680620310	0680630040	0680630580	0680631090	0680632740	0680632970	0680590630	1681710930	1681710870
0680620320	0680630050	0680630590	0680631100	0680632750	0680632980	0680590650	1681710935	1681710875
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0680620390	0680630110	0680630620	0680631130	0680632780	0680633010	1681710560	1681710965	1681710895
0680620420	0680630120	0680630630	0680631140	0680632790	0680633020	1681710575	1681710325	1681710915
0680620430	0680630130	0680630650	0680631150	0680632800	0680633030	1681710580	1681710330	1681710920
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0680613630	0680630320	0680630830	0680631330	0680632210	0680590020	1681710730	1681710505	1681710410
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0680621610	0680630350	0680630860	0680631360	0680632240	0680590600	1681710750	1681710540	1681710465
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0702450130	0722521970	0722522460	0722531850	0702450160	0722430270	0722450320	0722470570	0722480290
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0702450150	0722521990	0722522480	0722531870	0702470020	0722430290	0722450350	0722470590	0722480320
0722470010	0722522000	0722522490	0722531880	0702470030	0722430300	0722450360	0722470600	0722480330
0722470020	0722522010	0722522500	0722531890	0702470040	0722430310	0722450370	0722470610	0722480340
0722470030	0722522020	0722522510	0722540390	0702470050	0722430340	0722450380	0722470620	0722480350
0722470180	0722522030	0722522520	0722540400	0702470060	0722430350	0722450390	0722470630	0722480390
0722470190	0722522040	0722522530	0722540410	0702470070	0722430370	0722450400	0722470640	0722480410
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0722470390	0722522060	0722522550	0722540430	0702470110	0722430390	0722450420	0722470660	0722480460
0722470690	0722522070	0722522560	0722540440	0702470120	0722430400	0722450430	0722470670	0722480490
0722470720	0722522080	0722522570	0722540450	0702470130	0722430410	0722450440	0722470700	0722480510
0722470730	0722522090	0722531450	0722540460	0702470210	0722430420	0722450460	0722470710	0722480530
0722470750	0722522100	0722531480	0722540470	0702470220	0722430440	0722450470	0722470740	0722480540
0722470810	0722522110	0722531490	0722540480	0702470230	0722430450	0722450480	0722470760	0722480550
0722470830	0722522120	0722531500	0722540490	0702470250	0722430460	0722450490	0722470770	0722480590
0722470840	0722522130	0722531510	0722540500	0702470260	0722430470	0722450500	0722470780	0722480610
0722470860	0722522140	0722531520	0722540510	0702470270	0722430480	0722470160	0722470790	0722480620
0722470880	0722522150	0722531530	0722540520	0702470280	0722430490	0722470170	0722470910	0722480640
0722470890	0722522160	0722531540	0722540530	0702470290	0722450010	0722470200	0722470920	0722480650
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0722471060	0722522180	0722531560	0722540550	0702470310	0722450030	0722470220	0722470940	0722480670
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0722480360	0722522280	0722531670	0722540650	0702470450	0722450130	0722470340	0722480050	0722480780
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0722480520	0722522340	0722531730	0722540710	0722430060	0722450200	0722470430	0722480120	0722480880
0722480570	0722522350	0722531740	0722540720	0722430070	0722450210	0722470440	0722480130	0722480890
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0722521920	0722522410	0722531800	0722540780	0722430130	0722450270	0722470510	0722480210	0722480970
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0722521940	0722522430	0722531820	0722540800	0722430150	0722450290	0722470540	0722480240	0722480990
0722521950	0722522440	0722531830	0722540810	0722430240	0722450300	0722470550	0722480270	0722531460
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0702470080	0722470820	0702420230	0702420740	0722460480	0722490880	0722491740	0722540960	0702460200
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0702470150	0722470960	0702420260	0702450090	0722470060	0722490910	0722491770	0722540990	0702460240
0702470160	0722470970	0702420270	0702450100	0722470130	0722490920	0722491780	0722541000	0702460260
0702470170	0722470990	0702420280	0702450110	0722470140	0722490930	0722491790	0722541010	0702460270
0702470180	0722471050	0702420290	0702450120	0722470150	0722490940	0722491800	0722541020	0702460280
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0702470490	0722480370	0702420390	0702460180	0722490270	0722491040	0722491910	0722541120	0702460380
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0702470520	0722480480	0702420420	0702460450	0722490320	0722491070	0722491940	0722541150	0702460410
0702470530	0722480560	0702420430	0702460460	0722490330	0722491080	0722540100	0722541160	0702460420
0702470540	0722480580	0702420440	0702460470	0722490340	0722491090	0722540110	0722541170	0702460430
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Legal Description of the District and Tax Roll

0702910700	0702928030	0702928550	0702912150	0702912790	0702913950	0702910990	0702914890	0702913010
0702910710	0702928040	0702928560	0702912160	0702912800	0702913970	0702913270	0702914900	0702913020
0702910730	0702928050	0702928570	0702912170	0702912810	0702914000	0702913320	0702914910	0702913030
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0702910870	0702928090	0702928620	0702912220	0702912860	0702914040	0702913370	0702910110	0702913090
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0702911020	0702928110	0702928640	0702912240	0702912880	0702914090	0702913390	0702913080	0702913130
0702911030	0702928120	0702928660	0702912250	0702912890	0702914130	0702913410	0702913100	0702913140
0702912200	0702928130	0702910240	0702912260	0702912900	0702914140	0702913420	0702913110	0702913170
0702912280	0702928140	0702910260	0702912270	0702912910	0702914150	0702913430	0702913150	0702913200
0702912290	0702928150	0702910270	0702912300	0702912920	0702914160	0702913450	0702913160	0702913210
0702912330	0702928160	0702910280	0702912310	0702912930	0702914170	0702913460	0702913180	0702913220
0702912410	0702928170	0702910290	0702912320	0702912940	0702914180	0702913670	0702913190	0702913250
0702912430	0702928180	0702910300	0702912340	0702920020	0702914190	0702913690	0702913230	0702913260
0702912500	0702928190	0702910340	0702912350	0702920040	0702914210	0702913700	0702913240	0702913500
0702912600	0702928200	0702910360	0702912360	0702920050	0702914220	0702913710	0702913490	0702913510
0702912610	0702928210	0702910380	0702912380	0702920070	0702914410	0702913720	0702913520	0702913540
0702912620	0702928220	0702910390	0702912390	0702920080	0702914420	0702913740	0702913530	0702913560
0702912640	0702928230	0702910420	0702912400	0702927210	0702914430	0702913780	0702913550	0702915050
0702912840	0702928240	0702910430	0702912420	0702927820	0702914440	0702913790	0702913590	0702915080
0702920010	0702928250	0702910460	0702912440	0702927850	0702914450	0702913800	0702913600	0702915130
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0702920060	0702928270	0702910500	0702912470	0702927950	0702914470	0702913820	0702913620	0702915210
0702920090	0702928280	0702910520	0702912480	0702928490	0702914480	0702913830	0702913630	0702915220
0702927200	0702928290	0702910530	0702912490	0702928540	0702914490	0702913850	0702913640	0702915250
0702927220	0702928300	0702910540	0702912510	0702928600	0702914500	0702913860	0702913650	0702913570
0702927230	0702928310	0702910550	0702912520	0702928650	0702914510	0702913870	0702915060	0702913580
0702927240	0702928320	0702910580	0702912530	0702928670	0702914520	0702913880	0702915070	0702915140
0702927250	0702928330	0702910590	0702912540	0702910410	0702914530	0702913890	0702915090	0702930906
0702927800	0702928340	0702910610	0702912550	0702910480	0702914540	0702913900	0702915100	0702930907
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0702927830	0702928360	0702910690	0702912570	0702912450	0702914570	0702913920	0702915120	0702930909
0702927840	0702928370	0702910720	0702912580	0702912770	0702914590	0702913940	0702915150	0702930913
0702927860	0702928380	0702910740	0702912590	0702910180	0702914600	0702913960	0702915160	0702930914
0702927870	0702928390	0702910760	0702912630	0702910200	0702914680	0702914070	0702915170	0702930915
0702927880	0702928400	0702910780	0702912650	0702913280	0702914690	0702914080	0702915180	0702930917
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0702927930	0702928450	0702910840	0702912700	0702913400	0702913680	0702914610	0702910960	0702930922
0702927960	0702928460	0702910850	0702912710	0702913440	0702913730	0702914620	0702910970	0702930923
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0702927980	0702928480	0702910880	0702912730	0702913480	0702913990	0702914640	0702912960	0702930925
0702927990	0702928500	0702910890	0702912740	0702913750	0702914050	0702914650	0702912970	0702930902
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0702928010	0702928520	0702911000	0702912760	0702913770	0702910100	0702914670	0702912990	0702930904
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EXHIBIT "A"  
Legal Description of the District and Tax Roll

0702930910	0702703402	0232320850	0232310310	0232321840	0232311770	0702721400	0702722470	0702720320
0702930911	0702703403	0232320860	0232310320	0232311880	0232311780	0702721410	0702722570	0702720330
0702930912	0702703404	0232320870	0232310330	0232310030	0702720050	0702721460	0702722610	0702720370
0702930916	0702703405	0232320920	0232310410	0232310050	0702720080	0702721480	0702722620	0702720400
0702918620	0702703406	0232320930	0232310430	0232310060	0702720120	0702721490	0702722710	0702720430
0702918630	0702703407	0232320950	0232310440	0232310070	0702720210	0702721510	0702722800	0702720440
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0702918650	0702703409	0232320970	0232310540	0232310140	0702720230	0702721560	0702722830	0702720470
0702918660	0702703410	0232320980	0232310550	0232310150	0702720250	0702721590	0702722920	0702720480
0702918670	0702702200	0232320990	0232310560	0232310160	0702720290	0702721600	0702722940	0702720490
0702701201	0702700993	0232321010	0232310590	0232310170	0702720300	0702721630	0702722950	0702720510
0702701203	0702701000	0232321050	0232310600	0232310180	0702720310	0702721650	0702722970	0702720540
0702701204	0702701200	0232321060	0232310630	0232310210	0702720340	0702721680	0702723020	0702720550
0702702201	0232310190	0232321070	0232310640	0232310220	0702720350	0702721700	0702723050	0702720560
0702702202	0232310200	0232321080	0232320710	0232310250	0702720360	0702721720	0702723060	0702720590
0702702203	0232310340	0232321090	0232320740	0232310260	0702720380	0702721730	0702723080	0702720600
0702702204	0232310350	0232321100	0232320770	0232310270	0702720390	0702721770	0702723100	0702720620
0702702205	0232310360	0232321130	0232320780	0232310280	0702720450	0702721790	0702723140	0702720650
0702702206	0232310370	0232321140	0232320810	0232310300	0702720520	0702721800	0702723160	0702720670
0702703101	0232310380	0232321150	0232320880	0232311580	0702720530	0702721810	0702723190	0702720690
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0702703104	0232310420	0232321220	0232320910	0232311610	0702720610	0702721930	0702723220	0702720750
0702703105	0232310450	0232321230	0232320940	0232311640	0702720630	0702721950	0702723260	0702720770
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0702703107	0232310470	0232321260	0232321020	0232311660	0702720660	0702721980	0702723290	0702720800
0702703108	0232310480	0232321270	0232321030	0232311670	0702720680	0702721990	0702723320	0702720820
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0702703201	0232310520	0232321310	0232321120	0232311730	0702720810	0702722050	0702723390	0702720900
0702703202	0232310530	0232321350	0232321170	0232311630	0702720850	0702722060	0702723410	0702720910
0702703203	0232310570	0232321400	0232321180	0232310010	0702720860	0702722070	0702722840	0702720930
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0702703205	0232310610	0232321430	0232321210	0232310040	0702720950	0702722090	0702720200	0702720960
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0702703209	0232310670	0232321510	0232321330	0232310120	0702721060	0702722140	0702720090	0702721040
0702703210	0232310680	0232321530	0232321340	0232310130	0702721090	0702722150	0702720100	0702721070
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0702703302	0232320700	0232321550	0232321370	0232310240	0702721160	0702722210	0702720130	0702721110
0702703303	0232320720	0232321560	0232321380	0232310290	0702721170	0702722240	0702720140	0702721130
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0702703305	0232320750	0232321810	0232321420	0232311620	0702721260	0702722300	0702720160	0702721180
0702703306	0232320760	0232321830	0232321470	0232311700	0702721310	0702722340	0702720170	0702721200
0702703307	0232320790	0232321850	0232321480	0232311710	0702721330	0702722380	0702720190	0702721220
0702703308	0232320800	0232321860	0232321490	0232311720	0702721340	0702722420	0702720240	0702721230
0702703309	0232320820	0232311870	0232321520	0232311740	0702721350	0702722430	0702720260	0702721240
0702703310	0232320830	0232311890	0232321800	0232311750	0702721360	0702722440	0702720270	0702721250
0702703401	0232320840	0232321450	0232321820	0232311760	0702721370	0702722450	0702720280	0702721280



EXHIBIT "A"  
Legal Description of the District and Tax Roll

0702721300	0702722500	0702722040	0702723460	0702723950	0680580010	0680580500	0680580990-168150-2155
0702721320	0702722510	0702720410	0702723470	0702723960	0680580020	0680580510	0680581000-168150-2160
0702721380	0702722530	0702721530	0702723480	0702723970	0680580030	0680580520	0680581010-168150-2165
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0702721440	0702722550	0702720010	0702723500	0702723990	0680580050	0680580540	0680581030-168150-2245
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0702721570	0702722630	0702720700	0702723550	0702724040	0680580100	0680580590	0680581080-168150-2270
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0702721640	0702722650	0702720760	0702723570	0702724060	0680580120	0680580610	168150-2170-168150-2280
0702721660	0702722660	0702720830	0702723580	0702724070	0680580130	0680580620	168150-2175-168150-2285
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0702721750	0702722700	0702721030	0702723620	0702724110	0680580170	0680580660	168150-2195-168150-2305
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0702721840	0702722780	0702721290	0702723660	0702724150	0680580210	0680580700	168150-2215-168150-2455
0702721850	0702722810	0702721390	0702723670	0702724160	0680580220	0680580710	168150-2220-168150-2460
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0702721940	0702722930	0702721670	0702723730	0702724210	0680580270	0680580760	168150-2510-168150-2485
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0702722170	0702723070	0702722480	0702723780	0702724260	0680580320	0680580810	168150-2065-168150-2515
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0702722370	0702723330	0702723120	0702723900	0702724400	0680580440	0680580930	168150-2125-168150-2645
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0702722410	0702723370	0702723430	0702723930		0680580470	0680580960	168150-2140-168150-2725
0702722460	0702723400	0702723440	0702723940		0680580480	0680580970	168150-2145-168150-2730
0702722490	0702723420	0702723450	0702723690		0680580490	0680580980	168150-2150-168150-2735



EXHIBIT "A"  
Legal Description of the District and Tax Roll

-168150-2740\168150-2630 0681300040  
-168150-2745\168150-2635 0696300160  
-168150-2750\168150-2640 0693000190  
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-168150-2600 0702910005  
-168150-2605 0702900010  
-168150-2610 0702700010  
-168150-2615  
-168150-2620  
-168150-2625

**APPENDIX TABLE 1  
TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
DISTRICT DEVELOPMENT PROGRAM  
2019 SUPPLEMENTAL ASSESSMENT METHODOLOGY**

<u>Land Use Category</u>	<u>Unit Type</u>	<u>St. Johns County Planned Unit Count (1)</u>	<u>Duval County Planned Unit Count (1)</u>	<u>Total Planned Unit Count (1)</u>
<b><u>Detached Residential</u></b>				
SF 40	Residential Lot	2,045	15	2,060
SF 50	Residential Lot	2,909	496	3,405
SF 60	Residential Lot	2,220	328	2,548
SF 70	Residential Lot	1,687	50	1,737
SF 80	Residential Lot	462	15	477
SF 90	Residential Lot	88	-	88
SF 100	Residential Lot	264	0	264
<b>Subtotal, Detached Residential</b>		<b>9,675</b>	<b>904</b>	<b>10,579</b>
<b><u>Multifamily Residential</u></b>				
Townhouses	Residence	215	90	305
Condos	Residence	452	0	452
Apartments	Residence	748	0	748
<b>Subtotal, Multifamily Residential</b>		<b>1,415</b>	<b>90</b>	<b>1,505</b>
<b><u>Non-Residential Products</u></b>				
Professional & Corporate Office, Industrial	1,000 Square Feet	1,370	1,111	2,481
Commercial/Retail (2)	1,000 Square Feet	469	54	523
Assisted Living	1,000 Square Feet	78	0	78
Independent Living	1,000 Square Feet	178	0	178
Recreation	Per Acre	3	0	3
Storage	1,000 Square Feet	48	100	148
Hotel (Rooms)	Room	120	0	120
Churches	1,000 Square Feet	93	363	456
Schools	1,000 Square Feet	185	0	185
Club Houses	1,000 Square Feet	43	5	48
<b>Subtotal, Non-Residential</b>		<b>2,586</b>	<b>1,634</b>	<b>4,220</b>
<b>Grand Total, All Units</b>		<b>13,676</b>	<b>2,628</b>	<b>16,304</b>

(1) Unit type/count is subject to change based on marketing and other factors.

(2) Commercial/Retail includes square feet for Day Care, Restaurants, Banks, etc.

**APPENDIX TABLE 2**  
**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT**  
**MASTER INFRASTRUCTURE FUNDING**  
**2019 SUPPLEMENTAL ASSESSMENT METHODOLOGY**

<u>Revised Master Infrastructure Financing Mechanisms - 2018</u>	<u>St. Johns County</u> <u>Value/Amount</u>	<u>Duval County</u> <u>Value/Amount</u>	<u>Total Value/Amount (1)</u> <u>(2)</u>
Series 2006 Bonds (St. Johns County Current Interest)	\$91,020,000	\$0	\$91,020,000
Series 2007-1 Bonds (St. Johns County Nonrestructured)	\$2,571,000	\$0	\$2,571,000
Series 2007-2 Bonds (St. Johns County Forbearance)	Refunded	Refunded	Refunded
Series 2007A-1 Bonds (Duval County Nonrestructured)	\$0	\$7,332,000	\$7,332,000
Series 2012A-1 Bonds (Duval County Current Interest)	Refunded	Refunded	Refunded
Series 2012A-1A Bonds (St. Johns County Current Interest)	Refunded	Refunded	Refunded
Series 2012A-2 Bonds (5-Year CAB, 2017 Conversion)	Refunded	Refunded	Refunded
Series 2012A-3 Bonds (7-Year CAB, 2019 Conversion)	\$34,085,614	\$2,178,562	\$36,264,176
Series 2012A-4 Bonds (10-Year CAB, 2022 Conversion)	\$15,385,977	\$6,277,939	\$21,663,916
Series 2015 -1 (St Johns County 7-Year CAB, 2021 Conv.)	\$30,506,389	\$0	\$30,506,389
Series 2015 -2 (St Johns County 10-Year CAB, 2025 Conv.)	\$15,420,764	\$0	\$15,420,764
Series 2015 -3 (St Johns County Participation Bonds)	\$32,504,847	\$0	\$32,504,847
Series 2018A-1 and 2018A-2 (1)	\$38,810,189	\$3,769,811	\$42,580,000
Series 2018B-1 and 2018B-2 (1)	\$3,344,125	\$15,593,796	\$18,937,921
Impact Fee Revenues	\$53,037,182	\$0	\$53,037,182
Interest Earnings & Other Funds	\$8,699,850	\$1,001,678	\$9,701,528
Developer Contribution - Right-of-Way (1)	\$75,671,250	\$13,353,750	\$89,025,000
Developer Contribution - Recreation (1)	<u>\$38,861,745</u>	<u>\$6,857,955</u>	<u>\$45,719,700</u>
<b>Total - 2018</b>	<b>\$439,918,931</b>	<b>\$56,365,491</b>	<b>\$496,284,422</b>
<u>Revised Master Infrastructure Financing Mechanisms - 2019</u>	<u>St. Johns County</u> <u>Value/Amount</u>	<u>Duval County</u> <u>Value/Amount</u>	<u>Total Value/Amount (1)</u> <u>(2)</u>
Series 2006 Bonds (St. Johns County Current Interest)	Refunded	\$0	Refunded
Series 2007-1 Bonds (St. Johns County Nonrestructured)	Refunded	\$0	Refunded
Series 2007-2 Bonds (St. Johns County Forbearance)	Refunded	Refunded	Refunded
Series 2007A-1 Bonds (Duval County Nonrestructured)	\$0	Refunded	Refunded
Series 2012A-1 Bonds (Duval County Current Interest)	Refunded	Refunded	Refunded
Series 2012A-1A Bonds (St. Johns County Current Interest)	Refunded	Refunded	Refunded
Series 2012A-2 Bonds (5-Year CAB, 2017 Conversion)	Refunded	Refunded	Refunded
Series 2012A-3 Bonds (7-Year CAB, 2019 Conversion)	Refunded	Refunded	Refunded
Series 2012A-4 Bonds (10-Year CAB, 2022 Conversion)	\$15,385,977	\$6,277,939	\$21,663,916
Series 2015 -1 (St Johns County 7-Year CAB, 2021 Conv.)	\$30,506,389	\$0	\$30,506,389
Series 2015 -2 (St Johns County 10-Year CAB, 2025 Conv.)	\$15,420,764	\$0	\$15,420,764
Series 2015 -3 (St Johns County Participation Bonds)	\$32,504,847	\$0	\$32,504,847
Series 2018A-1 and 2018A-2 (1)	\$38,810,189	\$3,769,811	\$42,580,000
Series 2018B-1 and 2018B-2 (1)	\$3,344,125	\$15,593,796	\$18,937,921
Series 2018 Expansion Parcel	\$1,930,000	\$0	\$1,930,000
Series 2019A-1 and 2019A-2	\$99,710,809	\$0	\$99,710,809
Series 2019B	\$7,444,341	\$8,273,468	\$15,717,809
Series 2019C	\$36,221,506	\$3,130,679	\$39,352,185
Impact Fee Revenues	\$53,037,182	\$0	\$53,037,182
Interest Earnings & Other Funds	\$8,699,850	\$1,001,678	\$9,701,528
Developer Contribution - Right-of-Way (1)	\$75,671,250	\$13,353,750	\$89,025,000
Developer Contribution - Recreation (1)	<u>\$38,861,745</u>	<u>\$6,857,955</u>	<u>\$45,719,700</u>
<b>Total - 2019</b>	<b>\$457,548,972</b>	<b>\$58,259,077</b>	<b>\$515,808,049</b>

(1) Total Value/Amount for the Revised Master Infrastructure Financing Mechanisms 2019, less cost of issuance, reconciles to Estimated Total Project Costs from Table 1 of the 2019 Supplemental Engineer's Report for Master Infrastructure Improvements dated June 11, 2019 less the Project Costs Without Funding column.

(2) Details on these new or revised improvements are outlined in the District Engineer's Report, dated June 11, 2019

**APPENDIX TABLE 3  
TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
ST. JOHNS COUNTY MASTER INFRASTRUCTURE BENEFIT  
2019 SUPPLEMENTAL ASSESSMENT METHODOLOGY**

<u>Land Use Category</u>	<u>ERU/Unit</u>	<u>Total Planned Unit Count (1)</u>	<u>Total ERUs</u>	<u>Previous Total Benefit Allocation/ Category</u>	<u>Revised Total Benefit Allocation/ Category</u>	<u>Previous Total Benefit Allocation/Unit</u>	<u>Revised Total Benefit Allocation/Unit (3)</u>
<b><u>Detached Residential</u></b>							
SF 40	0.90	2,045	1,840.5	\$63,845,433	\$66,367,114	\$31,220	\$32,453
SF 50	1.00	2,909	2,909.0	\$100,910,821	\$104,896,460	\$34,689	\$36,059
SF 60	1.10	2,220	2,442.0	\$84,710,974	\$88,056,774	\$38,158	\$39,665
SF 70	1.20	1,687	2,024.4	\$70,224,773	\$72,998,416	\$41,627	\$43,271
SF 80	1.30	462	600.6	\$20,834,321	\$21,657,206	\$45,096	\$46,877
SF 90	1.40	88	123.2	\$4,273,707	\$4,442,504	\$48,565	\$50,483
SF 100	1.50	264	396.0	\$13,736,915	\$14,279,477	\$52,034	\$54,089
<b><u>Multifamily Products</u></b>							
Townhouses	0.80	215	172.0	\$5,966,539	\$6,202,197	\$27,751	\$28,847
Condos	0.70	452	316.4	\$10,975,656	\$11,409,158	\$24,282	\$25,241
Apartments	0.60	748	448.8	\$15,568,503	\$16,183,407	\$20,814	\$21,636
<b><u>Non-Residential Products</u></b>							
Professional & Corporate Office, Industrial	0.59	1,369.98	808.3	\$27,801,277	\$29,146,337	\$20,293	\$21,275
Commercial/Retail (2)	0.47	468.74	220.3	\$7,642,329	\$7,944,176	\$16,304	\$16,948
Assisted Living	0.40	77.79	31.1	\$1,079,388	\$1,122,021	\$13,876	\$14,424
Independent Living	0.45	178.00	80.1	\$2,778,603	\$2,888,349	\$15,610	\$16,227
Recreation	1.80	2.78	5.0	\$173,585	\$180,441	\$62,441	\$64,907
Storage	0.15	48.05	7.2	\$250,022	\$259,897	\$5,203	\$5,409
Hotel (rooms)	0.26	120.00	31.2	\$1,082,302	\$1,125,050	\$9,019	\$9,375
Churches	0.34	92.62	31.5	\$1,092,366	\$1,135,511	\$11,794	\$12,260
Schools	0.87	185.00	161.0	\$5,583,223	\$5,803,742	\$30,180	\$31,372
Club Houses	0.94	42.80	40.2	\$1,388,192	\$1,450,737	\$32,434	\$33,896
<b>Totals</b>		<b>13,676</b>	<b>12,689</b>	<b>\$439,918,931</b>	<b>\$457,548,972</b>		

(1) Unit type/count is subject to change based on marketing and other factors.

(2) Commercial/Retail includes square feet for Day Care, Restaurants, Banks, etc.

(3) Each unit's "Revised Total Benefit Allocation/Unit" indicates the total benefit that unit receives from the District's Master Infrastructure improvements and also serves as a cap on the amount of bond principal that can be assessed to that unit.

**APPENDIX TABLE 4  
TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
DUVAL COUNTY MASTER INFR. BENEFIT  
2019 SUPPLEMENTAL ASSESSMENT METHODOLOGY**

<u>Land Use Category</u>	<u>ERU/Unit</u>	<u>Total Planned Unit Count</u> <u>(1)</u>	<u>Total ERUs</u>	<u>Previous Total Benefit</u> <u>Allocation/ Category</u>	<u>Revised Total Benefit</u> <u>Allocation/ Category</u>	<u>Previous Total</u> <u>Benefit</u> <u>Allocation/Unit</u>	<u>Revised Total</u> <u>Benefit</u> <u>Allocation/Unit (3)</u>
<b><u>Detached Residential</u></b>							
SF 40	0.90	15	13.5	\$412,164	\$426,011	\$27,478	\$28,401
SF 50	1.00	496	496.0	\$15,143,229	\$15,651,962	\$30,531	\$31,556
SF 60	1.10	328	360.8	\$11,015,478	\$11,385,540	\$33,584	\$34,712
SF 70	1.20	50	60.0	\$1,831,842	\$1,893,383	\$36,637	\$37,868
SF 80	1.30	15	19.5	\$595,349	\$615,349	\$39,690	\$41,023
SF 90	1.40	0	0.0	\$0	\$0	\$42,743	\$44,179
SF 100	1.50	0	0.0	\$0	\$0	\$45,796	\$47,335
<b><u>Multifamily Products</u></b>							
Townhouses	0.80	90	72.0	\$2,198,211	\$2,272,059	\$24,425	\$25,245
Condos	0.70	0	0.0	\$0	\$0	\$21,371	\$22,069
Apartments	0.60	0	0.0	\$0	\$0	\$18,318	\$18,934
<b><u>Non-Residential Products</u></b>							
Professional & Corporate Office, Industrial	0.59	1,111.40	655.7	\$20,019,776	\$20,692,336	\$18,013	\$18,618
Commercial/Retail (2)	0.47	54.34	25.5	\$779,705	\$805,899	\$14,349	\$14,831
Storage	0.15	100.04	15.0	\$458,144	\$473,535	\$4,580	\$4,733
Hotel (rooms)	0.26	-	0.0	\$0	\$0	\$7,938	\$8,205
Churches	0.34	363.00	123.4	\$3,768,099	\$3,894,688	\$10,380	\$10,729
Schools	0.87	-	0.0	\$0	\$0	\$26,562	\$27,454
Club Houses	0.94	5.00	4.7	\$143,494	\$148,315	\$28,699	\$29,663
<b>Totals</b>		<b>2,628</b>	<b>1,846</b>	<b>\$56,365,491</b>	<b>\$58,259,077</b>		

(1) Unit type/count is subject to change based on marketing and other factors.

(2) Commercial/Retail includes square feet for Day Care, Restaurants, Banks, etc.

(3) Each unit's "Revised Total Benefit Allocation/Unit" indicates the total benefit that unit receives from the District's Master Infrastructure improvements and also serves as a cap on the amount of bond principal that can be assessed to that unit.

**APPENDIX TABLE 5  
TOLMATO COMMUNITY DEVELOPMENT DISTRICT  
SERIES 2019 BONDS DETAILS  
2019 SUPPLEMENTAL ASSESSMENT METHODOLOGY**

<u>Bond Fund Sources</u>	<u>Series 2019A-1 Bonds</u>	<u>Series 2019A-2 Bonds</u>	<u>Series 2019B Bonds</u>	<u>Series 2019C Bonds</u>	<u>Total</u>
Bond Principal	\$46,890,000	\$14,010,000	\$24,360,000	\$15,865,000	\$101,125,000
Original Issue Discount	(\$632,675)	\$0	(\$515,838)	\$0	-\$1,148,513
Liquidation of Revenue Account	\$1,281,452	\$427,151	\$766,464	\$709,927	\$3,184,995
Liquidation of DSRF Account	\$2,915,740	\$971,913	\$1,138,338	\$1,106,343	\$6,132,334
Liquidation of General Account	\$0	\$0	\$35,567	\$40,897	\$76,464
Liquidation of Prepayment Account	\$754,357	\$251,452	\$91,100	\$2,541,588	\$3,638,496
Liquidation of Construction Account	\$9,440	\$3,147	\$3	\$4	\$12,594
Liquidation of Interest Account	\$9,792	\$3,264	\$0	\$0	\$13,056
Liquidation of Impact Fee Revenue Account	<u>\$0</u>	<u>\$0</u>	<u>\$247</u>	<u>\$284</u>	<u>\$532</u>
<b>Total Sources</b>	<b>\$51,228,106</b>	<b>15,666,927</b>	<b>\$25,875,882</b>	<b>\$20,264,044</b>	<b>\$113,034,958</b>

<u>Bond Fund Uses</u>	<u>Series 2019A-1 Bonds</u>	<u>Series 2019A-2 Bonds</u>	<u>Series 2019B Bonds</u>	<u>Series 2019C Bonds</u>	<u>Total</u>
Project Fund	\$7,654,915	\$1,156,377	\$5,659,667	\$2,788,930	\$17,259,889
Escrow Fund	\$40,399,967	\$13,461,595	\$18,902,471	\$16,314,075	\$89,078,109
Interest Fund thru 11/1/2019	\$412,619	\$190,947	\$219,257	\$222,660	\$1,045,483
Debt Service Reserve Fund @ 25% of MADS	\$828,366	\$0	\$288,125	\$0	\$1,116,491
Debt Service Reserve Fund @ 50% of MADS	\$0	\$552,187	\$0	\$572,734	\$1,124,921
Cost of Issuance	\$109,849	\$32,821	\$143,670	\$127,670	\$414,010
Underwriter's Discount	\$468,900	\$210,150	\$243,600	\$237,975	\$1,160,625
Bond Insurance @ 1.9% of Total Adjusted DS	\$1,140,088	\$0	\$0	\$0	\$1,140,088
Bond Insurance @ .95% of Total Adjusted DS	\$0	\$0	\$308,418	\$0	\$308,418
Surety Bond @ 3% of 25% of MADS	\$24,851	\$0	\$0	\$0	\$24,851
Surety Bond @ 2.75% of 25% of MADS	\$0	\$0	\$10,673	\$0	\$10,673
Deferred Cost Liability	<u>\$188,550</u>	<u>\$62,850</u>	<u>\$0</u>	<u>\$0</u>	<u>\$251,400</u>
<b>Total Uses</b>	<b>\$51,228,106</b>	<b>15,666,927</b>	<b>\$25,775,882</b>	<b>\$20,264,044</b>	<b>\$112,934,958</b>

(1) Such values are hypothetical and for illustrative purposes only. Bond amounts will be updated in connection with sizing and issuance. Details on the projects comprising the District's CIP, which provides a benefit to all developable lands within the District, can be found in the Engineer's Report.

**APPENDIX TABLE 6**  
**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT**  
**SUMMARY OF ASSM'TS. ASSIGNED TO SPECIFIC COMMUNITIES**  
**TOTAL PAR VALUE & ASSESSMENTS 2019A-1 & 2019A-2**  
**2019 SUPPLEMENTAL ASSESSMENT METHODOLOGY**

<u>Series 2019A-1 and 2019A-2 Bond</u> <u>Assessment Area</u>	<u>Series 2006 Bond</u> <u>Principal Outstanding (1)</u>	<u>Series 2019A-1 and</u> <u>2019A-2 Par Value</u> <u>Assigned</u>	<u>Series 2019A-1 and</u> <u>2019A-2 Annual Gross</u> <u>Assessments</u>
Dell Webb Ponte Vedra	\$25,344,726	\$29,563,642	\$2,281,511
Coastal Oaks	\$16,472,770	\$19,214,848	\$1,482,865
Tidewater	\$1,805,541	\$2,106,093	\$162,533
Austin Park	\$1,720,315	\$2,006,681	\$154,861
Willowcove	<u>\$6,865,839</u>	<u>\$8,008,736</u>	<u>\$618,057</u>
<b>Subtotal</b>	<b>\$52,209,191</b>	<b>\$60,900,000</b>	<b>\$4,699,828</b>
 Paydowns and Amortization	 <u>\$38,810,809</u>		
 <b>Original Par Debt</b>	 <u><b>\$91,020,000</b></u>		

(1) Principal amount outstanding ties to the District's Lein Book as of the date of this report.

**APPENDIX TABLE 7  
TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
SUMMARY OF ASSMTS. ASSIGNED TO COMMUNITIES  
TOTAL PAR VALUE & ASSESSMENTSSERIES 2019B AND 2019C  
2019 SUPPLEMENTAL ASSESSMENT METHODOLOGY**

<u>Series 2019B Bond Assessment Area</u>	<u>Series 2007 Bond Principal Outstanding</u>	<u>Series 2019B Par Value Assigned</u>	<u>Series 2019B Annual Gross Assessments</u>
The Palms Townhomes (2007-1 St Johns County)	\$1,457,752	\$1,935,000	\$132,736
The Palms Single Family (2007A-1 Duval County)	<u>\$3,170,000</u>	<u>\$3,820,000</u>	<u>\$272,640</u>
Subtotal	\$4,627,752	\$5,755,000	\$405,376

<u>Series 2019B Bond Assessment Area</u>	<u>Series 2012-3 Bond Principal Outstanding</u>	<u>Series 2019B Par Value Assigned</u>	<u>Series 2019B Annual Gross Assessments</u>
Twenty Mile Communities	\$12,756,045	\$17,052,434	\$1,148,629
Daniel Park	\$296,020	\$395,723	\$26,655
Timberland Ridge	<u>\$865,374</u>	<u>\$1,156,843</u>	<u>\$79,187</u>
Total	\$13,917,439	\$18,605,000	\$1,254,471
Payoffs and Amortization	<u>\$4,872,227</u>		
TOTAL 2019B	<u>\$23,417,418</u>	<u>\$24,360,000</u>	<u>\$1,659,847</u>

<u>Series 2019C Bond Assessment Area</u>	<u>Series 2012-3 Bond Principal Outstanding</u>	<u>Series 2019C Par Value Assigned</u>	<u>Series 2019C Annual Gross Assessments</u>
Twenty Mile Communities	\$5,609,620	\$6,574,876	\$505,123
Daniel Park	\$129,296	\$151,544	\$11,643
Timberland Ridge	\$1,147,783	\$1,345,284	\$105,029
Oakwood	\$585,234	\$685,936	\$52,698
Pyrotek	\$85,063	\$99,700	\$7,660
K-9s For Warriors	\$26,511	\$31,073	\$2,387
Starling Assisted Living	\$308,681	\$361,796	\$27,795
Starling Senior Independent Living	\$439,330	\$514,926	\$39,560
Primrose Daycare	\$250,426	\$293,517	\$22,550
Amsdell Self Storage	\$164,876	\$193,246	\$15,087
Chadbourne Apartments	\$0	\$0	\$0
Planet Swim	\$63,060	\$73,911	\$5,678
Planet Swim - Tennis	\$68,731	\$80,558	\$6,189
Wheelhouse Storage	\$70,846	\$83,037	\$6,379
TCC North	\$553,023	\$648,183	\$49,797
Baptist Health	\$226,835	\$265,867	\$20,426
Unassigned	<u>\$3,806,548</u>	<u>\$4,461,547</u>	<u>\$342,764</u>
Total	<u>\$13,535,862</u>	<u>\$15,865,000</u>	<u>\$1,220,765</u>



**APPENDIX TABLE 8**  
**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT**  
**SERIES 2019A-1, 2019A-2 REFUNDING BOND ASSESSMENTS**  
**FOR UNITS PREV. SUBJECT TO 2006 ASSMTS.**  
**2019 SUPPLEMENTAL ASSESSMENT METHODOLOGY**

Community	County	Product-Type	Previous Series 2006	Previous Series 2006	New Series 2019A	New Series 2019A	Annual Increase/ (Decr.) Per Unit
			Debt Per Unit	Gross Ann. Per Unit	Debt Per Unit	Gross Ann. Per Unit	
Del Webb Ponte Vedra	St Johns County	Single Family 40'	\$16,117	\$1,489	\$18,433	\$1,423	(\$67)
Del Webb Ponte Vedra	St Johns County	Single Family 50'	\$17,268	\$1,596	\$19,749	\$1,524	(\$72)
Del Webb Ponte Vedra	St Johns County	Single Family 60'	\$18,419	\$1,702	\$21,067	\$1,626	(\$76)
Del Webb Ponte Vedra	St Johns County	Single Family 70'	\$19,547	\$1,809	\$22,383	\$1,727	(\$81)
Del Webb Ponte Vedra	St Johns County	Condominium	\$12,663	\$1,170	\$14,483	\$1,118	(\$52)
Del Webb Ponte Vedra	St Johns County	Clubhouse	\$686,760	\$64,139	\$793,833	\$61,262	(\$2,877)
Coastal Oaks	St Johns County	Single Family 40'	\$20,719	\$1,915	\$23,699	\$1,829	(\$86)
Coastal Oaks	St Johns County	Single Family 50'	\$21,870	\$2,021	\$25,016	\$1,931	(\$91)
Coastal Oaks	St Johns County	Single Family 60'	\$23,827	\$2,181	\$26,992	\$2,083	(\$98)
Coastal Oaks	St Johns County	Single Family 70'	\$25,323	\$2,340	\$28,966	\$2,235	(\$105)
Coastal Oaks	St Johns County	Single Family 80'	\$26,474	\$2,447	\$30,283	\$2,337	(\$110)
Coastal Oaks	St Johns County	Single Family 100'	\$28,776	\$2,660	\$32,916	\$2,540	(\$119)
Coastal Oaks	St Johns County	Townhome	\$18,417	\$1,702	\$21,066	\$1,626	(\$76)
Coastal Oaks	St Johns County	Condominium	\$17,269	\$1,596	\$19,753	\$1,524	(\$72)
Coastal Oaks	St Johns County	Clubhouse	\$137,759	\$12,732	\$157,579	\$12,161	(\$571)
Tidewater	St Johns County	Condominium	\$15,539	\$1,436	\$17,775	\$1,372	(\$64)
Tidewater	St Johns County	Townhome	\$18,416	\$1,702	\$21,066	\$1,626	(\$76)
Tidewater	St Johns County	Clubhouse	\$40,516	\$3,785	\$46,847	\$3,615	(\$170)
Willowcove	St Johns County	Single Family 60'	\$17,265	\$1,596	\$19,749	\$1,524	(\$72)
Willowcove	St Johns County	Single Family 70'	\$18,416	\$1,702	\$21,066	\$1,626	(\$76)
Willowcove	St Johns County	Single Family 80'	\$20,719	\$1,915	\$23,699	\$1,829	(\$86)
Willowcove	St Johns County	Townhome	\$17,265	\$1,596	\$19,750	\$1,524	(\$72)
Austin Park	St Johns County	Single Family 60'	\$14,963	\$1,383	\$17,116	\$1,321	(\$62)
Austin Park	St Johns County	Single Family 70'	\$16,113	\$1,489	\$18,433	\$1,423	(\$67)

This schedule does not reflect individual lots that have been paid down.

**APPENDIX TABLE 9**  
**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT**  
**SERIES 2019B REFUNDING BOND ASSESSMENTS**  
**FOR UNITS PREV. SUBJECT TO 2007-1, 2007A-1 and**  
**2012A-3 ASSESSMENTS**  
**2019 SUPPLEMENTAL ASSESSMENT METHODOLOGY**

Community	County	Product-Type	Previous Series	Previous Series 2012	New Series 2019B	New Series 2019B	Annual Increase/ (Decr.) Per Unit
			2012-3 Debt Per Unit	3 Ann. Per Unit	Debt Per Unit	Gross Ann. Per Unit	
Twenty Mile Communities	St Johns County	Single Family 40'	\$13,610	\$1,277	\$18,194	\$1,226	(\$51)
Twenty Mile Communities	St Johns County	Single Family 50'	\$14,744	\$1,383	\$19,710	\$1,328	(\$55)
Twenty Mile Communities	St Johns County	Single Family 60'	\$15,878	\$1,489	\$21,226	\$1,430	(\$60)
Twenty Mile Communities	St Johns County	Single Family 70'	\$17,013	\$1,596	\$22,743	\$1,532	(\$64)
Twenty Mile Communities	St Johns County	Single Family 80'	\$18,147	\$1,702	\$24,259	\$1,634	(\$68)
Twenty Mile Communities	St Johns County	Single Family 90'	\$19,281	\$1,809	\$25,775	\$1,736	(\$72)
Twenty Mile Communities	St Johns County	Single Family 100'	\$20,415	\$1,915	\$27,291	\$1,838	(\$77)
Daniel Park	St Johns County	Single Family 40'	\$13,610	\$1,277	\$18,194	\$1,226	(\$51)
Daniel Park	St Johns County	Single Family 50'	\$14,744	\$1,383	\$19,710	\$1,328	(\$55)
Timberland Ridge	Duval County	Single Family 50'	\$14,744	\$1,405	\$19,710	\$1,349	(\$56)
Timberland Ridge	Duval County	Single Family 60'	\$15,879	\$1,514	\$21,227	\$1,453	(\$61)
The Palms Townhomes	St Johns County	Townhomes	\$13,624	\$1,292	\$18,084	\$1,241	(\$52)
The Palms at Nocatee	Duval County	Single Family 50'	\$16,894	\$1,514	\$20,358	\$1,453	(\$61)
The Palms at Nocatee	Duval County	Single Family 60'	\$18,100	\$1,622	\$21,812	\$1,557	(\$65)
The Palms at Nocatee	Duval County	Single Family 70'	\$19,307	\$1,730	\$23,268	\$1,661	(\$69)

**APPENDIX TABLE 10**  
**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT**  
**SERIES 2019C REFUNDING BONDS ASSESSMENTS**  
**FOR UNITS PREV. SUBJECT TO 2007-1, 2007A-1 and**  
**2012A-3 ASSESSMENTS**  
**2019 SUPPLEMENTAL ASSESSMENT METHODOLOGY**

Community	County	Product-Type	Previous Series	Previous Series	2012	New Series 2019C	New Series 2019C	Annual Increase/
			2012-3 Debt Per Unit	3 Ann. Per Unit		Debt Per Unit	Gross Ann. Per Unit	(Decr.) Per Unit
Twenty Mile Communities	St Johns County	Single Family 60'	\$15,878	\$1,489		\$18,611	\$1,430	(\$60)
Twenty Mile Communities	St Johns County	Single Family 70'	\$17,013	\$1,596		\$19,940	\$1,532	(\$64)
Twenty Mile Communities	St Johns County	Single Family 80'	\$18,147	\$1,702		\$21,269	\$1,634	(\$68)
Twenty Mile Communities	St Johns County	Single Family 100'	\$20,415	\$1,915		\$23,928	\$1,838	(\$77)
Daniel Park	St Johns County	Single Family 40'	\$13,610	\$1,277		\$15,952	\$1,226	(\$51)
Daniel Park	St Johns County	Single Family 50'	\$14,744	\$1,383		\$17,281	\$1,328	(\$55)
Timberland Ridge	Duval County	Single Family 50'	\$14,744	\$1,405		\$17,281	\$1,349	(\$56)
Timberland Ridge	Duval County	Single Family 60'	\$15,879	\$1,514		\$18,611	\$1,453	(\$61)
Oakwood	St Johns County	Townhome	\$13,610	\$1,277		\$15,952	\$1,226	(\$51)
Pyrotek	St Johns County	Commercial	\$85,063	\$7,979		\$99,700	\$7,680	(\$319)
K-9s For Warriors	St Johns County	Commercial	\$26,511	\$2,487		\$31,073	\$2,387	(\$99)
Starling Assisted Living	St Johns County	Commercial	\$308,681	\$28,954		\$361,796	\$27,795	(\$1,158)
Starling Senior Independent Living	St Johns County	Commercial	\$439,330	\$41,208		\$514,926	\$39,560	(\$1,848)
Primrose Daycare	St Johns County	Commercial	\$250,425	\$23,489		\$293,517	\$22,550	(\$940)
Amsdell Self Storage	Duval County	Commercial	\$164,876	\$15,716		\$193,246	\$15,087	(\$629)
Chadbourne Apartments	St Johns County	Commercial	\$0	\$0		\$0	\$0	\$0
Planet Swim	St Johns County	Commercial	\$63,060	\$5,915		\$73,911	\$5,678	(\$237)
Planet Swim - Tennis	St Johns County	Commercial	\$68,731	\$6,447		\$80,558	\$6,189	(\$258)
Wheelhouse Storage	St Johns County	Commercial	\$70,846	\$6,645		\$83,037	\$6,379	(\$266)
TCC North	St Johns County	Commercial	\$553,023	\$51,872		\$648,183	\$49,797	(\$2,075)
Baptist Health	St Johns County	Commercial	\$226,835	\$21,277		\$265,867	\$20,426	(\$851)
Unassigned	St Johns County	Commercial	<u>\$3,806,548</u>	\$357,046		\$4,461,547	\$342,764	(\$14,282)

**APPENDIX TABLE 11  
TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
SERIES 2019A-1 and 2019A-2 BONDS  
SUMMARY OF ASSESSMENTS FOR UNITS PREVIOUSLY SUBJECT TO  
SERIES 2006  
2019 SUPPLEMENTAL ASSESSMENT METHODOLOGY**

	<u>St. Johns Cty</u> <u>Revised Total Benefit</u> <u>Allocation/Unit (1)</u>	<u>Series 2019A Par Debt</u> <u>Assigned</u>	<u>St Johns Bond Net</u> <u>Annual Assmt./ Unit</u> <u>(2)</u>	<u>St Johns Bond Gross</u> <u>Annual Assmt./Unit</u> <u>(2)(3)</u>
<b><u>Del Webb Ponte Vedra</u></b>				
SF 40	\$32,453	\$18,433	\$1,337	\$1,423
SF 50	\$36,059	\$19,749	\$1,433	\$1,524
SF 60	\$39,665	\$21,067	\$1,528	\$1,626
SF 70	\$43,271	\$22,383	\$1,624	\$1,727
Condos	\$25,241	\$14,483	\$1,051	\$1,118
Club House	\$33,896	\$23,417	\$57,587	\$61,262
<b><u>Coastal Oaks</u></b>				
SF 40	\$32,453	\$23,699	\$1,719	\$1,829
SF 50	\$36,059	\$25,016	\$1,815	\$1,931
SF 60	\$39,665	\$26,992	\$1,958	\$2,063
SF 70	\$43,271	\$28,966	\$2,101	\$2,235
SF 80	\$46,877	\$30,283	\$2,197	\$2,337
SF 100	\$54,089	\$32,916	\$2,388	\$2,540
Townhome	\$28,847	\$21,066	\$1,528	\$1,626
Condos	\$25,241	\$19,753	\$1,433	\$1,524
Club House	\$33,896	\$23,173	\$11,431	\$12,161
<b><u>Tidewater</u></b>				
Townhome	\$28,847	\$17,775	\$1,289	\$1,372
Condos	\$25,241	\$21,066	\$1,528	\$1,626
Club House	\$33,896	\$46,847	\$3,398	\$3,615
<b><u>Willowcove</u></b>				
SF 60	\$39,665	\$19,749	\$1,433	\$1,524
SF 70	\$43,271	\$21,066	\$1,528	\$1,626
SF 80	\$46,877	\$23,699	\$1,719	\$1,829
<b><u>Austin Park</u></b>				
SF 60	\$39,665	\$17,116	\$1,242	\$1,321
SF 70	\$43,271	\$18,433	\$1,337	\$1,423

(1) Serves as a cap on the amount of total bond principal assessed to each unit in connection with the Series 2019 Bonds. No units will be assigned principal assessments in excess of these caps in connection with the Series 2019 Bonds. Clubhouse Total Benefit is shown per 1,000 sf.

(2) The annual assessment levels shown here have previously been approved by the District's Board of Supervisors and will be assigned to units as they enter the "Under Development" stage.

(3) The "Gross" annual assessment figures include an allowance for an early payment discount and the maximum collection fees possibly charged by the Property Appraiser/Tax Collector. Such collection fees are subject to change and will be set at actual cost when annual assessment collection commences.

**APPENDIX TABLE 12  
TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
SERIES 2019B BONDS  
SUMMARY OF ASSESSMENTS FOR UNITS PREVIOUSLY SUBJECT TO  
SERIES 2007, SERIES 2007A and SERIES 2012-3 ASSIGNED  
2019 SUPPLEMENTAL ASSESSMENT METHODOLOGY**

<u>Land Use Category</u>	<u>St Johns City</u> <u>Revised Total Benefit</u> <u>Allocation/Unit (1)</u>	<u>Series 2019B Par Debt</u> <u>Assigned</u>	<u>St Johns Bond Net</u> <u>Annual Assmt./ Unit</u> <u>(2)</u>	<u>St Johns Bond Gross</u> <u>Annual Assmt./Unit</u> <u>(2)(3)</u>
<b><u>Twenty Mile Communities</u></b>				
SF 40	\$32,453	\$18,194	\$1,152	\$1,226
SF 50	\$36,059	\$19,710	\$1,248	\$1,328
SF 60	\$39,665	\$21,226	\$1,344	\$1,430
SF 70	\$43,271	\$22,743	\$1,440	\$1,532
SF 80	\$46,877	\$24,259	\$1,536	\$1,634
SF 90	\$50,483	\$25,775	\$1,632	\$1,736
SF 100	\$54,089	\$27,291	\$1,728	\$1,838
<b><u>Daniel Park</u></b>				
SF 40	\$32,453	\$18,194	\$1,152	\$1,226
SF 50	\$36,059	\$19,710	\$1,248	\$1,328
<b><u>The Palms</u></b>				
Townhomes	\$28,847	\$18,084	\$1,166	\$1,241

(1) Serves as a cap on the amount of total bond principal assessed to each unit in connection with the Series 2019 Bonds. No units will be assigned principal assessments in excess of these caps in connection with the Series 2019 Bonds.

(2) The annual assessment levels shown here have previously been approved by the District's Board of Supervisors and will be assigned to units as they enter the "Under Development" stage.

(3) The "Gross" annual assessment figures include an allowance for an early payment discount and the maximum collection fees possibly charged by the Property Appraiser/Tax Collector. Such collection fees are subject to

**APPENDIX TABLE 13**  
**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT**  
**SERIES 2019B BONDS**  
**SUMMARY OF ASSESSMENTS FOR UNITS PREVIOUSLY SUBJECT TO**  
**SERIES 2007, SERIES 2007A and SERIES 2012-3 ASSIGNED**  
**2019 SUPPLEMENTAL ASSESSMENT METHODOLOGY**

<u>Land Use Category</u>	<u>Duval Cty Revised Total Benefit Allocation/Unit (1)</u>	<u>Series 2019B Par Debt Assigned</u>	<u>Duval Bond Net Annual Assmt./ Unit (2)</u>	<u>Duval Bond Gross Annual Assmt./Unit (2)+(3)</u>
<u>Timberland Ridge</u>				
SF 50	\$31,556	\$19,710	\$1,248	\$1,349
SF 60	\$34,712	\$21,227	\$1,344	\$1,453
<u>The Palms</u>				
SF 50	\$31,556	\$20,358	\$1,344	\$1,453
SF 60	\$34,712	\$21,812	\$1,440	\$1,557
SF 70	\$37,868	\$23,266	\$1,536	\$1,661

(1) Serves as a cap on the amount of total bond principal assessed to each unit in connection with the Series 2019 Bonds. No units will be assigned principal assessments in excess of these caps in connection with the Series 2019 Bonds.

(2) The annual assessment levels shown here have previously been approved by the District's Board of Supervisors and will be assigned to units as they enter the "Under Development" stage.

(3) The "Gross" annual assessment figures include an allowance for an early payment discount and the maximum collection fees possibly charged by the Property Appraiser/Tax Collector. Such collection fees are subject to change and will be set at actual cost when annual assessment collection commences.

**APPENDIX TABLE 14  
TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
SERIES 2019C BONDS  
ASSESSMENTS FOR UNITS PREVIOUSLY SUBJECT TO SERIES 2012-3  
AND FUTURE UNITS TO BE ASSIGNED - ST. JOHNS COUNTY  
2019 SUPPLEMENTAL ASSESSMENT METHODOLOGY**

	<u>St. Johns Cty</u> <u>Revised Total Benefit</u> <u>Allocation/Unit (1)</u>	<u>Series 2019C Par Debt</u> <u>Assigned</u>	<u>St Johns Bond Net</u> <u>Annual Assmt./ Unit</u> <u>(2)</u>	<u>St Johns Bond Gross</u> <u>Annual Assmt./Unit</u> <u>(2)(3)</u>
<b><u>Land Use Category</u></b>				
SF 40	\$32,453	\$15,952	\$1,152	\$1,226
SF 50	\$36,059	\$17,281	\$1,248	\$1,328
SF 60	\$39,665	\$18,611	\$1,344	\$1,430
SF 70	\$43,271	\$19,940	\$1,440	\$1,532
SF 80	\$46,877	\$21,269	\$1,536	\$1,634
SF 90	\$50,483	\$22,599	\$1,632	\$1,736
SF 100	\$54,089	\$23,928	\$1,728	\$1,838
<b><u>Multi-Family</u></b>				
Townhome	\$28,847	\$15,952	\$1,152	\$1,226
Condo	\$25,241	\$15,952	\$1,152	\$1,226
Apartments	\$21,636	\$10,795	\$768	\$817
<b><u>Non-Residential Products</u></b>				
Office	\$21,275	\$6,647	\$480	\$511
Commercial/Retail	\$16,948	\$12,230	\$883	\$940
Assisted Living	\$14,424	\$4,653	\$336	\$357
Independent Living	\$16,227	\$2,950	\$213	\$227
Recreation	\$64,907	\$26,587	\$1,920	\$2,043
Storage	\$5,409	\$1,728	\$125	\$133
Club Houses (1,000 sq. ft. units)	\$33,896	\$25,778	\$1,834	\$1,951

(1) Serves as a cap on the amount of total bond principal assessed to each unit in connection with the Series 2019 Bonds. No units will be assigned principal assessments in excess of these caps in connection with the Series 2019 Bonds. Clubhouse Total Benefit is shown per 1,000 sq. ft.

(2) The annual assessment levels shown here have previously been approved by the District's Board of Supervisors and will be assigned to units as they enter the "Under Development" stage.

(3) The "Gross" annual assessment figures include an allowance for an early payment discount and the maximum collection fees possibly charged by the Property Appraiser/Tax Collector. Such collection fees are subject to change and will be set at actual cost when annual assessment collection commences.

**APPENDIX TABLE 15**  
**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT**  
**SERIES 2019C BONDS**  
**ASSESSMENTS FOR UNITS PREVIOUSLY SUBJECT TO SERIES 2012-3**  
**AND FUTURE UNITS TO BE ASSIGNED - DUVAL COUNTY**  
**2019 SUPPLEMENTAL ASSESSMENT METHODOLOGY**

	<u>Duval Cty Revised</u> <u>Total Benefit</u> <u>Allocation/Unit (1)</u>	<u>Series 2019C Par Debt</u> <u>Assigned</u>	<u>Duval Bond Net</u> <u>Annual Assmt./ Unit</u> <u>(2)</u>	<u>Duval Bond Gross</u> <u>Annual Assmt./Unit</u> <u>(2)(3)</u>
<b><u>Land Use Category</u></b>				
SF 40	\$28,401	\$15,952	\$1,152	\$1,245
SF 50	\$31,556	\$17,281	\$1,248	\$1,349
SF 60	\$34,712	\$18,611	\$1,344	\$1,453
SF 70	\$37,868	\$19,940	\$1,440	\$1,557
SF 80	\$41,023	\$21,269	\$1,536	\$1,661
SF 90	\$44,179	\$22,599	\$1,632	\$1,764
SF 100	\$47,335	\$23,928	\$1,728	\$1,868
<b><u>Multi-Family</u></b>				
Townhome	\$25,245	\$15,952	\$1,152	\$1,245
Condo	\$22,089	\$15,952	\$1,152	\$1,245
Apartments	\$18,934	\$10,795	\$768	\$830
<b><u>Non-Residential Products</u></b>				
Office	\$18,618	\$6,647	\$480	\$519
Commercial/Retail	\$14,831	\$12,230	\$883	\$955
Storage	\$4,733	\$1,728	\$125	\$135
Club Houses (1,000 sq. ft. units)	\$29,663	\$25,778	\$1,834	\$1,983

(1) Serves as a cap on the amount of total bond principal assessed to each unit in connection with the Series 2019 Bonds. No units will be assigned principal assessments in excess of these caps in connection with the Series 2019 Bonds.

(2) The annual assessment levels shown here have previously been approved by the District's Board of Supervisors and will be assigned to units as they enter the "Under Development" stage.

(3) The "Gross" annual assessment figures include an allowance for an early payment discount and the maximum collection fees possibly charged by the Property Appraiser/Tax Collector. Such collection fees are subject to change and will be set at actual cost when annual assessment collection commences.



## **APPENDIX C**

### **Copy of Master Indenture and Form of Ninth Supplemental Indenture**

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MASTER TRUST INDENTURE

between

TOLOMATO COMMUNITY DEVELOPMENT DISTRICT

and

U.S. BANK NATIONAL ASSOCIATION  
As Trustee

Dated as of February 1, 2006

relating to

TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
(ST. JOHNS COUNTY, FLORIDA)  
SPECIAL ASSESSMENT BONDS

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THIS MASTER TRUST INDENTURE, dated as of February 1, 2006 (the "Master Indenture"), by and between TOLOMATO COMMUNITY DEVELOPMENT DISTRICT (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, existing and authorized under the laws of the United States of America (together with any bank or trust company becoming successor trustee under the Master Indenture being hereinafter referred to as the "Trustee");

#### WITNESSETH:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Rule 42SS-1 of the Florida Land and Water Adjudicatory Commission effective July 29, 2004, for the purpose, among other things, of financing and managing the acquisition and construction, maintenance, and operation of major infrastructure within and without the boundaries of the premises to be governed by the Issuer, and

WHEREAS, the premises to be governed by the Issuer (as further described in Exhibit A hereto, the "District Lands") consist of approximately 11,355 acres of land located entirely within St. Johns County, Florida (the "County"); and

WHEREAS, the Issuer has determined to undertake, in one or more stages, the acquisition and construction of certain master infrastructure improvements consisting of recreational improvements for the District and joint transportation and recreational improvements to be shared with the Split Pine Community Development District, and neighborhood infrastructure improvements consisting of clearing and grubbing, earthwork, roadways and associated drainage, underground conduit to facilitate street lighting, landscaping, irrigation, hardscape, and water and sewer transmission lines pursuant to the Act for the special benefit of all or a portion of the District Lands (as further described in Exhibit B hereto, the "Project"); and

WHEREAS, the Issuer proposes to finance the cost of acquisition and construction 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 under this Master Indenture, as supplemented from time to time by one or more Supplemental Indentures, 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 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 the Master Indenture, and in addition, the following terms shall have the meanings specified below:

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

"Acquisition Agreements" shall mean one or more Improvement Acquisition Agreements among the Issuer and the Developer, pursuant to which the Developer agrees to provide, design, construct and sell to the Issuer, and the Issuer agrees to purchase from the Developer, certain improvements comprising a portion of the Project.

"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, adopted pursuant to the provisions of Section 9.20 of this Master Indenture, as the same may be amended from time to time.

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

"Authorized Denomination" shall mean, with respect to a series of Bonds, initially a denomination of \$100,000 and integral multiples of \$5,000 in excess thereof and thereafter a denomination of \$5,000 and integral multiples thereof, provided, however, so long as a Series of Bonds carries an investment grade rating from Moody's or S&P. "Authorized Denomination" shall mean a denomination of \$5,000 and integral multiples 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.

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

"Bonds" shall mean the Tolomato Community Development District Special Assessment Bonds issued in one or more Series and delivered pursuant to the provisions of this Master Indenture and Bonds subsequently issued to refund all or a portion of the Bonds or issued for the completion of a Project.

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Indenture. The Independent engineer or engineering firm or corporation at the time serving as the engineer to the District may serve as Consulting Engineer under the Indenture.

"Continuing Disclosure Agreement" shall mean a Continuing Disclosure Agreement, by and between the Issuer, the Developer and Prager, Sealy & Co., LLC, as Dissemination Agent in connection with the issuance of a Series of Bonds hereunder, pursuant to the requirements of the Rule.

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

- (a) expenses of determining the feasibility or practicability of acquisition, construction, or reconstruction;
- (b) cost of surveys, estimates, plans, and specifications;
- (c) cost of 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;
- (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;

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"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.

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

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

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

"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.

"Construction Funding Agreement" shall mean one or more Construction Funding Agreements among the Issuer and the Developer, pursuant to which the Developer agrees to fund the construction of certain improvements comprising a portion of the Project.

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

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

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

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(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 District 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) not unsatisfactory to the Trustee.

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"County" shall mean St. Johns County, Florida.

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

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

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

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

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

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

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

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

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

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

"Debt Service Reserve Letter of Credit" shall mean the irrevocable, transferable letter or line of credit, if any, deposited for the credit of the Debt Service Reserve Fund or any account

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"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.

"Impact Fee Credits" shall mean any impact fee credits acquired by the Issuer from the Developer.

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

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

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

"Interest Payment Date" shall mean each May 1 and November 1 commencing on the date specified in the 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.

"Interlocal Agreement" shall mean one or more Interlocal Agreements by and among the Issuer and the Split Pine Community Development District entered into pursuant to Section 163.01, Florida Statutes.

"Interlocal Agreement Revenues" shall mean special assessment revenues collected by the Split Pine Community Development District and contributed to the Issuer pursuant to the Interlocal Agreement.

"Investment Securities" shall mean and include any of the following securities, if and to the extent the same are at the time legal investments for funds of the Issuer:

(a) Government Obligations;

(b) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government-sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by

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

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

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

"Developer" shall mean SONOC Company, LLC, and any entity or entities which succeed to all or any part of the interests and assume any or all of the responsibilities of said entities.

"District Lands" or "District" shall mean the premises governed by the Issuer, consisting of approximately 11,355 acres of land located entirely within the County, as more fully described in Exhibit A hereto, as such boundaries may be expanded or contracted in accordance with applicable law.

"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 10.01 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.

"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.

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the United States of America: Export-Import Bank; Farm Credit System Financial Assistance Corporation; Rural Economic Community Development Administration (formerly the Farmers Home Administration); General Services Administration; U.S. Maritime Administration; Small Business Administration; Government National Mortgage Association; U.S. Department of Housing & Urban Development; Federal Housing Administration; Federal Financing Bank; Resolution Funding Corporation (REFCORP) interest strips only; Agency for International Development; or the Overseas Private Investment Corporation.

(c) Direct and general obligations of any state of the United States, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, if at the time of their purchase such obligations are rated in either of the two highest rating categories by either S&P or Moody's;

(d) Negotiable or non-negotiable certificates of deposit, time deposits or other similar banking arrangements issued by any bank or trust company, including the Trustee, or any federal savings and loan association, the deposits of which are insured by the Federal Deposit Insurance Corporation (including the FDIC's Savings Association Insurance Fund), which securities, to the extent that the principal thereof exceeds the maximum amount insurable by the Federal Deposit Insurance Corporation and, therefore, are not so insured, shall be fully secured to the extent permitted by law as to principal and interest by the securities listed in subsections (a), (b) or (c) above; provided, however, that with respect to securities used to secure securities hereunder, in addition to direct and general obligations of any state of the United States, Investment Securities shall include direct and general obligations of any political subdivision or instrumentality of any such state, to the payment of the principal of and interest on which the full faith and credit of such subdivision or instrumentality is pledged if such obligations are initially rated "A" or higher by either S&P or Moody's;

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

(f) A promissory note of a bank holding company rated "AA" or better by either S&P or Moody's;

(g) Investment agreements with a bank, insurance company or other financial institution, or the subsidiary of a bank, insurance company or other financial institution if the parent guarantees the investment agreement, which bank, insurance company, financial institution or parent has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated in the highest short-term rating category by Moody's 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 in one of the three

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highest rating categories by Moody's or S&P (provided that the term of such agreement is not less than 366 days nor more than twenty-four (24) months) or has an unsecured, uninsured and unguaranteed obligation (or claims paying ability) rated in one of the two highest rating categories by Moody's or S&P (if the term of such agreement is more than twenty-four (24) months) 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 at least semiannually at a fixed rate (subject to adjustments for yield restrictions required by the Code) during the entire term of the agreement, consistent with the Interest Payment Dates;
  - (B) moneys invested thereunder may be withdrawn without penalty, premium, or charge upon not more than two days' notice unless otherwise specified in a Supplemental Indenture;
  - (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;
- (h) Any short term government fund whose assets consist of (a), (b) and (c) above;
- (i) Commercial paper which at the time of purchase is rated in the highest rating category by either S&P or Moody's;
- (j) (A) certificates evidencing a direct ownership interest in non-callable Government Obligations or in future interest or principal payments thereon held in a custody account by a custodian satisfactory to the Trustee, and (B) obligations of any state of the United States of America or any political subdivision, public instrumentality or public authority of any such state which are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and which are fully secured by and payable solely from non-callable Government Obligations held pursuant to an escrow agreement satisfactory to the Trustee, provided that such obligations shall be rated in the highest rating category of either Moody's or S&P;
- (k) shares of an open-end, diversified investment company which is registered under the Investment Company Act of 1940, as amended, and which invests its assets in any of the securities described in clauses (a), (b) or (c) hereof;
- (l) shares of any open-end, SEC-registered money market mutual funds which fund invests its assets in any of the securities described in clauses (a), (b) or (c) hereof; and
- (m) any other lawful investment as provided in a Supplemental Indenture.

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"Paying Agent" shall mean initially, U.S. Bank National Association, 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, with respect to a particular Series of Bonds Outstanding, (a) the Interlocal Agreement Revenues, (b) all net proceeds of sale by the Issuer of Impact Fee Credits, (c) all revenues received by the Issuer from Special Assessments levied and collected on all or a portion of the District Lands with respect to such Series of Bonds, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Special Assessments or from the issuance and sale of tax certificates with respect to such Special Assessments, and (d) all moneys on deposit in the Funds and Accounts established under the Indenture; 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 proviso).

"Project" shall mean with respect to any Series of Bonds, the portion or portions of certain master infrastructure improvements consisting of recreational improvements for the Issuer and joint transportation and recreational improvements to be shared with the Split Pine Community Development District, and neighborhood infrastructure improvements consisting of clearing and grubbing, earthwork, roadways and associated drainage, underground conduit to facilitate street lighting, landscaping, irrigation, hardscape, and water and sewer transmission lines 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 or a portion of the District Lands on which Special Assessments to secure such Series of Bonds have been levied.

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

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

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

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

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

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"Issuer" shall mean Tolomato Community Development District.

"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 February 1, 2006, by and between the Issuer and the Trustee, as supplemented from time to time 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 their 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 have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds which are known by the Trustee to be held on behalf of the Issuer shall be disregarded for the purpose of any such determination; provided, however, this provision does not affect the right of the Trustee to deal in Bonds as set forth in Section 11.09 hereof.

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

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

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

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

"S&P" shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their 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 of Bonds may be issued simultaneously under separate Supplemental Indentures, but under this Master Indenture.

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"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) the net proceeds derived from the levy and collection of "special assessments", as provided for in Sections 190.011(14) and 190.022 of the Act (except for any such special assessments levied and collected for maintenance purposes), against the lands located within the District that are subject to assessment as a result of a particular Project or any portion thereof, and (b) the net proceeds derived from the levy and collection of "benefit special assessments", as provided for in Section 190.021(2) of the Act, against the 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 "maintenance special assessments" levied and collected by the Issuer under Section 190.021(3) of the Act.

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

"State" shall mean the State of Florida.

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

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

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

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

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

[END OF ARTICLE I]

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such Defaulted Interest and the Special Record Date thereof to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of 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 United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Trustee and Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by such Bonds on the day before the default occurred.

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, 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; Authenticating Agent.** 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.

The Trustee shall be entitled to be reimbursed for payments made to any Authenticating Agent as reasonable compensation for its services.

Any corporation into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which any Authenticating Agent shall be party, or any corporation succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of the Authenticating Agent hereunder, if such successor corporation is otherwise eligible under this Section, without the execution or filing of any further act on the part of the parties hereto or the Authenticating Agent or such successor corporation.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee, the Issuer and any Paying Agent. The Trustee may at any time terminate the

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## 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 "Tolomato Community Development District Special Assessment Bonds" (the "Bonds"). The total principal amount of Bonds that may be issued under this Master Indenture is expressly limited to \$755,000,000 (exclusive of any refunding bonds). The Bonds shall be issued in Authorized Denominations and within each Series shall be numbered consecutively from R-1 and upwards 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 principal 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

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agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent, the Issuer and any Paying Agent. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible under this Section, the Trustee shall promptly appoint a successor Authenticating Agent, shall give written notice of such appointment to the Issuer and the Paying Agent, shall mail a notice of such appointment to all Holders of Bonds as the names and addresses of such Holders appear on the Bond Register.

**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 Issuer shall cause the Registrar to designate, by a written notification to the Trustee, a specific office location (which may be changed from time to time, upon similar notification) at which the Bond Register is kept.

The Registrar when it is not also the Trustee, forthwith following each Record Date and at any other time as reasonably requested by the Trustee, certify and furnish to the Trustee, and to any Paying Agent as such Trustee shall specify, the names, addresses, and holdings of Bondholders and any other relevant information reflected in the Bond Register, and the Trustee and any such Paying Agent shall for all purposes be entitled to rely upon the information so furnished to it and shall have no liability or responsibility in connection with the preparation thereof.

**SECTION 2.05. Mutilated, Destroyed, Lost or Stolen Bonds.** If any Bond shall become mutilated, the Issuer shall execute and the Trustee or Authenticating Agent, as the case may be, shall thereupon authenticate and deliver a new Bond of like Series, tenor and denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee or Authenticating Agent, as the case may be, of such mutilated Bond for cancellation, and the Issuer and the Trustee or Authenticating Agent, as the case may be, may require reasonable indemnity therefor. If any Bond shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof shall be submitted to the Issuer and the Trustee or Authenticating Agent, as the case may be; and if such evidence shall be satisfactory to both and indemnity satisfactory to both shall be given, the Issuer shall execute, and thereupon the Trustee or Authenticating Agent, as the case may be, shall authenticate and deliver a new Bond of like Series, tenor and denomination. The cost of providing any substitute Bond under the provisions of this Section 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 or Authenticating Agent, as the case may be, pay to the Owner the principal amount of and accrued interest on such Bond upon the maturity thereof and compliance with the aforesaid conditions by such Owner, without the issuance of a substitute Bond therefor.

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

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

**SECTION 2.06. Temporary Bonds.** Pending preparation of definitive Bonds, or by agreement with the original purchasers of all Bonds, the Issuer may issue and, upon its 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, Paying Agent or Authenticating Agent to, and cancelled and destroyed by, the Trustee. The Trustee shall deliver to the Issuer a certificate of destruction in respect of all Bonds destroyed in accordance with this Section.

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

Upon surrender for requisition 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 (or Registrar or Authenticating Agent as described in Section 2.03 hereof) shall authenticate and deliver, in the name of the designated transferee, 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 (or Registrar or Authenticating Agent as described in Section 2.03 hereof) shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

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trust companies (or any of their designees identified to the Trustee) by overnight delivery, courier service, telegram, teletype or other similar means of communication.

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

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

Principal and interest on the Bonds prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. 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 shall initially be issued in the form of one fully registered Bond for each maturity of each Series 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 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, 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.

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All Bonds issued upon any transfer or exchange of Bonds shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under the Indenture as the Bonds 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, or the Authenticating Agent shall deem and treat the person in whose name any Bond is registered as the absolute Owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, any Paying Agent, the Registrar or the Authenticating Agent) for the purpose of receiving payment of or 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, the Registrar and the Authenticating Agent shall not be affected by any notice to the contrary. All such payments so made to any such Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bond.

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

**SECTION 2.11. Qualification for The Depository Trust Company.** To the extent provided in a Supplemental Indenture or authorized and directed by a Resolution 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

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### ARTICLE III

#### ISSUE OF BONDS

**SECTION 3.01. Issue of Bonds.** Subject to the provisions of Section 2.01 hereof, the Issuer may issue one or more Series of Bonds hereunder and under Supplemental Indentures from time to time for the purpose of financing the Cost of acquisition or construction of a Project, to refund all or a portion of a Series of Bonds or for the completion of a Project (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 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 VI hereof; (c) authorizing the execution and delivery of the Series of Bonds to be issued; and (d) if the purpose is to effectuate a refunding, authorizing the redemption, if any, of the Bonds to be refunded and the defeasance thereof, and the execution and delivery of an escrow agreement, if applicable, and other matters contained in Section XIV hereof;

(2) a written opinion or opinions of Counsel to the Issuer, addressed to the Trustee that (a) the Bonds have been validly authorized and executed 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) any consents of any Regulatory Bodies required in connection with the issuance of the Bonds or in connection with the acquisition of the improvements included in the Project have been obtained or can be reasonably expected to be obtained; and (c) if the acquisition of any real property or interest therein is included in the purpose of such issue, (i) the Issuer has or can acquire good and marketable title thereto free from all liens and encumbrances except such as will not materially interfere with the proposed use thereof or (ii) the Issuer has or can acquire a valid, subsisting and enforceable leasehold, easement, right-of-way or other interest in real property sufficient to effectuate the purpose of the issue (which opinion may be stated in reliance on the opinion of other Counsel satisfactory to the signer or on a title insurance policy issued by a reputable title company) (clauses (b) and (c) shall not apply in the case of the issuance of a refunding Series of Bonds);

(3) an opinion of counsel for the Issuer, which shall also be addressed to the Trustee, to the effect that: (a) the Issuer has good right and lawful authority under the Act to undertake the Project, subject to obtaining such licenses, orders or other

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authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body; (b) that the Special Assessment proceedings have been taken in accordance with Florida law and that the Issuer has taken all action necessary to levy and impose the Special Assessments; (c) that the Special Assessments are legal, valid, and binding liens upon the property against which the Special Assessments are made, coequal with the lien of all state, county, Issuer and municipal ad valorem taxes and superior in priority to all other liens, titles and claims against said property then existing or thereafter created, until paid; (d) the related Indenture has been duly and validly authorized, approved, and executed by the Issuer; (e) the issuance of the Series of Bonds has been duly authorized and approved by the Board; and (f) the related Indenture (assuming due authorization, execution and delivery by the Trustee) constitutes a binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles, whether in a proceeding at law or in equity (clauses (c) and (d) shall not apply in the case of the issuance of a refunding Series of Bonds);

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

(5) 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;

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

(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

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#### ARTICLE IV

##### ACQUISITION OF PROJECT

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

**SECTION 4.02. Compliance Requirements.** The Issuer will comply with all present and future laws, acts, rules, regulations, orders and requirements lawfully made and applicable in fact to any acquisition or construction hereby undertaken and shall obtain all necessary approvals under federal, state and local laws, acts, rules and regulations necessary for the completion and operation of any Project or portion thereof for which any Series of Bonds is being issued and shall complete any Project or portion thereof in conformity with such approvals, laws, rules and regulations.

[END OF ARTICLE IV]

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of public hearings, the adoption of resolutions and the establishment of all necessary collection procedures, in order to levy and collect Special Assessments upon the District Lands in an amount sufficient to pay the Debt Service Requirement on the Bonds to be issued (the foregoing shall not be applicable in the case of the issuance of a refunding Series of Bonds);

(9) an executed opinion of Bond Counsel;

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

(11) in the case of a Series of Bonds to be issued for the purpose of completing a Project, a certificate of the Consulting Engineer stating the original estimated Cost of the Project to be completed at the time of issuance of the Bonds originally issued to finance such Project, that such estimated Cost will be exceeded, the Cost of completing such Project, and that other funds available or reasonably expected to become available for such Cost of completion, together with the proceeds of such Series of Bonds, will be sufficient to pay such Cost of completion; and

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

(13) in the case of the issuance of a refunding Series of Bonds, an Officer's Certificate of the Issuer stating (a) the intended use of the proceeds of the issue; (b) any other amounts available for the purpose; (c) that the proceeds of the issue plus the other amounts, if any, stated to be available for the purpose will be sufficient to refund the Bonds to be refunded in accordance with the refunding plan and in compliance with Article XVI of this Master Indenture, including, without limitation, to pay the Costs of issuance of such Bonds, and (d) 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 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.

[END OF ARTICLE III]

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

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

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

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

Amounts in the Series Account of the Acquisition and Construction Fund shall be applied to pay the Cost of a Project or a portion thereof, as applicable, pertaining to the Series of Bonds in question; provided, however, that if any amounts remain in the Series Account of the Acquisition and Construction Fund after the Completion Date of the Project or portion thereof pertaining to the Series of Bonds in question, and if such amounts are not reserved for payment of any remaining part of the Cost of such Project, 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.

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(b) *Disbursements.* All payments from the Acquisition and Construction Fund shall be paid in accordance with the provisions of this subsection. Moneys in the Acquisition and Construction Fund shall be disbursed by check, voucher, order, draft, certificate or warrant signed by any one or more officers or employees of the Trustee legally authorized to sign such items or by wire transfer to an account specified by the payee upon satisfaction of the conditions for disbursement set forth in this subsection (b). Before any such payment shall be made, the District shall file with the Trustee a fully executed requisition in the form of Exhibit D attached hereto. Upon receipt of each such requisition and accompanying certificate, the Trustee shall promptly withdraw from the Acquisition and Construction Fund and pay to the person, firm or corporation named in such requisition the amount designated in such requisition. All requisitions and certificates received by the Trustee pursuant to this Section 5.01 shall be retained in the possession of the Trustee, subject at all reasonable times to the inspection of the District, the Consulting Engineer, the Owner of any Bonds, and the agents and representatives thereof.

(c) *Completion of Project.* On the date of completion of the Project, as evidenced by the delivery 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 Acquisition and Construction Fund not reserved by the District 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.

[END OF ARTICLE VI]

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shall not apply to Bonds Outstanding hereunder issued under any other indenture supplemental hereto. 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 Interlocal Agreement Revenues and Special Assessments received from the levy thereof on the District Lands or any portion thereof (other than Special Assessment 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), together with the net proceeds of sale from time to time of Impact Fee Credits, 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:

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 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 thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the 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 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

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## 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 to the extent and in the amount necessary to pay the Debt Service Requirement on Bonds issued and Outstanding hereunder. The Issuer shall collect the Special Assessments in accordance with Section 9.04 hereof.

The Issuer shall, within 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 Interlocal Agreement Revenues, Special Assessments received by the Issuer from the levy thereof on the District Lands subject to assessment for the payment of the related Series of Bonds, and the net proceeds of sale of Impact Fee Credits; provided, however, that amounts received as prepayments of Special Assessments shall be deposited directly into the Bond Redemption Fund established hereunder or in any account thereof established pursuant to the applicable Supplemental Indenture. The Issuer shall notify the Trustee at the time of deposit of any amounts received as prepayments of Special Assessments and shall identify the related Series of Bonds.

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

**SECTION 6.02. Funds and Accounts Relating to the Bonds.** The Funds and Accounts specified in this Article VI shall be established under the Master Indenture and each Supplemental Indenture pursuant to which a Series of Bonds is issued for the benefit of the specific Series of Bonds issued pursuant to such Supplemental Indenture and any Series issued on a parity therewith and, unless expressly otherwise provided in said Supplemental Indenture,

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Bonds of such Series subject to mandatory sinking fund redemption on the next succeeding principal payment date, less any amount on deposit in the applicable Series Sinking Fund Account not previously credited;

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

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

SIXTH, subject to the foregoing paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain therein.

The Trustee shall within ten (10) Business Days after the last Interest Payment Date in any calendar year, at the direction of the Issuer, withdraw any moneys held for the credit of the Revenue Fund which are not otherwise required to be deposited pursuant to this Section and deposit such moneys as directed to the credit of the applicable Series Account of the Bond Redemption Fund in accordance with the provisions hereof. Special Assessment 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 a Series Sinking Fund Account for each Series of Bonds, which accounts shall be separate and apart from all other Funds and Accounts established under the Indenture and from all other moneys of the Trustee.

The Trustee at all times shall make available to any Paying Agent the funds in the Series Principal Account and the Series Interest Account of the Debt Service Fund to pay the principal of the applicable Series of Bonds as they mature upon surrender thereof and the interest on the applicable Series of Bonds as it becomes payable, respectively. When a Series of Bonds is

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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 that the Issuer wishes to arrange for such purchase, the Trustee shall comply with the Issuer's arrangements provided they conform to the Indenture.

Except to the extent otherwise provided in a Supplemental Indenture, purchases 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 principal payment date in each of the years set forth in a Supplemental Indenture to the redemption of Bonds of a Series in the amounts, manner and maturities and on the dates set forth in a Supplemental Indenture, at a Redemption Price of 100% of the principal amount thereof. At the written direction of the Issuer, the Trustee shall apply moneys from time to time available in the 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 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 Bonds of a Series shall be paid from the related Series Interest Account of the Debt Service Fund.

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

**SECTION 6.05. Debt Service Reserve Fund.** The Trustee is hereby authorized and directed to establish a Debt Service Reserve Fund and pursuant to a Supplemental Indenture a Series Account for each Series of Bonds issued hereunder. The Debt Service Reserve Fund and

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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. If any such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit is substituted for moneys on deposit in the Series Account of the Debt Service Reserve Fund, or if at any time there are excess moneys in the Series Account of the Debt Service Reserve Fund, the excess moneys in the Series Account of the Debt Service Reserve Fund, then such excess shall be transferred to and deposited in the related Series Account of the Revenue Fund. If a disbursement is made from a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit, the Issuer shall be obligated to either reinstate the maximum limits of such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit immediately following such disbursement or to deposit into the Series Account of the Debt Service Reserve Fund, as provided in the Indenture for restoration of withdrawals from the Series Account of the Debt Service Reserve Fund, funds in the amount of the disbursement made under such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit.

In the event that upon the occurrence of any deficiency in a Series Interest Account, a Series Principal Account or a Series Sinking Fund Account, the Series Account of the Debt Service Reserve Fund is then funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, the Trustee shall, on an Interest 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.

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each Series Account therein shall be held by the Trustee for the benefit of each related Series of Bonds; provided, however, that notwithstanding anything to the contrary contained in this Master Indenture, the Supplemental Indenture authorizing the issuance of a Series of Bonds may provide that the Debt Service Reserve Fund is not applicable and no account therein shall secure such Series of Bonds. The Debt Service Reserve Fund and each Series Account therein shall constitute an irrevocable trust fund to be applied solely as set forth herein and shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, on the date of issuance and delivery of a Series of Bonds an amount of Bond proceeds equal to the Debt Service Reserve Requirement in respect of such Series of Bonds, calculated as of the date of issuance and delivery of such Series of Bonds, shall be deposited in the related Series Account of the Debt Service Reserve Fund. 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 Series Interest Account of the Debt Service Fund relating thereto, and after the Completion Date, be transferred to the related Series Account of the Revenue Fund. Otherwise, earnings on investments in each Series Account of the Debt Service Reserve Fund shall be retained therein until applied as set forth herein. Unless otherwise provided in a Supplemental Indenture, in the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement as a result of an optional prepayment by the owner of a lot or parcel of land of a Special Assessment against such lot or parcel, which Special Assessment is pledged for the payment and security of such Series of Bonds, the excess amount shall be transferred from the Series Account of the Debt Service Reserve Fund to the Bond Redemption Fund established for such Series of Bonds as a credit against the principal amount of the prepayment otherwise required to be made by the owner of such lot or parcel. 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 Series Account of the Debt Service Reserve Requirement for any other reason, the excess amount shall be transferred from the Series Account of the Debt Service Reserve Fund to the related Series Account of the Revenue Fund.

Whenever for any reason on an Interest or Principal Payment Date or mandatory redemption date with respect to a related Series of Bonds secured by a Series Account of the Debt Service Reserve Fund the amount in the related Series Interest Account, the related Series Principal Account or the related Series Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on such Series of Bonds 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

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Amounts drawn on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy shall be applied as set forth in the second paragraph of this Section 6.05. Any amounts drawn under a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy shall be reimbursed to the issuer thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy.

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

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

FIRST, to make such deposits into the Series Rebate Fund, if any, 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 Bond Redemption Fund to the Series Rebate Fund shall thereupon be free from the lien and pledge of the related Indenture;

SECOND, to be used to call for redemption pursuant to clause (b) of Section 8.01 hereof an amount of Bonds of the applicable Series equal to the amount of money transferred to the Series Bond Redemption Fund pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices 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 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. The Issuer shall pay all expenses in connection with such redemption.

**SECTION 6.07. Drawings on Credit Facility.** With respect to Bonds in respect of which there has been issued a Credit Facility, the Trustee shall draw on the Credit Facility, in

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

**SECTION 6.10. Unclaimed Moneys.** In the event any Bond shall not be presented for payment when the principal of such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such Bond have been deposited with the Trustee for the benefit of the owner of the Bond and have remained unclaimed for three (3) years after the date payment thereof becomes due shall, upon request of the Issuer, if the Issuer is not at the time to the knowledge of the Trustee in default with respect to any covenant in the Indenture or the Bonds contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Trustee, before making payment to the Issuer, may, at the expense of the Issuer, 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.

[END OF ARTICLE VI]

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subject to Section 6.05 of this Master Indenture and unless otherwise provided in a Supplemental Indenture with respect to a specific Series of Bonds, any interest and other income so received shall be deposited in the related Series Account of the Revenue Fund. Upon request of the Issuer, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which the securities were held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof, except as provided hereinafter. If net proceeds from the sale of securities held in any Fund or Account shall be less than the amount invested and, as a result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund or Account, the amount of such deficit shall be transferred to such Fund or Account from the related Series Account of the Revenue Fund.

Absent specific instructions as aforesaid, all moneys in the Funds and Accounts established under the Indenture shall be invested in investments of the nature described in subparagraph (i) of the definition of Investment Securities; provided, however, that whether or not specific instructions as aforesaid have been received by the Trustee, moneys in the Debt Service Fund and in the Bond Redemption Fund shall be invested only in the types of obligations described in the two first sentences of this Section 7.02. Moneys in any of the Funds and Accounts established pursuant to the Indenture, when held by the Trustee, shall be immediately invested by the Trustee subject to all written directions from the Issuer, and the Issuer shall be responsible for ensuring that such instructions conform to the provisions of Section 9.31 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.

**SECTION 7.03. Valuation of Funds.** The Trustee shall value the assets in each of the Funds and Accounts established hereunder or under any Supplemental Indenture on March 15 and September 15 of each Fiscal Year, and as soon as practicable after each such valuation date (but no later than ten (10) days after each such valuation date) shall provide the 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.

[END OF ARTICLE VII]

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## ARTICLE VII

### SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS

**SECTION 7.01. Deposits and Security Therefor.** All moneys received by the Trustee under a Supplemental Indenture for deposit in any Fund or Account established under the 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 the Indenture, and shall be deposited in the commercial department of the Trustee, until or unless invested or deposited as provided in Section 7.02 hereof. All deposits of moneys received by the Trustee under the Master Indenture or such Supplemental Indenture in the commercial department of the Trustee (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 subparagraphs (a), (b), (c) or (d) of the definition of Investment Securities and the provisions thereof. If at any time the commercial department of 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'S Savings Association Insurance Fund). All deposits in any other depository in excess of the amount covered by insurance (whether under this Section 7.01 or Section 7.02 as aforesaid) shall, to the extent permitted by law, be fully secured as to both principal and interest earned, in the same manner as required herein for deposits with the Trustee. Such security shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000.

**SECTION 7.02. Investment or Deposit of Funds.** Except to the extent otherwise provided in a Supplemental Indenture with respect to a specific Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in the Series Account in the Debt Service Fund and any Series Bond Redemption Fund created under any Supplemental Indenture only in Government Obligations and securities described in subparagraphs (d), (e), (h), (i) or (j) of the definition of Investment Securities. Except to the extent otherwise provided in a Supplemental Indenture with respect to a specific Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in any Series Account of the Debt Service Reserve Fund in Investment Securities. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth herein. All securities securing investments under this Section shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein,

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## ARTICLE VIII

### REDEMPTION AND PURCHASE OF BONDS

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

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

(b) **Extraordinary Mandatory Redemption in Whole or in Part.** Except as otherwise provided in a Supplemental Indenture with respect to Bonds of the related Series, Bonds of a Series are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Interest Payment Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, (i) from moneys deposited into the related Series Bond Redemption Fund following the payment in full of Special Assessments on any portion of the District Lands in accordance with the provisions of Section 9.08(a) hereof; (ii) from moneys deposited into the related Series Bond Redemption Fund following the payment in full of Special Assessments on any portion of the District Lands as a result of any prepayment of Special Assessments in accordance with Section 9.08(b) hereof; (iii) when sufficient moneys are on deposit in the related Series Funds and Accounts (other than the Rebate Fund) 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) 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 Bond Series Redemption Fund in accordance with Section 6.03 of this Master Indenture; (vi) from moneys, if any, on deposit in the Series Bond Redemption Fund pursuant to Section 9.14(c) hereof following condemnation or the sale of any portion of the District Lands benefited by a Project to a governmental entity under threat of condemnation by such governmental entity or the damage or destruction of all or substantially all of the Project when such moneys are not to be used pursuant to 9.14(c) to repair, replace or restore the Project; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable; or (vii) from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund in accordance with Section 5.01(c) hereof.

(c) **Mandatory Sinking Fund Redemption.** Bonds of a Series shall be subject to mandatory sinking fund redemption at a Redemption Price of 100% of the principal amount

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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 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 and also to any Credit Facility Issuer, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Bonds of such Series for which notice was duly mailed in accordance with this Section 8.02. Such notice shall be given in the name of the Issuer, shall be dated, shall set forth the Bonds of such Series Outstanding which 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;

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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.

[END OF ARTICLE VIII]

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(d) if less than all Outstanding Bonds of a Series to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed or purchased;

(e) that on the redemption or purchase date the redemption or purchase price will become due and payable upon surrender of each such Bond or portion thereof called for redemption or purchase, and that interest thereon shall cease to accrue from and after said date; and

(f) the place where such Bonds are to be surrendered for payment of the redemption or purchase price, which place of payment shall be a corporate trust office of the Trustee.

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

If the amount of funds deposited with the Trustee for such redemption, or otherwise available, is insufficient to pay the redemption price and accrued interest on the Bonds so called for redemption on the redemption date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and among different maturities of Bonds in the same manner as the initial selection of Bonds to be redeemed, and from and after such redemption date, interest on the Bonds or portions thereof 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 so called for redemption, for which moneys have been duly deposited with the Trustee, will cease to bear interest on the specified redemption date, shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

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## ARTICLE IX

### COVENANTS OF THE ISSUER

**SECTION 9.01. Power to Issue Bonds and Create Lien.** The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Bonds, to adopt and execute the Master Indenture and to pledge the Pledged Revenues for the benefit of the Bonds of a Series and any Credit Facility Issuer. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Bonds of a Series and any Credit Facility Issuer with respect to such Series. The Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Bondholders and any Credit Facility Issuer under the Indenture against all claims and demands of all other Persons whomsoever.

**SECTION 9.02. Payment of Principal and Interest on Bonds.** The payment of the principal or Redemption Price of and interest on all of the Bonds of a Series issued under the Indenture shall be secured forthwith equally and ratably by a first lien on and pledge of the Pledged Revenues, except to the extent otherwise provided in a Supplemental Indenture; and Pledged Revenues in an amount sufficient to pay the principal or Redemption Price of and interest on the Bonds of a Series authorized by the Indenture are hereby irrevocably pledged to the payment of the principal or Redemption Price of and interest on the Bonds of a Series authorized under the Indenture, as the same become due and payable. The Issuer shall promptly pay the interest on and the principal or Redemption Price of every Bond issued hereunder according to the terms thereof, but shall be required to make such payment only out of the Pledged Revenues. The Issuer shall appoint one or more Paying Agents for such purpose, each such agent to be a bank and trust company or a trust company or a national banking association having trust powers.

THE BONDS AUTHORIZED UNDER THE INDENTURE AND THE OBLIGATION EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, INCLUDING, WITHOUT LIMITATION, THE 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 THE INDENTURE. NOTHING IN THE BONDS AUTHORIZED UNDER THE INDENTURE OR IN THE INDENTURE SHALL BE CONSTRUED AS OBLIGATING THE ISSUER TO PAY THE BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON EXCEPT FROM THE PLEDGED REVENUES, OR AS PLEDGING THE FAITH AND CREDIT OF THE ISSUER, THE COUNTY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, OR AS OBLIGATING THE ISSUER, THE COUNTY OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR.

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#### SECTION 9.03. Special Assessments; Re-Assessments.

(a) The Issuer shall levy Special Assessments, and evidence and certify the same to the Tax Collector or shall cause the Property Appraiser to certify the same on the tax roll to the Tax Collector for collection by the Tax Collector and enforcement by the Tax Collector or the Issuer pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as applicable, and Section 9.04 hereof, to the extent and in an amount sufficient to pay Debt Service Requirements on all Outstanding Bonds.

(b) If any Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Issuer shall be satisfied that any such Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the 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 legally available moneys, which moneys shall be deposited into the applicable Series Account in the Revenue Fund. In case such second Special Assessment shall be annulled, the Issuer shall obtain and make other Special Assessments until a valid Special Assessment shall be made.

SECTION 9.04. Method of Collection. Special Assessments shall be collected by the Issuer in accordance with the provisions of the Act and Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes thereto, as applicable, in accordance with the terms of this Section. The Issuer shall use its best efforts to adopt the uniform method for the levy, collection and enforcement of Special Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, or any successor statutes thereto, as soon as practicable, or a comparable alternative method afforded by Section 197.3631, Florida Statutes. The Issuer shall use its best efforts to enter into one or more written agreements with the Property Appraiser and the Tax Collector, either individually or jointly (together, the "Property Appraiser and Tax Collector Agreement") in order to effectuate the provisions of this Section. The Issuer shall use its best efforts to ensure that any such Property Appraiser and Tax Collector Agreement remains in effect for at least as long as the final maturity of Bonds Outstanding under the Indenture. To the extent that the Issuer is not able to collect Special Assessments pursuant to the "uniform tax roll collection" method under Chapter 197, Florida Statutes, the Issuer may elect to 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. The election to collect and enforce Special Assessments in any year pursuant to any one method shall not, to the extent permitted by law, preclude the Issuer from electing to collect and enforce Special Assessments pursuant to any other method permitted by law in any subsequent year.

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

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Trustee (solely as a repository of such information) as soon as practicable after such audit shall become available and shall, upon written request, be mailed to any Registered Owner.

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

(a) At any time from the date of levy of Special Assessments on a parcel of District Lands through the date that is thirty (30) days after the related Project has been completed and the Board has adopted a resolution accepting such Project as provided by Section 170.09, Florida Statutes, as amended, any owner of property subject to the Special Assessments may, at its option, require the Issuer to release and extinguish the lien upon its property by virtue of the levy of the Special Assessments by paying to the Issuer the entire amount of such Special Assessment on such property, without interest.

(b) At any time subsequent to 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, 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 five (45) calendar days before an Interest Payment Date), attributable to the property subject to Special Assessment owned by such owner.

(c) Upon receipt of a prepayment as described in (a) or (b) above, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by an authorized officer of the Issuer, to the effect that the Special Assessment has been paid and that such Special Assessment lien is thereby released and extinguished. Except as otherwise provided by a Supplemental Indenture, upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the applicable Series Bond Redemption Fund to be applied to the redemption of Bonds in accordance with Section 8.01(b)(i) or (ii) hereof, as the case may be.

SECTION 9.09. Deposit of Special Assessments. The Issuer covenants to cause any Special Assessments collected or otherwise received by it to be deposited with the Trustee within five (5) Business Days after receipt thereof for deposit into the 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 Bond Redemption Fund).

SECTION 9.10. Construction to be on Issuer Lands. Except for certain off site roadway improvements which are outside the District Lands and are required in order for the District Lands to be developed, the Issuer covenants that no part of a Project will be constructed on, over or under lands other than (i) lands good and marketable title to which is owned by the

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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, utilize any other method of enforcement as provided by Section 9.04 hereof, including, without limitation, declaring the entire unpaid balance of such Special Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed, pursuant to the provisions of Section 170.10, Florida Statutes, in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, Florida Statutes, and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law.

SECTION 9.06. Sale of Tax Certificates and Issuance of Tax Deeds; Foreclosure of Special Assessment Liens. If the Special Assessments levied and collected under the uniform method described in Section 9.04 are delinquent, then the applicable procedures for issuance and sale of tax certificates and tax deeds for nonpayment shall be followed in accordance with Chapter 197, Florida Statutes and related statutes. Alternatively, if the uniform method of levy and collection is not utilized, and if any property shall be offered for sale for the nonpayment of any Special Assessment, and no person or persons shall purchase the same for an amount at least equal to the full amount due on the Special Assessment (principal, interest, penalties and costs, plus attorneys fees, if any), the property may then be purchased by the Issuer for an amount equal to the balance due on the Special Assessment (principal, interest, penalties and costs, plus attorneys fees, if any), and the Issuer shall thereupon receive in its corporate name the title to the property for the benefit of the Registered Owners. The Issuer, either through its own actions or actions caused to be done through the Trustee, shall have the power and shall use its best efforts to lease or sell such property and deposit all of the net proceeds of any such lease or sale into the related Series Account of the Revenue Fund. Not less than ten (10) days prior to the filing of any foreclosure action or any sale of tax deed as herein provided, the Issuer shall cause written notice thereof to be mailed to the Registered Owners of the Series of Bonds secured by such delinquent Special Assessments. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the Issuer, it shall give written notice thereof to such Registered Owners. The Issuer, either through its own actions or actions caused to be done through the Trustee, agrees that it shall be required to take the measure provided by law for sale of property acquired by it as trustee for the 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.

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. A signed copy of such audit shall be furnished to the

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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 the 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 the Project or upon Pledged Revenues, except the lien and charge of the Bonds on the Pledged Revenues.

SECTION 9.13. Payment of Operating or Maintenance Costs by State or Others. The Issuer may permit the United States of America, the State, or any of their agencies, departments or political subdivisions to pay all or any part of the cost of maintaining, repairing and operating 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 the Project, comprehensive general liability insurance (covering bodily injury and property damage) issued by one or more insurance companies authorized or eligible to do business under the laws of the State, in such amounts as is customary for similar operations, or as is more specifically set forth hereinbelow.

(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, establishing value. 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

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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 or eligible to do business in the State, with a Best rating of no less than "A" as to management and Class "V" as to financial strength; provided, however, that if, in the opinion of the District Manager, adequate insurance protection under reasonable terms, conditions, provisions and cost cannot be purchased from an insurance company with the above-designated ratings, then the District Manager, on behalf of the Issuer, may secure such insurance protection as the Issuer determines to be in its best interests and otherwise consistent with the Indenture; provided further, however, that the Issuer may act as a self-insurer in accordance with the requirements of subsection (d) hereof. All policies providing the insurance coverages required by this Section shall designate the Issuer as the loss-payee and shall be made payable to the Issuer.

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

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insurance required under the Indenture, whether such policy is payable to the Issuer or to the Trustee. The Trustee is hereby authorized in its own name to demand, collect, sue and receive any insurance money which may become due and payable under any policies payable to it.

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 the Indenture and no contract or contracts shall be entered into or any action taken by the Issuer or the Trustee which will be inconsistent with the provisions of the Indenture.

**SECTION 9.17. Books, Records and Annual Reports.** The Issuer shall keep proper books of record and account in accordance with Generally Accepted 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 180 days after the close of each Fiscal Year, file with the Trustee, 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.

The Issuer shall file with the Trustee annually within 180 days after the close of each Fiscal Year a certificate of a Responsible Officer setting forth (i) a description in reasonable detail of the insurance then in effect pursuant to the requirements of Section 9.14 hereof and that the Issuer has complied in all respects with such requirements, (ii) whether during such year any material part of the Project has been damaged or destroyed and, if so, the amount of insurance proceeds covering such loss or damage and specifying the Issuer's reasonable and necessary replacement costs, and (iii) whether or not to the knowledge of the signatory, the Issuer is in default with respect to any of the covenants, agreements or conditions on its part contained in the Indenture, and if so, the nature of such default.

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

Prior to participation in any plan of Qualified Self Insurance not currently in effect, the Issuer shall deliver to the Trustee (i) a copy of the proposed plan, and (ii) from the District Manager, an evaluation of the proposed plan together with an opinion to the effect that (A) the proposed Qualified Self Insurance plan will provide the coverage required by subsections (a) and (b) of this Section, and (B) the proposed Qualified Self Insurance plan provides for the creation of actuarially sound reserves.

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 unless it can establish to the satisfaction of the Trustee that such recommendations are unreasonable in light of the nature of the claims or the history of recovery against the Issuer for similar claims. A copy of each Qualified Self Insurance plan and of each annual report thereon shall be delivered to the Trustee.

(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 and the Trustee.

Within the first six (6) months of each Fiscal Year the District Manager shall file with the Trustee a complete report of the status of the insurance coverages relating to all Projects, such report to include, without being limited thereto, a schedule of all insurance policies required by the Indenture which are then in effect, stating with respect to each policy the name of the insurer, the amount, number and expiration date, and the hazards and the risks covered thereby. The Trustee shall hold such report solely as a repository for the holders of the Bonds, and shall have no duty to require the filing of such report or to determine compliance by the Issuer with the requirements of this section.

**SECTION 9.15. Collection of Insurance Proceeds.** Copies of all insurance policies referred to in Section 9.14 of this Article shall be available at the offices of the Issuer at all reasonable times to the inspection of the Holders of \$1,000,000 or more in aggregate principal amount of the related Series of Bonds and their agents and representatives duly authorized in writing. The Issuer covenants that it will take such action as may be necessary to demand, collect and sue for any insurance money which may become due and payable under any policy of

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The report, statements and other documents required to be furnished by the Issuer to the Trustee pursuant to any provisions of the Indenture shall be available for the inspection of Bondholders at the office of the Trustee.

**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 the Master Indenture.

**SECTION 9.19. Employment of Certified Public Accountant.** The Issuer shall employ or cause to be employed as required a Certified Public Accountant to perform accounting and auditing functions and duties required by the Act and the Master 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 a copy of such Certified Resolution 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 the Trustee and to any Bondholders who shall have so requested in writing and shall have filed their names and addresses with the Secretary of the Board for such purpose. If for any reason the Issuer shall not have adopted the Annual Budget with respect to the Project on or before the first day of any Fiscal Year, the Annual Budget for the preceding Fiscal Year shall, until the adoption of the new Annual Budget, be deemed in force for the ensuing Fiscal Year. The Issuer may at any time adopt an amended or supplemental Annual Budget for the remainder of the current Fiscal Year, and when such amended or supplemental Annual Budget is approved it shall be treated as the official Annual Budget under the Master Indenture. Copies of such amended or supplemental Annual Budget shall be filed with the Trustee and mailed by the Issuer to any Bondholders who shall have so requested in writing and shall have filed their names and addresses with the Secretary of the Board for such purpose.

**SECTION 9.21. Employment of Consulting Engineer, Consulting Engineer's Report.**

(a) The Issuer shall, for the purpose of performing and carrying out the duties imposed on the Consulting Engineer by the Master Indenture, employ one or more independent engineers or engineering firms or corporations having a statewide and favorable reputation for skill and experience in such work.

(b) The Issuer shall cause the Consulting Engineer to make an inspection of the 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

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findings as to whether such portions of the Project owned by the Issuer have been maintained in good repair, working order and condition, and (ii) its recommendations as to:

- (1) the proper maintenance, repair and operation of the Project owned by the Issuer during the ensuing Fiscal Year and an estimate of the amount of money necessary for such purposes; and
- (2) the insurance to be carried under the provisions of Section 9.14 hereof and the amount that should be set aside monthly for the purpose of paying insurance premiums which fall due less often than monthly.

Promptly after the receipt of such reports by the Issuer, copies thereof shall be filed with the Trustee and 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 180 days after the end of each Fiscal Year, it will cause an audit to be made by a Certified Public Accountant covering all receipts and moneys then on deposit with or in the name of the Trustee or the Issuer and any security held therefor and any investments thereof. Copies of such audit reports shall be filed with the Trustee, the District Manager and the Secretary of the Board, and mailed by said Secretary to the Consulting Engineer and to all Bondholders who shall have filed their names and addresses with him for such purpose. If the material required to be in such audit also appears in the annual report of the Issuer provided for in Section 9.17 hereof in a manner that can be readily identified, then the filing of a copy of such annual audit shall satisfy the requirement of this Section.

**SECTION 9.23. Information to Be Filed with Trustee.** The Issuer shall cause to be kept on file with the Trustee at all times copies of the schedules of Special Assessments levied on all District Lands in respect of the Project, together with records of the sales of Impact Fee Credits. The Issuer shall keep accurate records and books of account with respect to the Project, 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. A signed copy of said audit shall be furnished to the Trustee as soon as practicable after such audit shall become available.

**SECTION 9.24. Covenant Against Sale or Encumbrance; Exceptions.** Subject to Section 9.28 hereof, the Issuer covenants that, (a) except for those improvements comprising the Project that are to be conveyed or dedicated by the Issuer to the County, the State Department of Transportation or another governmental entity 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. The Issuer may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of a Series of Bonds or from Pledged Revenues if the District Manager shall determine, with the approval of the Consulting Engineer, that such items are no longer needed or are no longer useful in connection with the construction, maintenance and operation of the Project, and the proceeds thereof shall be applied to the replacement of the properties so sold or disposed of or, at the written direction of the Issuer shall be deposited to the credit of the related Series Account in the Revenue Fund.

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except after the prior payment in full of the principal of all Bonds and claims for interest appertaining thereto not so transferred, pledged, kept alive or extended.

**SECTION 9.30. Further Assurances.** The Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of the Indenture.

**SECTION 9.31. Use of Bond Proceeds to Comply with Internal Revenue Code.** The Issuer covenants to the Holders of the Bonds that it will not make or direct the making of any investment or other use of the proceeds of any Bonds issued hereunder which would cause such Bonds to be "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code and/or "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code, and that it will comply with the requirements of such Code section and related regulations throughout the term of such Bonds. The Issuer hereby further covenants and agrees to comply with the procedures and covenants contained in any arbitrage rebate agreement executed in connection with the issuance of each Series of Bonds 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 Bonds.

**SECTION 9.32. Corporate Existence and Maintenance of Properties.** For so long as any Bonds are Outstanding hereunder, unless otherwise provided by the Act, the Issuer shall maintain its corporate existence as a local unit of special purpose government under the Act and shall provide for or otherwise require the Project, and all parts thereof owned by the Issuer to be (a) continuously operated, repaired, improved and maintained as shall be necessary to provide adequate service to the lands benefited thereby; and (b) in compliance with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority.

**SECTION 9.33. Continuing Disclosure.** The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of the 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.

**SECTION 9.34. Interlocal Agreement Revenues.** The Issuer shall comply with all provisions of the Interlocal Agreement and shall collect the Interlocal Agreement Revenues in

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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.

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 Revenue Fund.

**SECTION 9.25. Fidelity Bonds.** Every officer, agent or employee of the Issuer having custody or control of any of the Pledged Revenues shall be bonded by a responsible corporate surety in an amount not less than the greatest amount reasonably anticipated to be within the custody or control of such officer, agent or employee at one time. The premiums on such surety bonds shall be paid by the Issuer as an expense of operation and maintenance of the Project.

**SECTION 9.26. No Loss of Lien on Pledged Revenues.** The Issuer shall not do or omit to do, or suffer to be done or omitted to be done, any matter or thing whatsoever whereby the lien of the Bonds on the Pledged Revenues or any part thereof, or the priority thereof, would be lost or impaired; provided, however, that this Section shall not prohibit the Trustee from transferring moneys to the Rebate Fund held by the Trustee under any arbitrage rebate agreement.

**SECTION 9.27. Compliance With Other Contracts and Agreements.** The Issuer shall comply with and abide by all of the terms and conditions of any and all contracts and agreements which the Issuer enters into in connection with the Project and the issuance of the Bonds.

**SECTION 9.28. Issuance of Additional Obligations.** The Issuer shall not issue any obligations other than the Bonds payable from Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, payable from Pledged Revenues, except in the ordinary course of business.

**SECTION 9.29. Extension of Time for Payment of Interest Prohibited.** The Issuer shall not directly or indirectly extend or assent to an extension of time for payment of any claim for interest on any of the Bonds and shall not directly or indirectly be a party to or approve any arrangement thereof by purchasing or funding or in any manner keeping alive any such claim for interest; no claim for interest which in any way, at or after maturity, shall have been transferred or pledged apart from the Bonds to which it relates or which shall in any manner have been kept alive after maturity by extension or by purchase thereof by or on behalf of the Issuer, shall be entitled, in case of a default hereunder, to any benefit or security under the Indenture.

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accordance with the provisions of the Interlocal Agreement. The Issuer shall take all necessary and appropriate actions, including proceedings in law or equity, to collect the Interlocal Agreement Revenues as the same are due and payable under the provisions of the Interlocal Agreement.

[END OF ARTICLE IX]

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## 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. Notwithstanding anything to the contrary contained herein, upon an Event of Default hereunder, no amounts available under the Master Indenture shall be used to pay Deferred Obligations unless and until such Event of Default has been remedied.

**SECTION 10.02. Events of Default Defined.** Each of the following shall be an "Event of Default" under the Master 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, is rendered incapable of fulfilling its obligations under the Indenture or under the Act; or
- (d) if the Issuer proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the Issuer or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the Issuer and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or
- (e) if the Issuer defaults in the due and punctual performance of any other covenant in the Indenture or in any Bond of such Series issued pursuant to the Indenture and such default continues for sixty (60) days after written notice 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 Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds of such Series; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the Issuer shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; 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

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principal amount of the Outstanding Bonds of the applicable Series shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities, 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 Master 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 Master Indenture is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

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

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

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

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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.

**SECTION 10.03. No Acceleration.** No Series of Bonds issued under this Master Indenture shall be subject to acceleration.

#### **SECTION 10.04. Legal Proceedings by Trustee.**

If any Event of Default with respect to a Series of Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Holders of not less than a majority of the aggregate principal amount of the Outstanding Bonds 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.** The Holders of a majority in aggregate principal amount of the Outstanding Bonds of a Series then subject to remedial proceedings under this Article X shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Master Indenture, provided that such directions shall not be otherwise than in accordance with law or the provisions of the Master 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 Holders of at least a majority of the aggregate

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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.

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 10.12. Trustee's Right to Receiver; Compliance with Act.** The Trustee shall be entitled as of right to the appointment of a receiver and the Trustee, the Bondholders and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the Act and other applicable law of the State.

**SECTION 10.13. Trustee and Bondholders Entitled to all Remedies under Act.** It is the purpose of this Article to provide such remedies to the Trustee and Bondholders as may be lawfully granted under the provisions of the Act and other applicable laws of the State; if any remedy herein granted shall be held unlawful, the Trustee and the Bondholders shall nevertheless be entitled to every other remedy provided by the Act and other applicable laws of the State. It is further intended that, insofar as lawfully possible, the provisions of this Article X shall apply to and be binding upon any receiver appointed in accordance with Section 10.12 hereof.

**SECTION 10.14. Credit Facility Issuer's Rights Upon Events of Default.** Anything in the Master Indenture to the contrary notwithstanding, if any Event of Default has occurred and is continuing while a Credit Facility securing all or a portion of such Bonds of a Series Outstanding is in effect, the Credit Facility Issuer shall have the right, in lieu of the Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility, by an instrument in writing, executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Master Indenture, or exercising any trust or power conferred on the Trustee by the Master Indenture. Said direction shall be

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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.

[END OF ARTICLE X]

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Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders. The Trustee shall not be deemed to have notice of any default other than a payment default under the Indenture or a notification by a Credit Facility Issuer of a default under its Credit Facility, unless notified in writing of such default by the Holders of at least a majority of the aggregate principal amount of the Outstanding Bonds of a Series. The Trustee may, however, at any time require of the Issuer full information as to the performance of any covenant hereunder, and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Issuer, an investigation into the affairs of the Issuer.

**SECTION 11.07. Obligation to Act on Defaults.** The Trustee shall be under no obligation to take any action in respect of any default or otherwise, unless it is requested in writing to do so by the Holders of at least a majority of the aggregate principal amount 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, facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed, signed or given by the persons purporting to be authorized (which in the case of the Issuer shall be a Responsible Officer) or to have been prepared and furnished pursuant to any of the provisions of the Indenture; the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

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

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

**SECTION 11.11. Resignation of Trustee.** The Trustee may resign and be discharged of the trusts created by the Indenture by written resignation filed with the Secretary of the Issuer not less than sixty (60) days before the date when such resignation is to take effect; provided, however, that (i) if any Outstanding Bonds are not registered Bonds, notice of such resignation is published at least once a week for three (3) consecutive calendar weeks in at least one Authorized Newspaper and at least once in The Bond Buyer, or its successor, if any, the first publication to appear not less than three (3) weeks prior to the date when the resignation is to

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## ARTICLE XI

### THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

**SECTION 11.01. Acceptance of Trust.** The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article XI, to all of which the parties hereto, the Bondholders and any Credit Facility Issuer agree. The Trustee shall act as Trustee for the Bonds. 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.

**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, 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; 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 the Master 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.

**SECTION 11.04. Compensation and Indemnity.** The Issuer shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, and shall indemnify and hold the Trustee harmless against any liabilities which it may incur in the proper exercise and performance of its powers and duties hereunder, except with respect to its own willful misconduct, 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 coming into its hands under the Indenture 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. This provision shall survive the termination of the Master Indenture and, as to any Trustee, its removal or resignation as Trustee.

**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

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take effect; and that (ii) if any Outstanding Bonds are registered Bonds, 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, Authenticating Agent and Credit Facility Issuer, if any, at least sixty (60) days before the resignation is to take effect. Such resignation shall take effect on the day specified in the Trustee's notice of resignation unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor; provided, however, that notwithstanding the foregoing, such resignation shall not take effect until a successor Trustee has been appointed. If a successor Trustee has not been appointed within 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 the Indenture, or (b) an instrument or concurrent instruments in writing, executed by the Owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding and filed with the Issuer. A photographic copy of any instrument or instruments filed with the Issuer under the provisions of this paragraph, duly certified by a Responsible Officer, shall be delivered promptly by the Issuer to the Trustee and to any Paying Agent, Registrar, Authenticating Agent and Credit Facility Issuer, if any.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of the 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 Holders of not less than a majority of the aggregate principal amount 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 (i) if any Outstanding Bonds are not registered bonds, shall publish notice of such appointment in an Authorized Newspaper and in The Bond Buyer, or its successor, if any, and (ii) if any Outstanding Bonds are registered Bonds, shall mail notice of such appointment by first-class mail to each Bondholder as its name and address appear on the Bond Register, and to the Paying Agent, Registrar, Authenticating Agent, Credit Facility Issuer, if any, and any rating agency that shall then have in effect a rating on any of the Bonds. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation or removal as the date when such resignation or removal was to take effect, the Holders of a majority in aggregate principal amount of all Bonds then Outstanding may appoint a successor Trustee.

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

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**SECTION 11.15. Instruments of Succession.** Any successor Trustee shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder and thereupon, such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder, after deducting all amounts owed to the Trustee, shall pay over to the successor Trustee all moneys held by it hereunder and, upon request of the successor Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument or instruments prepared by the Issuer transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the predecessor Trustee, except for its rights under Section 11.04 hereof.

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

**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 the Indenture applicable to the Paying Agent and Registrar, respectively.

**SECTION 11.18. Resignation of Paying Agent or Registrar.** The Paying Agent or Registrar may resign and be discharged of the duties created by the Master Indenture by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the 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.

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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 execute and deliver an instrument transferring to such successor Paying Agent or Registrar all the estates, property, rights and powers hereunder 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, shall be the successor Paying Agent or Registrar under the Indenture without the execution or filing of any paper or any further act on the part of the parties thereto, anything in the Indenture to the contrary notwithstanding.

[END OF ARTICLE XI]

**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, 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, (j) authorized by law to perform all the duties imposed upon it by the Indenture and (iii) capable of meeting its obligations hereunder, and (b) shall have a combined net capital and surplus of at least \$50,000,000.

**SECTION 11.22. Judicial Appointment of Successor Paying Agent or Registrar.** In case at any time the Paying Agent or Registrar shall resign and no appointment of a successor Paying Agent or Registrar shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Paying Agent or Registrar may forthwith apply to a court of competent jurisdiction for the appointment of a successor Paying Agent or Registrar. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Paying Agent or Registrar. Notice of such appointment shall be given by the Successor Registrar or Paying Agent to the Issuer, the Trustee, 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,

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## 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.

[END OF ARTICLE XII]

## ARTICLE XIII

### AMENDMENTS AND SUPPLEMENTS

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

- (a) to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;
- (b) for any purpose not inconsistent with the terms of the Indenture, or to cure any ambiguity or to cure, correct or supplement any defective provision (whether because of any inconsistency with any other provision hereof or otherwise) of the Indenture, in such manner as shall not impair the security hereof or thereof or adversely affect the rights and remedies of the Bondholders;
- (c) to provide for the execution of any and all contracts and other documents as may be required in order to effectuate the conveyance of any Project to the State, the County or any department, agency or branch thereof, or any other unit of government of the State or the County; provided, however, that the Issuer shall have caused to be delivered to the Trustee an opinion of Bond Counsel stating that such conveyance shall not impair the security hereof or adversely affect the rights and remedies of the Bondholders; and
- (d) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190 and 197, F.S., so long as, in the opinion of counsel to the Issuer, such changes either: (i) do not have an adverse effect on the Holders of the Bonds; or (ii) if such changes do have an adverse effect, that they nevertheless are required to be made as a result of such amendments.

**SECTION 13.02. Amendments With Bondholders' Consent.** Subject to the provisions of Section 13.03 hereof, this Master Indenture may be amended from time to time by a Supplemental Indenture and any Supplemental Indenture approved by the Owners of at least a majority in aggregate principal amount 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 Amendment of a Supplemental Indenture; provided that with respect to (a) the interest payable upon any Bonds, (b) the dates of maturity or redemption provisions of any Bonds, (c) this Article XIII and (d) the security provisions hereunder or under any Supplemental Indenture, which may only be amended by approval of the Owners of all Bonds to be so amended.

**SECTION 13.03. Trustee Authorized to Join in Amendments and Supplements.** Reliance on Counsel. The Trustee is authorized to join in the execution and delivery of any supplemental indenture or amendment permitted by this Article XIII and in so doing may rely on

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## 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

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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.

[END OF ARTICLE XIII]

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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 contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Escrow Agent, before making payment to the Issuer, may, at the 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.

[END OF ARTICLE XIV]

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# ARTICLE XV

## MISCELLANEOUS PROVISIONS

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

The Bonds are payable solely from the Pledged Revenues, and any other moneys held by the Trustee under the Indenture for such purpose. There shall be no other recourse under the Bonds, the Indenture or otherwise, against the Issuer or any other property now or hereafter owned by it.

**SECTION 15.02. Payment Dates.** In any case where an Interest Payment Date or the maturity date of the Bonds or the date fixed for the redemption of any Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

**SECTION 15.03. No Rights Conferred on Others.** Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Bonds.

**SECTION 15.04. Illegal Provisions Disregarded.** If any term of the Indenture or the Bonds or the application thereof for any reason or circumstances shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such terms or provisions to Persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

**SECTION 15.05. Substitute Notice.** If for any reason it shall be impossible to make duplication 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 instrument authorized or required by the Indenture to be given to or filed with the Issuer or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of the Indenture if and when personally delivered and receipted for, or sent by registered United States mail, return receipt requested, addressed as follows:

(a) As to the Issuer -

Tolomato Community Development District  
Governmental Management Services, LLC  
14785-4 St. Augustine Road  
Jacksonville, FL 32258  
Attention: District Manager

(b) As to the Trustee -

U.S. Bank National Association  
200 S. Biscayne Boulevard  
14th Floor  
Miami, FL 33131  
Attention: Corporate Trust Department

Any of the foregoing may, by notice sent to each of the others, designate a different or additional address to which notices under the Indenture are to be sent.

All documents received by the Trustee under the provisions of the Indenture and not required to be redelivered shall be retained in its possession, subject at all reasonable times to the inspection of the Issuer, any Consultant, any Bondholder and the agents and representatives thereof as evidence in writing.

**SECTION 15.07. Controlling Law.** The Master Indenture shall be governed by and construed in accordance with the laws of the State.

**SECTION 15.08. Successors and Assigns.** All the covenants, promises and agreements in the Master Indenture contained by or on behalf of the Issuer or by or on behalf of the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

**SECTION 15.09. Headings for Convenience Only.** The table of contents and descriptive headings in this Master Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

**SECTION 15.10. Counterparts.** This Master Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute but one and the same instrument.

**SECTION 15.11. Appendices and Exhibits.** Any and all appendices or exhibits referred to in and attached to this Master Indenture are hereby incorporated herein and made a part hereof for all purposes.

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IN WITNESS WHEREOF, Tolomato Community Development District has caused this Master Indenture to be executed by the Chairman of its Board and 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, all as of the day and year first above written.



Attest:

*[Signature]*  
Secretary, Board of Supervisors

TOLOMATO COMMUNITY  
DEVELOPMENT DISTRICT

By:

*[Signature]*  
Chairman, Board of Supervisors

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee, Paying Agent and Registrar

By:

*[Signature]*  
Authorized Agent

STATE OF FLORIDA )  
 ) SS:  
COUNTY OF DUVAL )

On this 16<sup>th</sup> day of February, 2006, before me, a notary public in and for the State and County aforesaid, personally appeared Richard T. Ray and James A. Perry, Chairman and Secretary, respectively, of the Board of Supervisors of Tolomato Community Development District, who acknowledged that they did sign the foregoing instrument as such officers, respectively, for and on behalf of Tolomato Community Development District; and that the same is their free act and deed as such officers, respectively, and the free act and deed of Tolomato Community Development District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

NOTARY PUBLIC, STATE OF FLORIDA  
James C. Oliver, Jr.  
Commission # DD435288  
Expires: MAY 30, 2009  
Bonded Three Atlantic Bonding Co., Inc.

NOTARY PUBLIC, STATE OF FLORIDA

*[Signature]*

(Name of Notary Public, Print, Stamp or Type as Commissioned)

☒ Personally known to me, or  
☐ Produced identification:

(Type of Identification Produced)

☐ DID take an oath, or  
☐ DID NOT take an oath.

STATE OF FLORIDA )  
 ) SS:  
COUNTY OF DUVAL )

On this 16<sup>th</sup> day of February, 2006, before me, a notary public in and for the State and County aforesaid, personally appeared Vivian C. Cerecedo an Authorized Agent of U.S. Bank National Association, as Trustee, who acknowledged that she did sign said instrument as such officer for and on behalf of said corporation; that the same is her free act and deed as such officer and the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

NOTARY PUBLIC, STATE OF FLORIDA

NOTARY PUBLIC-STATE OF FLORIDA  
James C. Oliver, Jr.  
Commission # 00435288  
Expires: MAY 30, 2009  
Bonded Three Atlantic Bonding Co., Inc.

(Name of Notary Public, Print, Stamp or Type as Commissioned)

☒ Personally known to me, or  
☐ Produced identification:

(Type of Identification Produced)

☐ DID take an oath, or  
☐ DID NOT take an oath.

**EXHIBIT A**

**LEGAL DESCRIPTION OF  
TOLOMATO COMMUNITY DEVELOPMENT DISTRICT**

The present boundaries of Tolomato Community Development District are as follows:

Exhibit A

OR2263PG1750

OR2263PG1751

**4285-1.002 Boundary**

The boundaries of the District are as follows:

A portion of Sections 19, 20, 28, 29, 30, 31, 32, 49, 50, 51, 55, 65, 66, and 67, Township 4 South, Range 29 East, together with a portion of Section 6, Township 5 South, Range 29 East, all lying in St. Johns County, Florida, being more particularly described as follows:

For Point of Beginning, commence at the Northwest corner of said Section 30, thence North 88°46'16" East, along the Northerly line of said Section 30, a distance of 1650.00 feet; thence North 62°04'33" East, departing said Northerly line, 6963.21 feet; thence South 66°57'47" East, 3127.56 feet; thence South 16°49'46" East, 4961.31 feet to a corner on the Southerly line of Parcel Four as described and recorded in Official Records Book 1084, Page 676 of the Public Records of said county, said corner bears North 05°49'46" West, 554.57 feet from a point of intersection of the Northwesterly right of way line of Palm Valley Road, County Road No. 210, a 100 foot right of way as now established, and the Easterly line of those lands described and recorded in Official Records Book 97, Page 151 of said Public Records; thence South 76°00'20" West, along said Southerly line of Parcel Four, 477.19 feet to the Northeast corner of that certain tract of land described recorded in Official Records Book 673, Page 636, of said Public Records; thence South 88°24'38" West, along the Northerly line of said tract, 536.57 feet to the Northwest corner of said tract; thence South 05°39'22" East, along the Easterly line of said tract and along the Easterly line of those lands described and recorded in Official Records Book 368, page 550, of said Public Records, 531.82 feet to a point on the line dividing said Sections 28 and 55, of said Township and Range; thence South 84°58'55" West, along said dividing line, 1735.13 feet to the Northeast corner of that parcel identified as Parcel Six and described in documentation recorded in Official Records Book 1084, Page 676, of said Public Records; thence South 10°59'53" East, along the Easterly line of said Parcel Six, 669.50 feet to a point lying on said Northwesterly right of way line of Palm Valley Road; thence South 34°40'35" East, 100.00 feet to a point lying on the Southeasterly right of way line of said Palm Valley Road; thence South 55°19'25" West, along said Southeasterly right of way line, a distance of 11,445.71 feet to its point of intersection with the Westerly line of said Section 6, Township 5 South, Range 29 East; thence North 01°01'01" West, departing said Southeasterly right of way line and along said Westerly section line, 38.64 feet to the Northwest corner of said Section 6; thence North 01°06'12" West, along the Westerly line of said Section 31, Township 4 South, Range 29 East, 81.33 feet to a point lying on said Northwesterly right of way line of Palm Valley Road; thence North 01°06'12" West, continuing along said Westerly line, 5276.65 feet to the Northwest corner of said Section 31; thence North 01°03'55" West, along the Westerly line of said Section 30, a distance of 5346.79 feet to the Point of Beginning.

LESS AND EXCEPT from the above described lands, the Northeast 1/4 of the Southeast 1/4 of Section 30, said Township and Range.

FURTHER EXCEPTING from the above described lands, the lands described in Official Records Book 1164, Page 758. Containing 2177.39 acres, more or less.

ALSO:

All of Sections 38 and 64 and portions of Sections 29, 31, 32, 55, 57, 59, 60, 61 and 63, Township 4 South, Range 29 East, St. Johns County, Florida, being more particularly described as follows:

For Point of Beginning, commence at the Southeast corner of said Section 31, thence South 89°17'16" West, along the Southerly line of said Section 31, also being the Southerly line of said Township 4 South, a distance of 5266.08 feet to its point of intersection with the Southeasterly right of way line of Palm Valley Road, County Road No. 210, a 100 foot right of way as now established; thence Northwesterly, along said Southeasterly right of way line the following three courses: course one, North 55°19'25" East, a distance of 11,557.34 feet to a point of curvature of a curve concave Southeasterly, having a radius of 9417.73 feet; course two, Northwesterly along the arc of said curve, through a central angle of 23°49'06", an arc length of 392.32 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 67°13'58" East, 389.50 feet; course three, North 79°08'11" East, 1466.20 feet; thence South 18°23'07" East, departing said Southeasterly right of way line, 2599.93 feet; thence South 83°04'51" East, 711.15 feet; thence South 08°52'10" East, 4560.19 feet to a point lying on said Southerly line of Township 4 South, Range 29 East; thence South 89°28'18" West, along said Township line, 8236.57 feet to the Point of Beginning.

LESS AND EXCEPT: Those lands described and recorded in Official Records Book 1097, Page 1072 and Official Records Book 1442, Page 1680, of the Public Records of said County.

Containing 551.84 acres, more or less.

ALSO:

Portions of Sections 57 and unsurveyed Section 34, Township 4 South, Range 29 East, St. Johns County, Florida being more particularly described as follows:

For Point of Reference, commence at the Southwest corner of Section 32, Township 4 South, Range 29 East, and run North 89°27'34" East, along the Southerly line of said Township, a distance of 14,134.03 feet to its point of intersection with the Westerly right of way line of Florida East Coast Canal (Intracoastal Waterway) as recorded in Map Book 4, Pages 68 through 78, Public Records of St. Johns County, Florida and the Point of Beginning.

From the Point of Beginning thus described, run North 25°46'44" West along said Westerly right of way line, a distance of 2,500.00 feet; run thence South 49°30'43" West, departing said line, a distance of 3,546.61 feet to a point on aforesaid Southerly Township line; run thence North 89°27'34" East, along said Township line, a distance of 3,798.13 feet to the Point of Beginning.

LESS AND EXCEPT any portion of the above described lands lying below the mean high water line of the Tolomato River. Containing 98.59 acres, more or less.

ALSO:

A part of Sections 1, 2, 3 and 11, all in Township 5 South, Range 28 East, St. Johns County, Florida, more particularly described as follows:

For a Point of Beginning, commence at the Northeast corner of said Section 2; thence South 89°17'49" West, along the North line of said Section 2 (the same being the North line of Township 5 South and being the line dividing Duval County from St. Johns County), a distance of 5349.29 feet to the Northeast corner of said Section 3; thence South 89°37'49" West, along the North line of said Section 3, and along said line dividing Duval County from St. Johns County, a distance of 225.00 feet to the Northeast corner of the lands described in Official Records 919, Page 0475 of the Public Records of said County; thence along the boundary line of said lands the following six courses: 1) South 29°37'49" West, a distance of 795.13 feet; 2) South 89°37'49" West, a distance of 235.03 feet; 3) North 30°22'11" West, a distance of 760.49 feet; 4) South 89°37'49" West, 30 feet Southerly of and parallel with the aforementioned North line of Section 3, a distance of 1,833.24 feet; 5) South 79°36'44" West, a distance of 309.21 feet; 6) South 89°37'49" West, a distance of 1,07.20 feet to a point on the Northwesterly right of way line of U.S. Highway No. 1 (State Road No. 5); thence South 41°52'01" East, along said right of way line, a distance of 2,505.37 feet to an angle point in said right of way line; thence South 41°01'01" East, continuing along said Northwesterly right of way line, a distance of 911.85 feet; thence North 89°16'00" East, along the Southerly line of the lands described in Deed Book 204, Page 330 of the aforementioned Public Records, a distance of 1,557.93 feet to a point on the Northwesterly right of way line of a 50 foot right of way known as "Old Dixie Highway"; thence South 23°06'04" East, along said Northwesterly right of way line, a distance of 1,470.07 feet to an angle point in said right of way line; thence South 39°52'04" East, continuing along said Northwesterly right of way line, a distance of 1,680.82 feet to an intersection with the Northwesterly right of way line of Palm Valley Road, County Road No. 210, as now established as a 100 foot right of way; thence Northwesterly along said right of way line the following six courses: 1) North 41°30'00" East, a distance of 1,621.40 feet to the point of curvature of a curve concave Southeasterly, having a radius of 416.47 feet; 2) Northwesterly along the arc of said curve, a chord bearing of North 56°39'27" East, a chord distance of 216.39 feet, an arc distance of 218.90 feet to the point of tangency of said curve; 3) North 71°42'54" East, a distance of 746.02 feet to the point of curvature of a curve concave Northwesterly, having a radius of 809.92 feet; 4) Northwesterly along the arc of said curve, a chord bearing of North 69°32'22" East, a chord distance of 730.35 feet and an arc distance of 231.14 feet to the point of tangency of said curve; 5) North 55°21'50" East, a distance of 1,766.31 feet to an intersection with the East line of aforementioned Section 1; continue North 55°21'50" East, a distance of 6,269.03 feet to an intersection with the North line of aforementioned Section 1; thence South 89°09'30" West, along said North line of Section 1 (the same being the North line of Township 5 South and being the line dividing Duval County from St. Johns County), a distance of 5,223.14 feet to the Northwest corner of said Section 1 and the Point of Beginning.

Containing 12.60 acres, more or less.

ALSO:

A part of Section 2, Township 5 South, Range 28 East, St. Johns County, Florida more particularly described as follows:  
For a Point of Beginning, commence at the intersection of the Northwesterly right of way line of U.S. Highway No. 1 (State road No. 5) with the West line of said Section 2; thence North 09°59'33" West, along said West line of Section 2, a distance of 125.93 feet; thence North 89°16'57" East, along the North line of Tract 11 of an unsurveyed subdivision known as Darbin Subdivision, a distance of 836.38 feet to the point on the Southwesterly right of way line of a 50 foot right of way known as "Old Dixie Highway"; thence South 23°37'04" East, along said Southwesterly right of way line, a distance of 388.35 feet to an angle point in said right of way line; thence South 39°52'04" East, continuing along said Southwesterly right of way line, a distance of 403.00 feet; thence South 89°17'26" West, along the South line of aforementioned Tract 11, a distance of 782.06 feet to a point on the aforementioned Northwesterly right of way line of U.S. Highway No. 1; thence North 41°01'01" West, along said Northwesterly right of way line, a distance of 712.66 feet to the Point of Beginning.

Containing 12.60 acres, more or less.

ALSO:

A tract of land comprised of the East 1/4 of Section 12 and the Northeast 1/4 of Section 13, Township 5 South, Range 28 East, St. Johns County, Florida, less and except that portion lying within the boundary of Subdivision of Hilden recorded in Map Book 3, Page 59, of the Public Records of said County, said tract being more particularly described as follows:

For Point of Beginning, commence at the Northeast corner of said Section 12, and run South 07°32'48" East, along the Easly boundary of said Section 12, a distance of 531.05 feet to the Southeast corner of said Section; run thence South 01°18'27" East, along the Easly boundary of said Section 12, a distance of 2,487.50 feet to the Southeast corner of the Northeast 1/4 of said Section; run thence South 87°23'00" West, along the Southerly line of said Northeast 1/4, a distance of 1,733.13 feet; run thence North 43°10'20" West, a distance of 1,268.24 feet; run thence North 50°03'18" East, a distance of 498.34 feet; run thence North 40°29'16" West, a distance of 766.09 feet to a point on the Easly boundary of the Northeast 1/4 of said Section 12; run thence North 00°46'57" West, along said Easly boundary of the Northeast 1/4 of said Section 12, a distance of 6,046.27 feet to the Northwest corner of the said East 1/2 of Section 12; run thence North 89°59'26" East, along the Northerly boundary of said Section 12, a distance of 2,483.06 feet to the Point of Beginning.

Containing 452.84 acres, more or less.

ALSO:

A portion of Section 37, Township 5 South, Range 29 East, St. Johns County, Florida described in deed recorded in Official Records Book 675, Page 350, Public Records of said County and being more particularly described as follows: For Point of Beginning, commence at the extreme Northerly corner of said Section 37 and run South 00°55'04" West, along the Northerly boundary of said Section, a distance of 269.22 feet; run thence South 37°41'20" East, a distance of 148.80 feet; run thence South 52°17'18" West, a distance of 240.00 feet to a point on the Northerly right of way line of U.S. Highway No. 1, State Road No. 9; run thence South 37°47'17" East, along said right of way line, a distance of 200.00 feet; run thence North 52°12'43" East, a distance of 240.00 feet; run thence South 37°47'17" East, a distance of 100.00 feet; thence South 52°12'43" West, a distance of 240.00 feet to said Northerly right of way line, run thence South 37°47'17" East, along said right of way line, a distance of 100.00 feet; run thence North 52°12'43" East, a distance of 240.00 feet; run thence South 37°47'17" East, a distance of 50.00 feet; run thence South 52°12'43" West, a distance of 240.00 feet to the point of intersection with the Southwesterly line of said Section 37; run thence South 83°10'07" East, along said Section line, a distance of 383.30 feet to the extreme Southerly corner of said Section; run thence North 00°14'24" East, along said Section line, a distance of 1,126.79 feet; run thence North 56°19'41" West, continuing along said Section line, a distance of 1,301.59 feet; run thence North 43°06'02" West, along said Section line, a distance of 1,014.06 feet to the Point of Beginning.

Containing 44.88 acres, more or less.

ALSO:

A tract of land comprised of all or portions of surveyed and unsurveyed Sections 3, 10 and 15; all of Sections 4, 5, 7, 8, 9, 16, 17, 18, 20, 21, 32, 63, 64, 65, 66, and portions of Sections 6, 19 and 61, Township 5 South, Range 29 East, St. Johns County, Florida, said tract being more particularly described as follows:

For Point of Beginning, commence at the Northeast corner of Section 6, Township 5 South, Range 29 East, and run South 89°27'34" West, along the Northerly line of said Section, a distance of 5245.88 feet to its point of intersection with the Southerly right of way of Palm Valley Road, County Road No. 210; run thence South 53°21'50" West, along said right of way line, a distance of 63.75 feet to a point on the Western boundary of said Section; run thence South 00°55'37" West, along said Section line, a distance of 5407.34 feet to the Southwest corner of said Section; run thence South 02°32'49" East, along the Western boundary of Section 7, said Township and Range, a distance of 5331.05 feet to the Southwest corner thereof; run thence South 01°18'27" East, along the Western line of Section 18, said Township and Range, a distance of 4909.80 feet to the Northwest corner of Section 40; run thence along the boundary of said Section 40 as follows: first course, South 53°40'39" East, a distance of 1887.09 feet; second course, South 79°34'29" East, a distance of 639.79 feet; third course, South 07°57'59" East, a distance of 1679.42 feet; fourth course, North 59°43'33" West, a distance of 2797.08 feet to the Southwest corner of said Section; run thence South 01°29'54" East, along the Western line of Section 19, aforesaid Township and Range, a distance of 395.52 feet to the Northeast right of way line U.S. Highway 1, State Road No. 5; run thence South 37°55'34" East, along said right of way line, a distance of 3131.30 feet to its point of intersection with the Northerly line of Section 19; run thence North 00°14'24" East, along the Northerly boundary of Woodland Heights according to the plat recorded in Map Book 3, Page 78, Public Records of St. Johns County, Florida; run thence South 74°56'37" East, along said Section line and subdivision line, a distance of 1026.67 feet; run thence North 11°29'52" West, along said subdivision line, a distance of 183.21 feet; run thence North 02°19'45" East, along said subdivision line, a distance of 265.41 feet; run thence South 89°01'13" East, along said subdivision line and its Easly projection, a distance of 374.74 feet to the Easly right of way line of Old Dixie Highway lying on the Western line of Official Records Book 1353, Page 1476, Public Records of said County; run thence South 88°50'30" East, along said line, a distance of 1354.50 feet to a point on the Southerly boundary of aforesaid Section 19; run thence North 88°50'30" East, along said Southerly boundary, a distance of 1401.68 feet to the Southeast corner of said Section; run thence North 89°10'44" East, along said Southerly line of Sections 20 and 21, and its Easly projection, a distance of 8762.95 feet, more or less to the center of the run of an unnamed creek (Sweetwater Creek); run thence Northerly along the center of said run following the meanderings of same, to its point of intersection with the line dividing unsurveyed Sections 15 and 22, said point of intersection bearing North 28°46'48" East and distance 5986.15 feet from last said point; run thence North 89°17'02" East, along said Section line, a distance of 2378.54 feet to a point on the Western right of way line of the Intracoastal Waterway, per Deed Book 193, Page 387, Public Records of said County; run thence in a Northerly direction along the West edge of the water of the Tolomato River to a point on the North boundary of said Township 5 South, Range 29 East, said waters edge being traversed as follows: first course, North 07°23'34" West, along said

Western right of way line of the Intracoastal Waterway, a distance of 1870.17 feet; second course, North 36°44'53" East, continuing along said right of way line, a distance of 202.90 feet; third course, North 14°22'06" East, a distance of 8564.35 feet to a point on said Western right of way line of the Intracoastal Waterway; fourth course, North 07°59'12" West, along said right of way line, a distance of 740.00 feet; fifth course, North 21°43'09" West, along said right of way line, a distance of 3362.70 feet; sixth course, North 25°49'03" West, along said right of way line, a distance of 1859.59 feet to the point of intersection of the line dividing said Township and Range 29 East, said Township line, a distance of 14134.03 feet to the Point of Beginning.

LESS AND EXCEPT any portion of the above described lands lying below the mean high water line of the Tolomato River, owned by the State.

Containing 8463.72 acres, more or less.

LESS AND EXCEPT a parcel of land lying in a portion of unsurveyed Section 34 and a portion of Section 57, the William Travers Grant all lying within Township 4 South, Range 29 East, St. Johns County, Florida, together with all of fractional Sections 3 and 10, and all of Section 66, the William Travers or Smith Grant, together with a portion of fractional Sections 4, 9, 15, and 16, unsurveyed Sections 3, 10 and 15, a portion of Section 39, the Hannah Smith Grant, a portion of Section 62, the William Travers Grant, a portion of Section 65, the William Travers Grant, all lying within Township 5 South, Range 29 East, St. Johns County, Florida and being more particularly described as follows:

For a Point of Reference, commence at the corner common to Sections 19, 20, 29 and 30 of said Township 5 South, Range 29 East; thence North 89°09'44" East, along the dividing line of said Sections 20 and 29, a distance of 200.00 feet to a point; thence North 00°53'59" West, departing said dividing line, a distance of 21,013.50 feet; thence North 89°28'18" East, 7845.55 feet to the Point of Beginning.

From the Point of Beginning, continue thence North 89°28'18" East, 2002.81 feet to a point; thence North 49°45'40" East, 2486.26 feet more or less to a point lying on the Western Mean High Water Line of the Tolomato River; thence Northerly along the meanderings of said Western Mean High Water Line, 1,516 feet, more or less to a point which bears North 49°45'40" East and lies 891.44 feet distant from last said point; thence continue North 49°45'40" East, 558.43 feet more or less to a point lying on the Western line of the Florida East Coast Canal (Intracoastal Waterway) as depicted on plat thereof, recorded in Map Book 4, Page 68 through 78 of the Public Records of said County; thence South 52°27'19" East, along said Western line, 658.77 feet more or less to an intersection with said Western Mean High Water Line of the Tolomato River; thence, departing said Western line, Southwesterly, Southerly and Northerly, along meanderings of said Western Mean High Water Line, 4890 feet, more or less to an intersection with said Western line of said canal which bears South 25°27'19" East, along said Western canal line, 473.74 feet more or less to an intersection with said Western Mean High Water Line of the Tolomato River; thence Southerly along the meanderings of said Western Mean High Water Line, 33,500 feet more or less, to its convergence with the Northerly Mean High Water Line of the Northerly prong of Smith Creek which bears South 12°08'19" West and lies 9736.68 feet distant from last said point; thence Northerly, along the meanderings of said Northerly Mean High Water Line of Smith Creek, 6340 feet more or less to its convergence with the Southerly Mean High Water Line of said Northerly prong of Smith Creek which bears North 30°08'35" West and lies 2947.90 feet distant from last said point; thence Southerly, along the meanderings of said Southerly Mean High Water Line, 4390 feet more or less to its convergence with the Northerly Mean High Water Line of the Southerly prong of Smith Creek which bears South 44°01'31" East and lies 2750.85 feet distant from last said point; thence Southerly, along said Northerly Mean High Water Line, 3110 feet more or less to its convergence with the Southerly Mean High Water Line of said Southerly prong of Smith Creek which bears South 55°59'47" West and lies 1533.26 feet distant from last said point; thence Northerly, along the meanderings of said Southerly Mean High Water Line, 4,950 feet more or less to its convergence with said Western Mean High Water Line of said Tolomato River which bears South 78°09'08" East and lies 2092.17 feet distant from last said point; thence Southerly along the meanderings of said Western mean high water line, 50,020 feet, more or less, to its intersection with the Northerly line of that portion of the Intracoastal Waterway described and recorded in Deed Book 193, Page 387 (Parcel RWN 231-B) of the Public Records of St. Johns County, Florida which bears South 11°08'21" East and lies 7496.56 feet distant from last said point; thence North 53°26'01" West, along said Northerly line, 187.75 feet, more or less, to an intersection with said Western mean high water line; thence North, Northerly, Northerly and Southwesterly, along said Northerly line of Parcel RWN 231-B, 3110 feet more or less to the Western line of the Tolomato River, 190 feet, more or less, to an intersection with the Northerly line of said parcel which bears South 56°09'33" West and lies 132.37 feet distant from last said point; thence South 36°33'59" West, along said Northerly line of Parcel RWN 231-B, 78.19 feet, more or less, to the Northerly corner thereof; thence South 07°36'28" East, along the West line of said parcel, 78.81 feet, more or less, to an intersection with said Western Mean High Water Line of the Tolomato River; thence Northerly, Southwesterly, Southerly and Easly along the meanderings of said Western mean high water line, 2025 feet, more or less, to an intersection with said West line of Parcel RWN 231-B which bears South 07°36'28" East and lies 228.65 feet distant from last said point; thence continue South 07°36'28" East, departing said Western Mean High Water Line of the Tolomato River along said West line of Parcel RWN 231-B, a distance of 1338.54 feet, more or less, to the Southwest corner of said parcel; said point also lying on the Easly prolongation of the line dividing said Section 15 and Section 22 of said Township 5 South, Range 29 East; thence South 88°59'50" West, along said Easly prolongation and along said line dividing Sections 15 and 22, a distance of 2392.50 feet more or less to its intersection with the Northerly Mean High Water Line of Deep

Creek; thence Northerly, along the meanderings of said Northerly Mean High Water Line, 960 feet, more or less to a point which bears North 40°12'46" West and lies 961.31 feet distant from last said point; thence North 03°47'40" East, departing said Northerly Mean High Water Line of Deep Creek, 163.23 feet more or less; thence sequentially, along the following ninety-five (95) line courses to the Point of Beginning:

LINE TABLE		
LINE	BEARING	LENGTH
L1	N07°12'28"E	176.12
L2	N41°22'20"W	353.63
L3	N09°17'15"E	138.89
L4	N44°47'01"W	262.77
L5	N20°04'36"E	81.20
L6	N46°35'38"W	65.27
L7	N73°58'12"W	460.71
L8	S88°23'32"W	186.99
L9	N12°41'19"E	583.25
L10	N38°40'28"W	425.76
L11	N13°13'44"E	188.80
L12	N08°17'36"W	207.63
L13	S84°21'30"W	42.63
L14	N38°38'48"W	88.90
L15	N06°32'28"W	504.23
L16	N17°50'28"W	277.95
L17	N01°52'17"E	208.02
L18	N10°58'17"E	65.52
L19	N86°40'52"W	86.33
L20	N01°33'03"E	72.16
L21	N05°07'43"W	227.92
L22	N81°34'04"W	128.63
L23	N06°38'37"W	531.32
L24	N14°56'55"E	221.67
L25	N34°28'51"W	268.06
L26	N01°39'42"E	176.28
L27	N52°28'54"W	267.72
L28	N00°24'49"E	417.49
L29	N22°27'02"E	88.49
L30	N13°55'58"W	980.21
L31	N09°37'32"W	50.36
L32	N05°01'33"E	64.80
L33	N05°23'42"W	141.39

LINE TABLE		
LINE	BEARING	LENGTH
L34	N05°18'40"W	875.85
L35	N05°16'15"W	120.59
L36	N53°01'04"E	84.74
L37	N27°35'22"W	128.62
L38	N02°43'28"W	113.80
L39	N18°54'30"W	192.25
L40	S74°43'35"W	245.26
L41	N29°58'13"W	170.14
L42	S57°28'13"W	226.98
L43	S62°26'12"W	96.07
L44	S45°53'19"W	71.58
L45	N77°33'54"W	309.23
L46	N07°42'42"W	255.98
L47	N07°36'52"W	156.90
L48	N41°38'31"E	142.09
L49	N58°17'32"W	356.27
L50	N34°20'54"W	72.29
L51	N28°31'37"E	163.26
L52	S89°25'49"E	385.09
L53	N68°14'47"E	318.48
L54	N82°45'56"E	90.65
L55	N28°23'33"E	135.91
L56	N68°15'05"W	216.89
L57	N47°58'00"W	108.98
L58	N14°38'02"W	181.52
L59	N37°32'53"E	207.83
L60	N67°04'16"W	88.99
L61	N32°21'17"W	371.08
L62	S82°48'13"W	115.25
L63	S82°37'42"W	157.42
L64	N42°39'50"W	189.04
L65	S79°45'15"W	259.82
L66	N68°14'59"W	268.16



EXHIBIT B

DESCRIPTION OF THE PROJECT

The Project includes the following improvements:

SPLIT PINE & TOLOMATO  
COMMUNITY DEVELOPMENT DISTRICTS  
SUMMARY OF JOINT MASTER INFRASTRUCTURE COSTS

LINE TABLE		
LINE	BEARING	LENGTH
L69	N68°30'26"W	763.84
L70	N27°49'18"E	318.64
L71	S61°18'54"E	474.32
L72	N15°25'44"E	358.14
L73	N74°34'16"E	284.64
L74	S69°31'33"E	447.34
L75	N52°37'35"E	373.46
L76	N71°25'20"E	235.13
L77	N28°13'07"E	183.33
L78	N52°37'35"E	61.68
L79	N04°04'59"W	351.09
L80	N37°44'34"W	82.83
L81	N37°33'05"W	326.82
L82	N29°30'52"W	68.59
L83	N89°04'46"W	286.36
L84	S65°32'56"W	356.10
L85	N01°27'15"W	704.84
L87	N31°11'22"E	69.55
L88	N87°19'49"E	265.21
L89	N04°54'52"W	233.03
L90	N04°42'48"W	155.02
L91	N70°39'16"E	228.79
L92	N23°40'22"W	643.89
L93	N09°46'35"W	68.85
L94	N41°22'08"E	128.80
L95	N26°51'41"W	139.08
L96	N18°40'47"W	87.35
L97	N06°45'41"W	279.80
L98	N45°06'38"E	227.48

Less and except any portions thereof lying within the lands described and recorded in Deed Book 193, Page 387 (Parcel RWN 231-B), and the lands depicted in Map Book 4, Pages 68 through 78 of the Public Records of said county. Containing 1,630 acres, more or less.

I HEREBY CERTIFY THAT THIS DOCUMENT IS A TRUE AND CORRECT COPY AS APPEARS ON RECORD IN ST. JOHNS COUNTY, FLORIDA. WITNESS MY HAND AND OFFICIAL SEAL THIS 15 DAY OF August 2008 CHERYL STRICKLAND, CLERK



BY [Signature] D.C.

IMPROVEMENT PLAN	
Description	Estimated Cost
<b>JOINT MASTER INFRASTRUCTURE</b>	
<b>Joint Transportation</b>	
• Stage 1 Nocatee Parkway (ICW Bridge to US 1) w/ Stage 1 North Perimeter Road	\$69,499,000
• Stage 2 Nocatee Pkwy (W. Int. to US -1)(AKA Racetrack Extension)	\$87,395,000
• CR 210 (Mickler Road to ICW Bridge)	\$7,649,000
• Stage 1 Crosswater Parkway with Stage 1 South Perimeter Road	\$17,301,000
• Stage 2 Crosswater Parkway	\$9,972,000
• Stage 2 North Perimeter Road	\$16,975,000
• Stage 2 South Perimeter Road	\$5,583,000
• Snowden Parkway	\$12,314,000
• Preserve Southern Access Road	\$6,267,000
• Pine Island Road - Southerly Connection	\$5,361,000
• Philips Highway Improvements - Contribution	\$11,343,000
• Transportation Mitigation Payment	\$51,822,000
• PD&E Study	\$550,000
• Environmental Mitigation	\$2,000,000
<b>Joint Transportation Subtotal</b>	<b>\$304,031,000</b>
<b>Joint Recreation</b>	
• Town Center - 75 Acre Community Park	\$12,000,000
• Greenway Improvements	\$5,000,000
<b>Joint Recreation Subtotal</b>	<b>\$17,000,000</b>
<b>JOINT MASTER INFRASTRUCTURE TOTAL</b>	<b>\$321,031,000</b>

(Note: Cost estimates in this report are based upon 2005 dollars)

B-1

EXHIBIT C

(FORM OF BOND)

The following legend shall appear on the Bond only if the Bonds are privately placed:

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BASED UPON THE EXEMPTION FROM REGISTRATION AVAILABLE UNDER SECTION 3(a)(2) THEREOF, AND MAY BE SOLD OR OTHERWISE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR", AS SUCH TERM IS DEFINED IN 17 C.F.R. SECTION 230.501(a), OR ANY SUCCESSOR PROVISION THERETO, IN ACCORDANCE WITH APPLICABLE FEDERAL AND STATE SECURITIES LAWS AND OTHERWISE IN ACCORDANCE WITH THE PROVISIONS OF THE INDENTURE REFERRED TO BELOW.

R- UNITED STATES OF AMERICA  
STATE OF FLORIDA  
TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BOND

Interest Rate Maturity Date Date of Original Issuance CUSIP

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that Tolomato Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof at the corporate trust office of U.S. Bank National Association, in Miami, Florida, as paying agent (said national banking 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 a 360-day year of 30-day months, payable on the first day of \_\_\_\_\_ of each year. Principal of this Bond is payable at the corporate trust office of U.S. Bank National Association, located in Miami, 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 national banking 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

TOLOMATO  
COMMUNITY DEVELOPMENT DISTRICT  
ALLOCATION OF JOINT MASTER INFRASTRUCTURE COSTS

IMPROVEMENT PLAN	
Description	Estimated Cost Allocation
<b>JOINT MASTER INFRASTRUCTURE</b>	
<b>Joint Transportation</b>	
• Stage 1 Nocatee Parkway (ICW Bridge to US 1) w/ Stage 1 North Perimeter Road	\$59,074,150
• Stage 2 Nocatee Pkwy (W. Int. to US -1)(AKA Racetrack Extension)	\$74,285,750
• CR 210 (Mickler Road to ICW Bridge)	\$5,501,650
• Stage 1 Crosswater Parkway with Stage 1 South Perimeter Road	\$14,705,830
• Stage 2 Crosswater Parkway	\$8,476,200
• Stage 2 North Perimeter Road	\$14,428,750
• Stage 2 South Perimeter Road	\$4,745,550
• Snowden Parkway	\$10,466,900
• Preserve Southern Access Road	\$5,326,950
• Pine Island Road - Southerly Connection	\$4,556,850
• Philips Highway Improvements - Contribution	\$9,641,550
• Transportation Mitigation Payment	\$44,048,700
• PD&E Study	\$467,500
• Environmental Mitigation	\$1,700,000
<b>Joint Transportation Subtotal</b>	<b>\$259,426,350</b>
<b>Joint Recreation</b>	
• Town Center - 75 Acre Community Park	\$10,200,000
• Greenway Improvements	\$4,250,000
<b>Joint Recreation Subtotal</b>	<b>\$14,450,000</b>
<b>JOINT MASTER INFRASTRUCTURE TOTAL</b>	<b>\$273,876,350</b>

Note: Cost estimates in this report are based upon 2005 dollars.

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 [ ], in which case from [ ], or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below).

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH ON THE FRONT SIDE HEREOF.

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, ST. JOHNS COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY 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, ST. JOHNS COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee, or such other authenticating agent as may be appointed by the Trustee under the Indenture, of the certificate of authentication endorsed hereon.

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#### 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 Officer

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IN WITNESS WHEREOF, Tolomato Community Development District has caused this Bond to be signed by the facsimile signature of the Chairman of its Board of Supervisors, and attested by the facsimile signature of the Secretary of its Board of Supervisors, as of the date hereof.

TOLOMATO COMMUNITY  
DEVELOPMENT DISTRICT

By: \_\_\_\_\_  
Chairman,  
Board of Supervisors

Attest:

By: \_\_\_\_\_  
Secretary,  
Board of Supervisors

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[Back of Bond]

This Bond is one of an authorized issue of Bonds of Tolomato Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act") and by Rule 42SS-1 of the Florida Land and Water Adjudicatory Commission effective July 29, 2004, designated as Tolomato Community Development District (St. Johns County, Florida) Special Assessment Bonds (the "Bonds"), in the aggregate principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) of like date, tenor and effect, except as to number. The Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act, to pay a portion of the costs of the planning, financing, acquisition, construction of certain master infrastructure improvements consisting of recreational improvements for the Issuer and joint transportation and recreational improvements to be shared with the Split Pine Community Development District, and neighborhood infrastructure improvements consisting of clearing and grubbing, earthwork, roadways and associated drainage, underground conduit to facilitate street lighting, landscaping, irrigation, hardscape, and water and sewer transmission lines for the special benefit of all or a portion of the District Lands or portions thereof. 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 \_\_\_\_\_, 2006 (the "Master Indenture"), as amended and supplemented by a First Supplemental Trust Indenture dated as of \_\_\_\_\_, 2006 (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 Miami, 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 registered owners 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 registered or beneficial owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

It is expressly agreed by the registered or beneficial owner of this Bond that such registered owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, St. Johns County, Florida, the State of Florida or any political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, St.

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Johns County, Florida, the State of Florida or any political subdivision thereof, for the payment of the principal of, premium, if any, and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture, except for Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

By the acceptance of this Bond, the registered or beneficial 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 together with Interlocal Agreement Revenues and all net proceeds of sale by the Issuer of Impact Fee Credits to secure and pay the Bonds.

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

#### Optional Redemption

The Bonds are subject to redemption at the option of the Issuer in whole or in part at any time on or after \_\_\_\_\_, 1, \_\_\_\_\_, at the redemption prices (expressed as percentages of principal amount to be redeemed) set forth below, plus accrued interest to the redemption date, upon notice from the Issuer to the Trustee as set forth in the Indenture.

Redemption Period (Both Dates Inclusive)	Redemption Price
_____, 1, _____ to _____, 31, _____ %	
_____, 1, _____ to _____, 31, _____	
_____, 1, _____ and thereafter	

#### Mandatory Sinking Fund Redemption

The Bonds are subject to mandatory sinking fund redemption on \_\_\_\_\_, 1 in the years and in the principal amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall

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such owners appear on the books of the Registrar on the fifth (5th) day prior to such mailing) and to certain additional parties as set forth in the Indenture; provided, however, that failure to mail any such notice or any defect in the notice or the mailing thereof shall not affect the validity of the redemption of the Bonds for which such notice was duly mailed in accordance with the Indenture. If less than all of the Bonds shall be called for redemption, the notice of redemption shall specify the Bonds to be redeemed. On the redemption date, the Bonds called for redemption will be payable at the designated corporate trust office of the Paying Agent and on such date interest shall cease to accrue, such Bonds shall cease to be entitled to any benefit under the Indenture and such Bonds shall not be deemed to be outstanding under the provisions of the Indenture and the registered owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. If the amount of funds so deposited 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 Miami, Florida. Subject to the restrictions contained in the Indenture, the Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee or such other authenticating agent as may be appointed by the Trustee under the Indenture shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing. Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may

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be reduced as specified by the Issuer by the principal amount of any Bonds redeemed pursuant to optional or extraordinary mandatory redemption as set forth above or purchased and cancelled pursuant to the provisions of the Indenture.

Year	Principal Amount of Bonds to be Paid	Year	Principal Amount of Bonds to be Paid
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#### Extraordinary Mandatory Redemption in Whole or in Part

The Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any interest payment date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, (i) from moneys deposited into the Bond Redemption Fund following the payment in full of Special Assessments on any portion of the District Lands in accordance with the provisions of the Section 9.08(a) of the Indenture; (ii) from moneys deposited into the Bond Redemption Fund following the payment in full of Special Assessments on any portion of the District Lands as a result of any prepayment of Special Assessments in accordance with the provisions of Section 9.08(b) of the Indenture; (iii) when sufficient moneys are on deposit in the related Funds and Accounts (other than the Rebate Fund) to pay and redeem all Outstanding Bonds and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the Indenture; (iv) from moneys in excess of the Debt Service Reserve Requirement in the Debt Service Reserve Fund transferred to the Bond Redemption Fund pursuant to the Indenture; (v) from excess moneys transferred from the Revenue Fund to the Bond Redemption Fund in accordance with the Indenture; or (vi) from 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 (vii) from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund.

#### Notice of Redemption

The Trustee shall cause notice of redemption to be mailed at least thirty but not more than sixty days prior to the date of redemption to all registered owners of Bonds to be redeemed (as

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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 may deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, the Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

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#### STATEMENT OF VALIDATION

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Seventh Judicial Circuit of Florida, in and for Flagler, Putnam, St. Johns, and Volusia Counties, Florida, rendered on the \_\_\_\_ day of \_\_\_\_, 2004.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
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 GIFT MIN ACT - \_\_\_\_\_ Custodian  
(Cust) (Minor)

Under Uniform Gifts to Minors

Act \_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in the above list.

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#### EXHIBIT D

#### FORM OF REQUISITION

#### TOLOMATO COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS

The undersigned, a Responsible Officer of Tolomato Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Trust Indenture from the District to U.S. Bank National Association, as trustee (the "Trustee"), dated as of \_\_\_\_\_, 2006 (the "Indenture"), (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

- (A) Requisition Number: \_\_\_\_\_
- (B) Name of Payee: \_\_\_\_\_
- (C) Amount Payable: \_\_\_\_\_
- (D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments, or, state Costs of Issuance, if applicable): \_\_\_\_\_
- (E) Fund or Account from which disbursement to be made: \_\_\_\_\_
- (F) 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 District,

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;

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#### ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

\_\_\_\_\_  
(please print or typewrite name and address of assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_  
Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature 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.

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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 District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

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

TOLOMATO 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.

\_\_\_\_\_  
Consulting Engineer

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FIRST AMENDMENT TO MASTER TRUST INDENTURE AND  
TO SECOND SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE  
CERTAIN SERIES 2007 BONDS ISSUED BY THE TOLOMATO COMMUNITY  
DEVELOPMENT DISTRICT)

AND

FIRST AMENDMENT TO MASTER TRUST INDENTURE AND TO FIRST  
SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES  
2007A BONDS ISSUED BY THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT  
(NOW TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AS SUCCESSOR BY  
MERGER TO THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT))

Between

TOLOMATO COMMUNITY DEVELOPMENT DISTRICT,  
as District

and

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

Dated as of  
March 1, 2012

relating to

Tolomato Community Development District  
(St. Johns County, Florida)  
Special Assessment Bonds, Series 2007

and

Tolomato Community Development District  
(Successor by Merger to Split Pine Community Development District)  
Special Assessment Bond, Series 2007A

WHEREAS, pursuant to the terms and provisions of that certain Master Trust Indenture by and between the District and the Trustee, dated as of February 1, 2006 (the "Tolomato Master Indenture"), the District proposed to finance the cost of acquisition and/or construction of the Project by the issuance of one or more Series of Bonds (as defined in the Tolomato Master Indenture); and

WHEREAS, the District issued its \$167,185,000 in aggregate principal amount of Special Assessment Bonds, Series 2007 (the "Tolomato Bonds") and collectively with the Split Pine Bonds, the "Bonds") pursuant to the Tolomato Master Indenture and that certain Second Supplemental Trust Indenture by and between the District and the Trustee, dated as of October 1, 2007 (the "Tolomato Second Supplement") and together with the Tolomato Master Indenture, the "Tolomato Indenture"; and

WHEREAS, effective as of March 2, 2010, the Split Pine CDD merged with the District, (the "Merger") such that the District has now succeeded and stands in the place of the Split Pine CDD as the issuer of the Split Pine Bonds; and

WHEREAS, any capitalized term used in this Amendment and not otherwise defined herein shall have the meaning ascribed to such term in the Tolomato Indenture or Split Pine Indenture, as applicable; and

WHEREAS, pursuant to the provisions of the Act and Chapter 170, Florida Statutes, as amended and supplemented (herein, "Chapter 170"), the District has levied Special Assessments on certain real property within the District (the "Property"), and pursuant to the terms and provisions of the Tolomato Indenture and Split Pine Indenture pledged the same for the payment of the Bonds; and

WHEREAS, in light of the deteriorating real estate environment, SONOC Company, LLC, a Florida limited liability company, and certain other affiliates of SONOC Company, LLC, as the primary owners of a portion of the Property (the "Primary Landowner") within the District, have indicated that they may not be able to pay the Special Assessments in the future when they come due, and have been negotiating with the holders of the Bonds on possible remedial actions (the "Bondholders"); and

WHEREAS, in order to determine the best course of action to protect the interest of the Bondholders and the District, the Bondholders and the District have determined that certain professionals should be hired to assess the Property and possible remedial alternatives; and

WHEREAS, in connection with pursuing such remedial alternatives, the District has and will continue to incur expenses including, without limitation, legal fees and expenses, and consultant charges, and the Trustee on behalf of the Bondholders has and will continue to incur fees and expenses; and

WHEREAS, the Board, on behalf of the District, and the Trustee, on behalf of the Bondholders, hereby determines that the payment of the Remedial Fees is in the best interest of the Bondholders and finds that the District has no separate funding source to pay the same; and

THIS FIRST AMENDMENT TO THE (1) MASTER TRUST INDENTURE AND TO SECOND SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007 BONDS ISSUED BY THE TOLOMATO COMMUNITY DEVELOPMENT DISTRICT) AND (2) MASTER TRUST INDENTURE AND TO THE FIRST SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007A BONDS ISSUED BY THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT (NOW TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AS SUCCESSOR BY MERGER TO THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT)) (collectively, the "Amendment") dated as of March 1, 2012, by and between the TOLOMATO COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government organized and existing under the laws of the State of Florida (together with its permitted successors and assigns, the "District"), 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 corporate trust offices in Richmond, Virginia (together with its permitted successors and assigns, the "Trustee"), and consented to by the Majority Owners (as hereinafter defined) of the Bonds (as defined below).

WITNESSETH:

WHEREAS, the District is a local unit of special-purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and established by Rule 42SS-1, Florida Administrative Code, as amended (the "Rule"), adopted by the Florida Land and Water Adjudicatory Commission (the "Commission") effective July 29, 2004, for the purpose, among other things, of financing and managing the acquisition and construction, maintenance, and operation of the major infrastructure within and without the boundaries of the premises to be governed by the District; and

WHEREAS, the District previously determined to undertake, in one or more stages, the acquisition and construction of certain public infrastructure pursuant to the Act for the special benefit of the premises to be governed by the District (the "Project"); and

WHEREAS, pursuant to the terms and provisions of that certain Master Trust Indenture by and between the Split Pine Community Development District (the "Split Pine CDD") and the Trustee, dated as of May 1, 2007 (the "Split Pine Master Indenture"), the Split Pine CDD proposed to finance the cost of acquisition and/or construction of portion of the Split Pine CDD's capital project by the issuance of one or more Series of Bonds (as defined in the Split Pine Master Indenture); and

WHEREAS, the Split Pine CDD issued its \$32,885,000 in aggregate principal amount of Special Assessment Bonds, Series 2007A (the "Split Pine Bonds") pursuant to the Split Pine Master Indenture and that certain First Supplemental Trust Indenture by and between the Split Pine CDD and the Trustee, dated as of May 1, 2007 (the "Split Pine First Supplement") and together with the Split Pine Master Indenture, the "Split Pine Indenture"; and

WHEREAS, there remains (1) a portion of the proceeds of the Tolomato Bonds on deposit in the Series 2007 Debt Service Reserve Account of the Debt Service Reserve Fund created and established under the Tolomato Indenture (herein, the "Tolomato Reserve Moneys") and (2) a portion of the proceeds of the Split Pine Bonds on deposit in the Series 2007A Debt Service Reserve Account of the Debt Service Reserve Fund created and established under the Split Pine Indenture (herein, the "Split Pine Reserve Moneys"); and

WHEREAS, the Board hereby determines, subject to the terms and provisions of this Amendment, that \$360,000 of the Tolomato Reserve Moneys and \$140,000 of the Split Pine Reserve Moneys shall be set aside in individual Series 2007 and 2007A Remedial Expenditure Accounts herein created and established, and be used, in accordance with the provisions of this Amendment, to pay Remedial Fees equally; and

WHEREAS, under Section 13.02 of Article XIII of the Split Pine Master Indenture, the District and the Trustee are permitted to, with the approval of the Owners of at least a majority in aggregate principal amount of the Tolomato Bonds outstanding (the "Tolomato Majority Owners") at any time, enter into Supplemental Indentures that amend certain terms of the Split Pine Master Indenture and any Supplemental Indenture; and

WHEREAS, similarly, under Section 13.02 of Article XIII of the Tolomato Master Indenture, the District and the Trustee are permitted to, with the approval of the Owners of at least a majority in aggregate principal amount of the Tolomato Bonds outstanding (the "Tolomato Majority Owners") at any time, enter into Supplemental Indentures that amend certain terms of the Tolomato Master Indenture and any Supplemental Indenture; and

WHEREAS, by virtue of the execution of the consents to this Amendment by the Split Pine Majority Owners, the Split Pine Majority Owners will have consented to the amendments of the Split Pine Indenture as contemplated by this Amendment and such consent shall constitute direction for the Trustee to join in the execution and delivery of this Amendment; and

WHEREAS, by virtue of the execution of the consents to this Amendment by the Tolomato Majority Owners (collectively with the Split Pine Majority Owners, the "Majority Owners"), the Tolomato Majority Owners will have consented to the amendments of the Tolomato Indenture as contemplated by this Amendment and such consent shall constitute direction for the Trustee to join in the execution and delivery of this Amendment; and

WHEREAS, the District and the Trustee now desire to amend, and the respective Majority Owners hereby approve and consent to such amendments of, the Split Pine Indenture and Tolomato Indenture in the manner hereinafter provided.

NOW THEREFORE, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District and the Trustee hereby agree as follows:

**Section 1. Definitions.** Any capitalized term used in this Amendment and not otherwise defined in the recitals set forth above shall have the meaning ascribed to such term in the Split Pine Indenture and Tolomato Indenture, as applicable. As used herein, "Remedial Fees" shall mean legal fees and expenses, including, as the case may be, foreclosure costs and

legal fees, and consultant charges related to the preparation of reports and the gathering of information related to a proposed remediation of the Bonds. Remedial Fees include, but are not limited to, (1) engagement fees and expenses of any third party hired by the Trustee or the District, for the benefit of the Bondholders and at the Bondholder's request, to survey the existing Project and Bond structure and provide guidance to the Bondholders about remedial alternatives; and (2) expenses of the Trustee and its designated counsel with respect to advising the Bondholders generally about any matters, including proposed remedial actions; and (3) expenses of the District and its designated counsel with respect to advising the District generally about any matters relating to proposed remedial actions or enforcement actions.

**Section 2. Application.** This Amendment shall amend certain provisions of the Split Pine Indenture and Tolomato Indenture without the necessity of amending each such instrument separately. Should consent from the Majority Owners not be received, this Amendment shall not be effective.

**Section 3. Incorporation.** All statements set forth in the recitals stated above are true and correct and are incorporated into this Amendment and such statements form the basis for the Trustee to join in the execution and delivery of this Amendment with the District and for the Majority Owners of the Bonds to approve and consent to the amendments herein contemplated.

**Section 4. Series 2007A Remedial Expenditure Account.** Section 4.01(f) of the Split Pine First Supplement is hereby amended by adding the following to the end thereof: "The Trustee shall establish a separate Account within the Debt Service Reserve Fund hereby designated as the 'Series 2007A Remedial Expenditure Account.' The District hereby directs the Trustee to transfer \$140,000 from the Series 2007A Debt Service Reserve Account of the Debt Service Reserve Fund and deposit the same into the Series 2007A Remedial Expenditure Account. As moneys on deposit in the Series 2007A Remedial Expenditure Account are expended as provided herein, such funds shall be released from the pledge securing the repayment of the Bonds. Moneys on deposit in the Series 2007A Remedial Expenditure Account are only to be used to pay Remedial Fees as defined herein. To the extent that (1) any third parties who will provide remedial services and consequently accrue Remedial Fees are engaged directly by the Trustee or that (2) any Remedial Fees are incurred directly by the Trustee, the Trustee, in its sole discretion, upon advice from its counsel, shall be able to release moneys on deposit in the Series 2007A Remedial Expenditure Account to pay such expenditures. Any Remedial Fees that are incurred by parties that are engaged by the District or which otherwise represent expenses incurred directly by the District must be approved by a majority of the Bondholders in order to be paid from the 2007A Remedial Expenditure Account. Notwithstanding any of the foregoing, the payment of fees and expenses of the Trustee from available funds under the Indenture the Trustee is entitled to receive pursuant to the provisions thereof, shall not require the approval of a majority of the Bondholders."

**Section 5. Series 2007 Remedial Expenditure Account.** Section 4.01(f) of the Tolomato Second Supplement is hereby amended by adding the following to the end thereof: "The Trustee shall establish a separate Account within the Debt Service Reserve Fund hereby designated as the 'Series 2007 Remedial Expenditure Account.' The District hereby directs the Trustee to transfer \$360,000 from the Series 2007 Debt Service Reserve Account of the Debt

Service Reserve Fund and deposit the same into the Series 2007 Remedial Expenditure Account. As moneys on deposit in the Series 2007 Remedial Expenditure Account are expended as provided herein, such funds shall be released from the pledge securing the repayment of the Bonds. Moneys on deposit in the Series 2007 Remedial Expenditure Account are only to be used to pay Remedial Fees as defined herein. To the extent that (1) any third parties who will provide remedial services and consequently accrue Remedial Fees are engaged directly by the Trustee or that (2) any Remedial Fees are incurred directly by the Trustee, the Trustee, in its sole discretion, upon advice from its counsel, shall be able to release moneys on deposit in the Series 2007 Remedial Expenditure Account to pay such expenditures. Any Remedial Fees that are incurred by parties that are engaged by the District or which otherwise represent expenses incurred directly by the District must be approved by a majority of the Bondholders in order to be paid from the 2007 Remedial Expenditure Account. Notwithstanding any of the foregoing, the payment of fees and expenses of the Trustee from available funds under the Indenture the Trustee is entitled to receive pursuant to the provisions thereof, shall not require the approval of a majority of the Bondholders."

**Section 6. Application of Proceeds in Remedial Expenditure Accounts.** Payment of Remedial Fees by the Trustee shall be processed by withdrawing the total amount of Remedial Fees, pro rata, from the Series 2007A Remedial Expenditure Account and the Series 2007 Remedial Expenditure Account. If, upon the conclusion of the remedial actions, there are Remedial Fees remaining in the Remedial Expenditure Accounts, such remaining Remedial Fees shall be returned to the respective debt service reserve account from which they came.

**Section 7. Applicability Remaining Provisions.** Except as expressly modified as stated above, all provisions of the Split Pine Indenture and Tolomato Indenture shall remain unaffected and in full force and effect.

**Section 8. Counterparts.** This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

**Section 9. No Personal Liability or Accountability.** No covenant or agreement contained in this Amendment shall be deemed to be the covenant or agreement of any present, past or future member, agent or employee of the District or the Trustee, in his or her individual capacity, and neither the members of the District or the Trustee, nor any official, agent or employee of the District or the Trustee, shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of this Amendment.

**Section 10. Binding Effect.** This Amendment shall inure to the benefit of, and shall be binding upon, the District, the Trustee, and the owners of the Bonds and their respective successors and assigns.

**Section 11. Severability.** If any provisions of this Amendment shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

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**Section 12. Effective Date.** This Amendment shall become effective upon (i) the execution by the District and the Trustee and the receipt by the Trustee of the written consents (in substantially the form attached hereto) approving this Amendment signed by the Split Pine Majority Owners and the Tolomato Majority Owners as required by Section 13.02 of the Split Pine Master Indenture and Tolomato Master Indenture.

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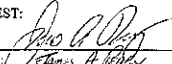
IN WITNESS WHEREOF, the District and the Trustee have caused this First Amendment to the (1) Split Pine Indenture and (2) Tolomato Indenture to be executed on their behalf by their duly authorized representatives as of the date first above written.

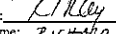
(SEAL)

District:

TOLOMATO COMMUNITY  
DEVELOPMENT DISTRICT

ATTEST:

By:   
Name: Charles H. Henry  
Title: Secretary

By:   
Name: RICHARD T. RAY  
Title: Chairperson

[Signatures continued on following page.]

**Trustee:**

U.S. BANK NATIONAL ASSOCIATION,  
as successor Trustee

By: Kathy Bracken  
Name: Kathy Bracken  
Title: Vice President

FIRST AMENDMENT TO THE (1) MASTER TRUST INDENTURE AND SECOND SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007 BONDS ISSUED BY THE TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AND (2) MASTER TRUST INDENTURE AND TO FIRST SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007A BONDS ISSUED BY THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT, NOW HELD BY TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AS SUCCESSOR BY MERGER TO THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT)

(herein, the "Amendment")  
(Tolomato Community Development District)

Record Date:

ACKNOWLEDGED AND CONSENTED TO:

Each of the undersigned, if signing on behalf of a form of business entity, hereby represents and certifies as of the Record Date stated above that he/she is duly authorized and has full power to execute this Amendment on behalf of the applicable entity set forth below:

T. Rose Price Municipal High Yield Fund as  
Beneficial Owner of the following Bonds

By: [Signature]  
Name: Charles B. Hill  
Title: Executive Vice President  
Date: 3/15/12  
DTC Participant: 0897

Series 2007 Bonds currently beneficially owned:

Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
5/1/2010	1,000,000	6.5%	889560 AEB
5/1/2015	1,000,000	6.5%	ACB
5/1/2017	1,000,000	6.5%	AB4

Series 2007A Bonds currently beneficially owned:

Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
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FIRST AMENDMENT TO THE (1) MASTER TRUST INDENTURE AND SECOND SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007 BONDS ISSUED BY THE TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AND (2) MASTER TRUST INDENTURE AND TO FIRST SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007A BONDS ISSUED BY THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT, NOW HELD BY TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AS SUCCESSOR BY MERGER TO THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT)

(herein, the "Amendment")  
(Tolomato Community Development District)

Record Date:

ACKNOWLEDGED AND CONSENTED TO:

Each of the undersigned, if signing on behalf of a form of business entity, hereby represents and certifies as of the Record Date stated above that he/she is duly authorized and has full power to execute this Amendment on behalf of the applicable entity set forth below:

T. Rose Price Municipal High Yield Fund as  
Beneficial Owner of the following Bonds

By: [Signature]  
Name: Charles B. Hill  
Title: Executive Vice President  
Date: 3/15/12  
DTC Participant: 0897

Series 2007 Bonds currently beneficially owned:

Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
5/1/2010	1,000,000	6.5%	889560 AEB
5/1/2015	1,000,000	6.5%	ACB

Series 2007A Bonds currently beneficially owned:

Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
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FIRST AMENDMENT TO THE (1) MASTER TRUST INDENTURE AND SECOND SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007 BONDS ISSUED BY THE TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AND (2) MASTER TRUST INDENTURE AND TO FIRST SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007A BONDS ISSUED BY THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT, NOW HELD BY TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AS SUCCESSOR BY MERGER TO THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT)

(herein, the "Amendment")  
(Tolomato Community Development District)

Record Date: 3-9-12

ACKNOWLEDGED AND CONSENTED TO:

Each of the undersigned, if signing on behalf of a form of business entity, hereby represents and certifies as of the Record Date stated above that he/she is duly authorized and has full power to execute this Amendment on behalf of the applicable entity set forth below:

Federated Municipal High Yield Advantage Fund as  
Beneficial Owner of the following Bonds

By: [Signature]  
Name: Lee B. Cunningham, II  
Title: Vice President/Portfolio Manager  
Date: 3-9-12  
DTC Participant: Bank of New York Mellon

Series 2007 Bonds currently beneficially owned:

Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
05/01/2027	\$1,000,000	6.55%	889560AD0

Series 2007A Bonds currently beneficially owned:

Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
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FIRST AMENDMENT TO THE (1) MASTER TRUST INDENTURE AND SECOND SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007 BONDS ISSUED BY THE TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AND (2) MASTER TRUST INDENTURE AND TO FIRST SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007A BONDS ISSUED BY THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT, NOW HELD BY TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AS SUCCESSOR BY MERGER TO THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT)

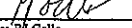
(herein, the "Amendment")  
(Tolomato Community Development District)

Record Date: 3-9-12

ACKNOWLEDGED AND CONSENTED TO:

Each of the undersigned, if signing on behalf of a form of business entity, hereby represents and certifies as of the Record Date stated above that he/she is duly authorized and has full power to execute this Amendment on behalf of the applicable entity set forth below:

Federated Premier Municipal Income Fund, as  
Beneficial Owner of the following Bonds

By:   
Name: RJ Gallo  
Title: Senior Vice President/Portfolio Manager  
Date: 3-9-12  
DTC Participant: Bank of New York Mellon

Series 2007 Bonds currently beneficially owned:

Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
05/01/2040	\$1,000,000	6.65%	889560AEB

Series 2007A Bonds currently beneficially owned:

Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
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FIRST AMENDMENT TO THE (1) MASTER TRUST INDENTURE AND SECOND SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007 BONDS ISSUED BY THE TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AND (2) MASTER TRUST INDENTURE AND TO FIRST SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007A BONDS ISSUED BY THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT, NOW HELD BY TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AS SUCCESSOR BY MERGER TO THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT)


(herein, the "Amendment")  
(Tolomato Community Development District)

Record Date: 3-9-12

ACKNOWLEDGED AND CONSENTED TO:

Each of the undersigned, if signing on behalf of a form of business entity, hereby represents and certifies as of the Record Date stated above that he/she is duly authorized and has full power to execute this Amendment on behalf of the applicable entity set forth below:

Federated Premier Intermediate Municipal Income Fund, as  
Beneficial Owner of the following Bonds

By:   
Name: RJ Gallo  
Title: Senior Vice President/Portfolio Manager  
Date: 3-9-12  
DTC Participant: Bank of New York Mellon

Series 2007 Bonds currently beneficially owned:

Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
05/01/2017	\$1,325,000	6.375%	889560AB4

Series 2007A Bonds currently beneficially owned:

Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
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FIRST AMENDMENT TO THE (1) MASTER TRUST INDENTURE AND SECOND SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007 BONDS ISSUED BY THE TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AND (2) MASTER TRUST INDENTURE AND TO FIRST SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007A BONDS ISSUED BY THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT, NOW HELD BY TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AS SUCCESSOR BY MERGER TO THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT)

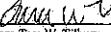
(herein, the "Amendment")  
(Tolomato Community Development District)

Record Date:

ACKNOWLEDGED AND CONSENTED TO:

Each of the undersigned, if signing on behalf of a form of business entity, hereby represents and certifies as of the Record Date stated above that he/she is duly authorized and has full power to execute this Amendment on behalf of the applicable entity set forth below:

Columbia Intermediate Municipal Bond Fund, as  
Beneficial Owner of the following Bonds

By:   
Name: Tara W. Tilbury  
Title: Assistant Secretary  
Date: February 22, 2012

Series 2007 Bonds currently beneficially owned:


Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
5/1/2023	\$7,500,000	6.45%	889560AC2

Series 2007A Bonds currently beneficially owned:

Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
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Record Date:

Columbia High Yield Municipal Fund, as  
Beneficial Owner of the following Bonds

By:   
Name: Tara W. Tilbury  
Title: Assistant Secretary  
Date: February 22, 2012

Series 2007 Bonds currently beneficially owned:

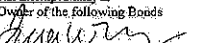
Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
5/1/2017	\$1,765,000	6.375%	889560AB4
5/1/2040	\$3,000,000	6.65%	889560AEB

Series 2007A Bonds currently beneficially owned:

Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
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Record Date:

Columbia Tax Exempt Fund, as  
Beneficial Owner of the following Bonds

By:   
Name: Tara W. Tilbury  
Title: Assistant Secretary  
Date: February 22, 2012

Series 2007 Bonds currently beneficially owned:

Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
5/1/2027	\$3,500,000	6.55%	889560AD0
5/1/2017	\$885,000	6.375%	889560AB4

Series 2007A Bonds currently beneficially owned:



Maturity Date      Principal Amount      Coupon Rate      CUSIP Number

FIRST AMENDMENT TO THE (1) MASTER TRUST INDENTURE AND SECOND SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007 BONDS ISSUED BY THE TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AND (2) MASTER TRUST INDENTURE AND TO FIRST SUPPLEMENTAL TRUST INDENTURE (WITH RESPECT TO THOSE CERTAIN SERIES 2007A BONDS ISSUED BY THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT, NOW HELD BY TOLOMATO COMMUNITY DEVELOPMENT DISTRICT AS SUCCESSOR BY MERGER TO THE SPLIT PINE COMMUNITY DEVELOPMENT DISTRICT)

(herein, the "Amendment")  
(Tolomato Community Development District)

Record Date:

ACKNOWLEDGED AND CONSENTED TO:

Each of the undersigned, if signing on behalf of a form of business entity, hereby represents and certifies as of the Record Date stated above that he/she is duly authorized and has full power to execute this Amendment on behalf of the applicable entity set forth below:

Nuveen Asset Management, as  
Beneficial Owner of the following Bonds

By: [Signature]  
Name: J. K. Miller  
Title: Co-Head Global Fixed Income  
Date: 3/14/12  
DTC Participant: \_\_\_\_\_

Series 2007 Bonds currently beneficially owned:

Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
	\$ 5,745,000		889560AB4
	\$ 19,470,000		889560AC2
	\$ 15,150,000		889560AD0
	\$ 21,720,000		889560AE8

Series 2007A Bonds currently beneficially owned:

Maturity Date	Principal Amount	Coupon Rate	CUSIP Number
	\$ 21,720,000		889560AF5

Signature page to  
Tolomato Bondholder Acknowledgement and Consent  
to U.S. Bank National Association, as Trustee,  
dated March 14, 2012

NUVEEN ASSET MANAGEMENT,

By: [Signature]  
Name: J. K. Miller  
Title: Co-Head Global Fixed Income  
Date: 3/14/12

Aggregate principal amount of Bonds held on the  
Record Date hereof:  
CUSIP # \_\_\_\_\_ \$ \_\_\_\_\_  
CUSIP # \_\_\_\_\_ \$ \_\_\_\_\_  
DTC Participant Number: \_\_\_\_\_

[BONDHOLDER]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Aggregate principal amount of Bonds held on the  
Record Date hereof:  
CUSIP # \_\_\_\_\_ \$ \_\_\_\_\_  
CUSIP # \_\_\_\_\_ \$ \_\_\_\_\_  
DTC Participant Number: \_\_\_\_\_

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This Table of Contents is incorporated herein for ease of reference only and shall not be deemed a part of the ELEVENTH Supplemental Trust Indenture.

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<b>TOLOMATO COMMUNITY DEVELOPMENT DISTRICT</b>	
<b>AND</b>	
<b>U.S. BANK NATIONAL ASSOCIATION</b>	
As Trustee	
Dated as of June 1, 2019	
Authorizing and Securing	
<b>TOLOMATO COMMUNITY DEVELOPMENT DISTRICT</b>	
<b>SPECIAL ASSESSMENT REFUNDING BONDS, SERIES 2019C</b>	

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EXHIBIT A: Forms of Series 2019C Bonds

**THIS ELEVENTH SUPPLEMENTAL TRUST INDENTURE** (the "Eleventh Supplemental Indenture"), dated as of June 1, 2019, between **TOLOMATO COMMUNITY DEVELOPMENT DISTRICT** (the "Issuer" or "Tolomato"), 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 (said banking association and any bank or trust company becoming successor trustee under this Eleventh Supplemental Indenture being hereinafter referred to as the "Trustee").

**WITNESSETH:**

**WHEREAS**, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Rule 42SS-1 of the Florida Land and Water Adjudicatory Commission ("FLWAC") effective July 29, 2004, as amended, for the purpose, among other things, of financing and managing the acquisition and construction, maintenance, and operation of major infrastructure within and without the boundaries of the premises to be governed by the Issuer; and

**WHEREAS**, the Split Pine Community Development District ("Split Pine") was a local unit of special purpose government duly organized under the provisions of the Act, by Rule 42TT-1 of FLWAC effective July 29, 2004, for the purpose, among other things, of financing and managing the acquisition and construction, maintenance, and operation of major infrastructure within and without the boundaries of the premises to be governed by Split Pine; and

**WHEREAS**, pursuant to (i) the Merger Agreement By and Between The Tolomato Community Development District and The Split Pine Community Development District, dated as of October 16, 2008, as supplemented by the Merger Implementation Agreement By and Between The Tolomato Community Development District and The Split Pine Community Development District executed on February 18, 2010 and effective on March 2, 2010 (collectively, the "Merger Agreement") and (ii) the proceedings of the FLWAC meeting on January 26, 2010, at which meeting the merger of Tolomato and Split Pine (herein, the "Merger") was approved, (A) FLWAC Rule 42SS-1 establishing Tolomato was amended and FLWAC Rule 42TT-1 establishing Split Pine was repealed, such that the boundaries of Tolomato are a combination of the boundaries of Tolomato and Split Pine as each existed prior to the merger, (B) Tolomato assumed all indebtedness of, and received title to, all property owned by Split Pine, (C) all of the then existing bond indebtedness of Tolomato and Split Pine will continue to be secured by, and allocated in the same manner as, the existing debt assessment liens and (D) the rights of creditors of either Tolomato or Split Pine or other parties with whom either Tolomato or Split Pine has entered into a contractual relationship will not be adversely affected; and

**WHEREAS**, the premises governed by the Issuer (the "District Lands") are described in FLWAC Rule 42SS-1.002 and consist of approximately 13,468 acres of land located partially within each Duval County, Florida and St. Johns County, Florida (individually, a "County" and, collectively, the "Counties"); and

WHEREAS, the Issuer has been created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands; and

WHEREAS, pursuant to the Master Trust Indenture dated as of February 1, 2006, as amended by the First Amendment (hereinafter defined) (as amended, the "Master Indenture"), as supplemented and amended by the Fourth Supplemental Trust Indenture dated as of August 1, 2012, as amended by a First Amendment to Fourth Supplemental Trust Indenture dated as of May 1, 2013 and as further amended by a Second Amendment to Fourth Supplemental Trust Indenture dated as of March 1, 2015 (collectively, the "Fourth Supplemental Trust Indenture") between the Issuer and the Trustee, the Issuer issued its Tolomato Community Development District Special Assessment Refunding Bonds Series 2012A-3 (the "Series 2012A-3 Bonds"); and

WHEREAS, pursuant to Resolution No. 2019-11 adopted by the Board of Supervisors of the Issuer on June 11, 2019 (the "2019 Authorizing Resolution"), the Master Indenture and this Eleventh Supplemental Indenture, the Issuer has determined to issue its \$15,865,000 aggregate principal amount of Tolomato Community Development District Special Assessment Refunding Bonds, Series 2019C as one Series of Bonds under the Master Indenture and has ratified and confirmed the Master Indenture and authorized the execution and delivery of this Eleventh Supplemental Indenture to secure the issuance of the Series 2019C Bonds and to set forth the terms of the Series 2019C Bonds; and

WHEREAS, the Series 2019C Bonds are being issued in part to currently refund a portion of the Outstanding Series 2012A-3 Bonds (the "Refunded Bonds"); and

WHEREAS, the Issuer will apply the proceeds of the Series 2019C Bonds, together with other funds of the Issuer, to (i) refund and redeem a portion of the Refunded Bonds, (ii) pay certain costs associated with the issuance of the Series 2019C Bonds, (iii) make a deposit into the 2019C Debt Service Reserve Account for the benefit of all of the Series 2019C Bonds and (iv) make a deposit to the 2019C Acquisition and Construction Account of the Acquisition and Construction Fund to fund the 2019 Project; and

WHEREAS, simultaneously with the issuance of the Series 2019C Bonds the Issuer is issuing its (a) Tolomato Community Development District Special Assessment Refunding Bonds, Series 2019A (the "Series 2019A Bonds") to refund its Tolomato Community Development District Special Assessment Bonds, Series 2006 (the "Series 2006 Bonds") and (b) Tolomato Community Development District Special Assessment Refunding Bonds Series 2019B (the "Series 2019B Bonds") to refund its Tolomato Community Development District Special Assessment Bonds Series 2007-1 (the "Series 2007-1 Bonds"), its Tolomato Community Development District (Successor By Merger To Split Pine Community Development District) Special Assessment Bonds, Series 2007A-1 (the "Series 2007A-1 Bonds") and the remaining portion of the Series 2012A-3 Bonds; and

WHEREAS, a portion of the moneys on deposit in the Funds and Accounts established under the Fourth Supplemental Trust Indenture allocable to the Series 2012A-3 Bonds will be transferred to the Funds and Accounts established under this Eleventh Supplemental Indenture to be used and applied as provided herein; and

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Indenture), including this Eleventh Supplemental Indenture, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee, the Insurer and with the respective Owners, from time to time, of the Series 2019C Bonds, as follows:

#### ARTICLE I. DEFINITIONS

Capitalized terms used, but not defined, herein shall have the meanings assigned thereto in the Master Indenture. In addition to the terms heretofore defined, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

"Arbitrage Certificate" shall mean that certain Arbitrage Certificate, including arbitrage rebate covenants, of the Issuer, dated the date of delivery of the Series 2019C Bonds, executed and delivered by the Issuer in connection with the issuance of the Series 2019C Bonds relating to certain restrictions on arbitrage under the Code.

"Assessment Methodology" shall mean the Revised and Amended Master Assessment Methodology, Tolomato Community Development District dated May 14, 2007, as amended and supplemented, including as supplemented by the Supplemental Assessment Report Series 2019A, 2019B, and 2019C Bonds dated [May 8, 2019,] each prepared by Governmental Management Services, LLC, as the same is amended and supplemented from time to time.

"Assessment Resolutions" shall mean (i) Resolution Nos. 2019-05, 2019-06, 2019-08 and 2019-12 duly adopted by the Issuer at meetings held on May 8, 2019, May 8, 2019, June 11, 2019 and June 26, 2019, respectively.

"Authorized Denomination" shall mean, with respect to the Series 2019C Bonds, denominations of \$5,000 and any integral multiple thereof; provided, however, that the Series 2019C Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 and integral multiples of \$5,000 in excess of \$100,000

"Bond Depository" shall mean the securities depository from time to time under Section 2.06 hereof with respect to the Series 2019C Bonds.

"Bond Participant" shall mean each broker-dealer, bank and other financial institution from time to time for which the Bond Depository holds Series 2019C Bonds as securities depository.

"Bond Resolution" shall mean, collectively, (i) Resolution 2005-10 of the Issuer dated October 21, 2004, pursuant to which the Issuer authorized the issuance of not exceeding \$765,000,000 aggregate principal amount of its special assessment bonds to finance the planning, financing, acquisition, construction, reconstruction, equipping and installation of the Project, and (ii) the 2019 Authorizing Resolution.

"Continuing Disclosure Agreement" shall mean the continuing disclosure agreement for the benefit of the owners of the Series 2019C Bonds dated June 28, 2019, by and among the

WHEREAS, the Series 2019C Bonds will be payable from and secured solely by a pledge of the Pledged Revenues (hereinafter defined), which Pledged Revenues include the 2019C Special Assessments, to the extent provided herein; and

NOW, THEREFORE, THIS ELEVENTH SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Series 2019C Bonds, the security and payment of the principal or redemption price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2019C Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2019C Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to the Trustee 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 the Series 2019C Bonds issued hereunder, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Series 2019C Bonds issued under this Eleventh Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this Eleventh Supplemental Indenture) of any one Series 2019C Bond over any other Series 2019C Bond, all as provided in the Indenture.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Series 2019C Bonds issued, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2019C Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Eleventh Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this Eleventh Supplemental Indenture shall remain in full force and effect.

THIS ELEVENTH SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Series 2019C 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 expressed in the Master Indenture (except as amended directly or by implication by this Eleventh Supplemental

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Issuer and Lerner Reporting Services, Inc., as Dissemination Agent, and the Trustee, as amended and supplemented from time to time.

"Defeasance Securities" shall mean with respect to the Series 2019C Bonds, to the extent permitted by law, (a) cash deposits, and (b) non-callable and non-prepayable obligations of the United States or those for which the full faith and credit of the United States are pledged for the timely payment of principal and interest.

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

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

"Delinquent Special Assessments" shall mean with respect to the Series 2019C Bonds, collectively, any and all installments of 2019C Special Assessments which are not paid on the date on which such installments are due and payable.

"Development" shall mean the mixed use, master planned development that spans the southeastern corner of Duval County, Florida and the northeast portion of St. Johns County, Florida and generally comprises the Nocatee Development of Regional Impact, as approved by (i) St. Johns County, Florida by its Board of County Commissioners under Resolution 2001-30 on February 23, 2001 and (ii) the City of Jacksonville, Florida by its City Council under Resolution 2001-13-E on February 27, 2001, both as amended.

"DTC" shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

"Engineer's Report" shall mean the Improvement Plan for the Tolomato Community Development District dated November 29, 2004, as amended and supplemented by the 2007 Supplemental Engineer's Report dated July 19, 2007, as amended and supplemented by the 2012 Supplemental Engineer's Report dated August 16, 2012, and the 2018 Supplemental Engineer's Report for Master Infrastructure Improvements dated March 27, 2018, and as further amended and supplemented by the 2019 Supplemental Engineer's Report dated June 11, 2019, as such report may be further amended or supplemented from time to time.

"First Amendment" shall mean the First Amendment to Master Trust Indenture and to the First Supplemental Trust Indenture and the Second Supplemental Trust Indenture (with respect to those certain Series 2007, 2007A Bonds issued by the Tolomato Community Development District) by and between the Issuer and the Trustee dated as of October 1, 2007.

"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.

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"Indenture" shall mean collectively, the Master Indenture and this Eleventh Supplemental Indenture.

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

"Joint Master Infrastructure" shall mean the improvements described as Joint Master Infrastructure Improvements in the Engineers' Report, as such report may be further amended or supplemented from time to time.

"Landowner" shall mean, for purposes of this Indenture, any owner of real property encumbered by 2019C Special Assessments.

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

"Master Indenture" shall mean the Master Trust Indenture dated as of February 1, 2006, as amended by the First Amendment, each by and between the Issuer and the Trustee, as supplemented and amended with respect to matters pertaining solely to the Master Indenture or to the Series 2019C Bonds (as opposed to supplements or amendments relating to a Series of Bonds other than the Series 2019C Bonds as specifically defined in this Eleventh Supplemental Indenture).

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

"Paying Agent" shall mean U.S. Bank National Association and its successors and assigns as Paying Agent hereunder.

"Pledged Revenues" shall mean with respect to the Series 2019C Bonds (a) all revenues received by the Issuer from 2019C Special Assessments levied and collected on the District Lands benefited by the 2012A-3 Project and the 2019 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such 2019C Special Assessments or from the issuance and sale of tax certificates with respect to such 2019C Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues shall not include (A) revenues received by the Issuer from other special assessments levied and collected on District Lands with respect to any future Series of Bonds, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such other special assessments or from the issuance and sale of tax certificates with respect to such other special assessments, (B) any moneys transferred to the 2019C Rebate Fund, or investment earnings thereon, and (C) "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B) and (C) of this proviso).

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"Series 2019C Bonds" shall mean the Issuer's Special Assessment Refunding Bonds, Series 2019C.

"Sinking Fund Installments" shall mean the moneys required to be deposited in the 2019C Sinking Fund Account within the Debt Service Fund for the purpose of redeeming and paying when due the principal amount of Series 2019C Bonds subject to mandatory sinking fund redemption on the dates and in the amounts set forth in Section 3.01(c) of this Eleventh Supplemental Indenture.

"Uniform Method" shall mean the uniform method for the levy, collection and enforcement of Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended.

"2012 CAB Project" shall have the meaning set forth in the Fourth Supplemental Trust Indenture.

"2012A CAB Acquisition and Construction Account" shall mean the Acquisition and Construction Account established pursuant to Section 4.01(a) of the Fourth Supplemental Trust Indenture.

"2012A CAB Impact Fee Revenue Account" shall mean the Impact Fee Revenue Account established pursuant to Section 4.01(a) of the Fourth Supplemental Trust Indenture.

"2012A-3 Bond Redemption Fund" shall mean the 2012A-3 Bond Redemption Fund, established pursuant to Section 4.01(d) of the Fourth Supplemental Trust Indenture.

"2012A-3 Debt Service Reserve Account" shall mean the Account so designated, established as a separate account within the Debt Service Reserve Fund pursuant to Section 4.01(e) of the Fourth Supplemental Trust Indenture.

"2012A-3 General Account" shall mean the Account so designated, established as a separate account within the 2012A-3 Bond Redemption Fund pursuant to Section 4.01(d) of the Fourth Supplemental Trust Indenture.

"2012A-3 Prepayment Account" shall mean the account so designated, established as a separate account within the 2012A-3 Bond Redemption Fund pursuant to Section 4.01(d) of the Fourth Supplemental Trust Indenture.

"2012A-3 Project" shall mean that portion of the 2012 CAB Project allocable to the Series 2012A-3 Bonds.

"2012A-3 Revenue Account" shall mean the account so designated, established as a separate account within the Revenue Fund pursuant to Section 4.01(b) of the Fourth Supplemental Trust Indenture.

"2019 Project" shall mean the portion of the Joint Master Infrastructure financed with the proceeds of the Series 2019C Bonds and described in the Engineer's Report.

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"Prepayment" shall mean the payment by any owner of property of the amount of 2019C Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments and prepayments paid in accordance with the "true-up" mechanism contained in the Assessment Methodology. "Prepayments" shall include, without limitation, 2019C Prepayment Principal.

"Quarterly Redemption Date" shall mean each February 1, May 1, August 1, and November 1.

"Registrar" shall mean U.S. Bank National Association, and its successors and assigns as Registrar hereunder.

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

"Series 2019 Investment Obligations" shall mean and includes any of the following securities:

- (i) Government Obligations;
- (ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government - sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by the United States of America; Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Federal Home Loan Bank System; Farmers Home Administration; Small Business Administration; Inter-American Development Bank; International Bank for Reconstruction and Development; Federal Land Banks; the Federal National Mortgage Association; the Government National Mortgage Association; the Tennessee Valley Authority; or the Washington Metropolitan Area Transit Authority;
- (iii) Shares of money market mutual funds that invest only in the obligations described in (i) and (ii) above, including money market mutual funds of the Trustee bank meeting such criteria; and
- (iv) Time deposits, demand deposits or certificate of deposit of any depository institution or trust company incorporated under the law of the United States of America or any State (or any domestic branch of a foreign bank) and subject to supervision and examination by Federal or State depository institution authority (including the Trustee); provided, however, that at the time of the investment, short-term unsecured debt obligations hereof shall have a credit rating in the highest rating category by S&P or Moody's.

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

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"2019C Assessment Interest" shall mean the portion of the 2019C Special Assessments which represents a proportionate amount of the interest of the Series 2019C Bonds.

"2019C Assessment Principal" shall mean the portion of 2019C Special Assessments received by the Issuer which represent a proportionate amount of the principal of and Sinking Fund Installments of the Series 2019C Bonds.

"2019C Bond Redemption Fund" shall mean the 2019C Bond Redemption Fund established pursuant to Section 4.01(d) of this Eleventh Supplemental Indenture.

"2019C Prepayment Principal" shall mean the portion of a Prepayment which represents a proportionate amount of the principal of the Series 2019C Bonds corresponding to the principal amount of 2019C Special Assessments being prepaid.

"2019C Revenue Account" shall mean the Account so designated, established as a separate account within the Revenue Fund pursuant to Section 4.01(a) of this Eleventh Supplemental Indenture.

"2019C Special Assessments" shall mean with respect to the Series 2019C Bonds, the Special Assessments originally levied against District Lands that are subject to assessment as a result of the refinancing of the 2012A-3 Project and the financing of the 2019 Project, pursuant to Section 190.022, Florida Statutes, and the Assessment Resolutions.

"2019C General Account" shall mean the Account so designated, established as a separate account within the 2019C Bond Redemption Fund pursuant to Section 4.01(d) of this Eleventh Supplemental Indenture.

"2019C Debt Service Reserve Account" shall mean the Account so designated, established as a separate account within the Debt Service Reserve Fund pursuant to Section 4.01(c) of this Eleventh Supplemental Indenture.

"2019C Interest Account" shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(b) of this Eleventh Supplemental Indenture.

"2019C Prepayment Account" shall mean the Account so designated, established as a separate account under the 2019C Bond Redemption Fund pursuant to Section 4.01(d) of this Eleventh Supplemental Indenture.

"2019C Principal Account" shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(b) of this Eleventh Supplemental Indenture.

"2019C Reserve Account Requirement" shall mean an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirement for the Series 2019C Bonds as of the time of any such calculation and which as of the date of issuance is \$572,733.75; provided, that, the 2019C Reserve Account Requirement shall be satisfied one hundred percent (100%) by a cash deposit in accordance with Section 4.03(a) of this Eleventh Supplemental Indenture.

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"2019C Sinking Fund Account" shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(b) of this Eleventh Supplemental Indenture.

The words "hereof", "herein", "hereto", "hereby", and "hereunder" (except in the form of 2019C Bonds), refer to the entire Indenture.

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

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

## ARTICLE II THE SERIES 2019C BONDS

SECTION 2.01 Amount of Series 2019C Bonds; Issue of Series 2019C Bonds. No Series 2019C Bonds may be issued under this Eleventh Supplemental Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of the Series 2019C Bonds that may be issued under this Eleventh Supplemental Indenture is expressly limited to \$15,865,000 and shall be designated "Tolomato Community Development District Special Assessment Refunding Bonds, Series 2019C". Each Series 2019C Bond shall bear the designation "2019CR" and shall be numbered consecutively from 1 upwards.

(b) Any and all Series 2019C Bonds shall be issued substantially in the form attached hereto as Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Bond Resolution. The Issuer shall issue the Series 2019C Bonds upon execution of this Eleventh Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's request, authenticate such Series 2019C Bonds and deliver them as specified in the request.

SECTION 2.02 Execution. The Series 2019C Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03 Authentication. The Series 2019C Bonds shall be authenticated as set forth in the Master Indenture. No Series 2019C Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04 Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2019C Bonds.

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change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date.

### SECTION 2.05 Terms of the Series 2019C Bonds.

(a) The Series 2019C Bonds will mature on May 1 in the years, in the amounts and bear interest at the rates per annum, subject to the right of prior redemption in accordance with their terms, as follows:

Maturity Date (May 1)	Principal Amount	Interest Rate
2024	\$2,685,000	3.450%
2029	3,210,000	3.750
2040	9,970,000	4.400

(b) Interest on the Series 2019C Bonds will be computed in all cases on the basis of a 360 day year of twelve 30 day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2019C Bonds on the day before the default occurred.

SECTION 2.06 Book-Entry Form of Series 2019C Bonds. The Series 2019C Bonds shall be initially issued in the form of a separate single certificated fully-registered Series 2019C Bond. Upon initial issuance, the ownership of such Series 2019C Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC, the initial Bond Depository for the Series 2019C Bonds. Except as provided in this Section 2.06, all of the Outstanding Series 2019C Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to Series 2019C Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC, the Issuer, the Trustee, the Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the Issuer, the Trustee, the 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 2019C 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 Registrar, of any notice with respect to the Series 2019C 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 Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2019C Bonds. The Issuer, the Trustee, the Registrar and the Paying Agent shall treat and consider the person in whose name each Series 2019C Bond is registered in the registration books kept by the Registrar as the absolute owner of such Series 2019C Bond for the purpose of payment of principal, premium and interest with respect to such Series 2019C Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2019C Bond, for the purpose of registering transfers with respect to such Series 2019C Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2019C Bonds only to or

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(a) The Series 2019C Bonds are being issued to (i) refund and redeem all of the Refunded Bonds, (ii) pay certain costs associated with the issuance of the Series 2019C Bonds, (iii) make a deposit into the 2019C Debt Service Reserve Account for the benefit of all of the Series 2019C Bonds and (iv) make a deposit to the 2019C Acquisition and Construction Account of the Acquisition and Construction Fund to fund the 2019 Project. The Series 2019C Bonds shall be issued as fully-registered bonds in Authorized Denominations in the form of a separate single certificated Series 2019C Bond for each maturity thereof.

(b) The Series 2019C Bonds shall be dated as of the date of their delivery and shall also show the date of authentication thereof. Interest on the Series 2019C Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2019C Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to November 1, 2019, in which case from the June 1, 2019, or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

(c) Except as otherwise provided in Section 2.06 of this Eleventh Supplemental Indenture in connection with a book-entry only system of registration of the Series 2019C Bonds, the principal or Redemption Price of the Series 2019C Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2019C Bonds. Except as otherwise provided in Section 2.06 of this Eleventh Supplemental Indenture in connection with a book-entry only system of registration of the Series 2019C Bonds, the payment of interest on the Series 2019C Bonds shall be made on each Interest Payment Date to the Owners of the Series 2019C Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2019C Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2019C Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2019C Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or

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upon the order of the respective Owners, as shown in the registration books kept by the 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 2019C 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 Registrar, shall receive a certificated Series 2019C 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., the words "Cede & Co." in this Eleventh 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, 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 2019C Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the Beneficial Owners of the Series 2019C 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 2019C Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the Series 2019C Bonds shall designate, in accordance with the provisions hereof, and in such event certificates will be printed and delivered to the Holders thereof. If certificates for the Series 2019C Bonds are printed, no charge shall be made to any owner for registration and transfer of such Series 2019C Bonds, but any Holder requesting such registration and transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

SECTION 2.07 Appointment of Registrar and Paying Agent. The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the "Bond Register") for the registration, transfer and exchange of the Series 2019C Bonds, and hereby appoints U.S. Bank National Association as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. U.S. Bank National Association hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints U.S. Bank National Association as Paying Agent for the Series 2019C Bonds. U.S. Bank National Association hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.08 Conditions Precedent to Issuance of Series 2019C Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the

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issuance of the Series 2019C Bonds, all the Series 2019C Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

- (a) certified copies of the Assessment Resolutions;
- (b) executed copies of the Master Indenture and this Eleventh Supplemental Indenture;
- (c) a customary Bond Counsel opinion;
- (d) the District Counsel opinion required by the Master Indenture;
- (e) a certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the Series 2019C Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this Eleventh Supplemental Indenture; and
- (f) the defeasance opinion of bond counsel required by the Master Indenture.

Payment of the purchase price of the Series 2019C Bonds to the Trustee shall constitute conclusive evidence of the satisfaction of the conditions precedent to the authentication of the Series 2019C Bonds.

### ARTICLE III. REDEMPTION OF SERIES 2019C BONDS

SECTION 3.01 Redemption Dates and Prices. The Series 2019C Bonds shall be subject to redemption at the times set forth in this Section 3.01 and in the manner provided in Article VIII of the Master Indenture and this Article III. Except as otherwise provided in this Section 3.01, if less than all of the Series 2019C Bonds are to be redeemed pursuant to an extraordinary mandatory redemption, the Trustee shall select the Series 2019C Bonds or portions of the Series 2019C Bonds to be redeemed by lot. Partial redemptions of Series 2019C Bonds shall be made in such a manner that the remaining Series 2019C Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining 2019C Bond.

(a) Optional Redemption. The Series 2019C Bonds may, at the option of the Issuer, be called for redemption prior to maturity in whole or in part at any time on or after May 1, 2029 (less than all Series 2019C Bonds to be selected by lot), at the Redemption Price of 100% of the principal amount of the Series 2019C Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the redemption date.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2019C Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole on any date, or in part on any Quarterly Redemption Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2019C Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

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Year (May 1)	Sinking Fund Installment	Year (May 1)	Sinking Fund Installment
2025	\$595,000	2028	\$665,000
2026	620,000	2029*	690,000
2027	640,000		
*Final Maturity			

The Series 2019C Bonds maturing on May 1, 2040 are subject to mandatory redemption in part by the Issuer prior to their scheduled maturity from moneys in the 2019C Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Sinking Fund Installment	Year (May 1)	Sinking Fund Installment
2030	\$720,000	2036	\$940,000
2031	755,000	2037	980,000
2032	785,000	2038	1,025,000
2033	820,000	2039	1,070,000
2034	860,000	2040*	1,120,000
2035	895,000		
*Final Maturity			

(c) The above Sinking Fund Installments are subject to recalculation, as provided in the Master Indenture, as the result of certain purchases or the redemption of Series 2019C Bonds other than in accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of Series 2019C Bonds in substantially equal installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term thereof.

Notice of Redemption. When required to redeem Series 2019C Bonds under any provision of this Eleventh Supplemental Indenture or directed to redeem Series 2019C Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2019C Bonds to be redeemed notice of the redemption, as set forth in Section 8.02 of the Master Indenture.

### ARTICLE IV. ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS

#### SECTION 4.01 Establishment of Certain Funds and Accounts.

(a) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate accounts within the Revenue Fund designated as the "2019C Revenue Account." 2019C Special Assessments (except for Prepayments of 2019C Special Assessments which shall be deposited into the 2019C Prepayment Account, including, without limitation, Delinquent Special Assessments, shall be deposited by the Trustee into the 2019C Revenue Account which

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(i) from 2019C Prepayment Principal deposited into the 2019C Prepayment Account of the 2019C Bond Redemption Fund following the payment of 2019C Special Assessments in accordance with the provisions of Section 4.01(d)(ii) and Section 5.02(a) of this Eleventh Supplemental Indenture;

(ii) from moneys, if any, on deposit in the Series 2019C Funds and Accounts (other than the 2019C Rebate Fund) sufficient to pay and redeem all Outstanding Series 2019C Bonds;

(iii) from amounts transferred from the 2019C Debt Service Reserve Account in accordance with Sections 4.03(b) or 4.03(c) of this Eleventh Supplemental Indenture;

(iv) from proceeds received by the Issuer from property damage or destruction insurance or from the condemnation of the 2012A-3 Project or the 2019 Project or any part thereof deposited to the 2019C Bond Redemption Fund in accordance with Section 9.14(c) of the Master Indenture; and

(v) following condemnation or the sale of any portion of the 2012A-3 Project or the 2019 Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the 2012A-3 Project or the 2019 Project to the Trustee by or on behalf of the Issuer for deposit into the 2019C General Account of the 2019C Bond Redemption Fund in accordance with the manner it has credited such moneys toward extinguishment of 2019C Special Assessments which the Issuer shall describe to the Trustee in writing.

Mandatory Sinking Fund Redemption. The Series 2019C Bonds maturing on May 1, 2024 are subject to mandatory redemption in part by the Issuer prior to their scheduled maturity from moneys in the 2019C Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Sinking Fund Installment	Year (May 1)	Sinking Fund Installment
2020	\$500,000	2023	\$555,000
2021	520,000	2024*	575,000
2022	535,000		
*Final Maturity			

The Series 2019C Bonds maturing on May 1, 2029 are subject to mandatory redemption in part by the Issuer prior to their scheduled maturity from moneys in the 2019C Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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shall be applied as set forth in Article VI of the Master Indenture and Section 4.02 of this Eleventh Supplemental Indenture.

(b) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish separate account within the Debt Service Fund designated as the "2019C Principal Account", the "2019C Interest Account" and the "2019C Sinking Fund Account". Moneys shall be deposited into the various accounts listed above as provided in Article VI of the Master Indenture and Section 4.03 of this Eleventh Supplemental Indenture, and applied for the purposes provided therein. Moneys shall be deposited into the 2019C Sinking Fund Account as provided in Article VI of the Master Indenture and Section 4.02 of this Eleventh Supplemental Indenture and applied for the purposes provided therein and in Section 3.01(c) of this Eleventh Supplemental Indenture.

(c) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish an account within the Debt Service Reserve Fund designated as the "2019C Debt Service Reserve Account". Moneys on deposit in the 2019C Debt Service Reserve Account shall be used as provided in Section 4.03 of this Eleventh Supplemental Indenture.

(d) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "2019C Bond Redemption Fund" and within such Fund, a "2019C General Account," and "2019C Prepayment Account". Except as otherwise provided in this Eleventh Supplemental Indenture, moneys to be deposited into the 2019C Bond Redemption Fund as provided in Article VI of the Master Indenture shall be deposited to the 2019C General Account of the 2019C Bond Redemption Fund.

(i) Moneys in the 2019C General Account of the 2019C Bond Redemption Fund (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the 2019C Rebate Fund, if any, as the Issuer may direct in accordance with Section 9.31 of the Master Indenture and the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in such provisions of Section 9.31 and the Arbitrage Certificate. Any moneys so transferred from the 2019C General Account of the 2019C Bond Redemption Fund to the 2019C Rebate Fund shall thereupon be free from the lien and pledge of the Indenture; and

SECOND, to be used to call for redemption pursuant to Section 3.01(b)(iii) hereof an amount of Series 2019C Bonds equal to the amount of money transferred to the 2019C General Account of the 2019C 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.

(ii) Moneys in the 2019C Prepayment Account of the 2019C Bond Redemption Fund (including all earnings on investments therein) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount

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of Series 2019C Bonds equal to the amount of money transferred to the 2019C Prepayment Account of the 2019C Bond Redemption Fund on the dates and at the prices provided in Section 5.02(a).

(e) Pursuant to Section 5.01 of the Master Indenture, the Trustee shall establish separate 2019C accounts designated as the "2019C Acquisition and Construction Account" and the "2019C Costs of Issuance Account" in the Acquisition and Construction Fund. Except as otherwise provided in this Eleventh Supplemental Indenture, moneys to be deposited into the 2019C Acquisition and Construction Account as provided in Article V of the Master Indenture shall be disbursed to pay Costs of the 2019 Project as provided in Article V of the Master Indenture.

#### SECTION 4.02 2019C Revenue Account.

(a) The Trustee shall transfer from amounts on deposit in the 2019C Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day preceding each May 1, to the 2019C Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2019C Bonds becoming due on the next succeeding May 1, less any amounts on deposit in the 2019C Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the 2019C Principal Account of the Debt Service Fund, an amount equal to the principal amount of Series 2019C Bonds Outstanding maturing on such May 1, if any, less any amounts on deposit in the 2019C Principal Account not previously credited;

THIRD, no later than the Business Day next preceding each May 1, commencing May 1, 2024, to the 2019C Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2019C Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the 2019C Sinking Fund Account not previously credited;

FOURTH, upon receipt but no later than the Business Day preceding each November 1, to the 2019C Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2019C Bonds becoming due on the next succeeding November 1, less any amounts on deposit in the 2019C Interest Account not previously credited;

FIFTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Series 2019C Bonds remain Outstanding, to the 2019C Debt Service Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the 2019C Reserve Account Requirement for the Series 2019C Bonds; and

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Service Requirements on the Series 2019C Bonds, when due, without distinction as to Series 2019C Bonds and without privilege or priority of one Series 2019C Bond over another, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose, except as specified in this Eleventh Supplemental Indenture. The 2019C Reserve Account Requirement shall be satisfied one hundred percent (100%) by a cash deposit.

(b) Anything herein or in the Master Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Interest Payment Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business Day preceding such forty-fifth (45th) day), the Trustee is hereby authorized and directed to recalculate the 2019C Reserve Account Requirement and to transfer any excess on deposit in the 2019C Debt Service Reserve Account (other than excess resulting from earnings on investments) into the 2019C Prepayment Account of the 2019C Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2019C Bonds.

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

SECTION 4.04 Use of Series 2019C Bond Proceeds and Other Funds. The net proceeds of sale of the Series 2019C Bonds in the amount of \$15,627,025.00 (representing the aggregate principal amount of the Series 2019C Bonds net of the Underwriter's discount) together with \$4,399,043.63 of amounts held by the Trustee under the Fourth Supplemental Trust Indenture, for a total of \$20,026,068.63, shall as soon as practicable upon the delivery thereof to the Trustee by the Issuer pursuant to Section 2.08 hereof, be applied as follows:

(a) \$127,670.00 from the proceeds of the Series 2019C Bonds, representing costs of issuance relating to the Series 2019C Bonds shall be deposited to the credit of the Series 2019C Costs of Issuance Account;

(b) \$572,733.75 from the proceeds of the Series 2019C Bonds, representing the 2019C Reserve Account Requirement, shall be deposited to the credit of the 2019C Debt Service Reserve Account;

(c) \$222,659.90 from amounts on deposit in 2012A-3 Revenue Account shall be deposited into the 2019C Interest Account and applied to payment of interest coming due on the Series 2019C Bonds through November 1, 2019;

(d) \$12,137,691.71 of the proceeds of the Series 2019C Bonds together with \$487,267.59 transferred from the Series 2012A-3 Revenue Account, \$1,106,343.02 transferred from the Series 2012A-3 Debt Service Reserve Account, \$4.00 transferred from the Series 2012A

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SIXTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the 2019C Revenue Account, unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the 2019C Rebate Fund, in which case the Issuer shall direct the Trustee to make such deposit thereto.

(b) On or after each November 2, the amounts on deposit in the 2019C Revenue Account shall be transferred to the Issuer by the Trustee, at the written direction of the Issuer, to be used for any lawful Issuer purpose; provided, however, that on the date of such proposed transfer the amount on deposit in the 2019C Debt Service Reserve Account shall be equal to the 2019C Reserve Account Requirement; and provided further, that the Trustee shall not have actual knowledge of an Event of Default under the Master Indenture or hereunder relating to any of the Series 2019C Bonds, including the payment of Trustee's fees and expenses then due.

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

Earnings on investments in the 2019C Debt Service Reserve Account shall be disposed of as follows:

(i) if there was no deficiency in the 2019C Debt Service Reserve Account as of the most recent date on which amounts on deposit in such Debt Service Reserve Account were valued by the Trustee, and if no withdrawals have been made from such Debt Service Reserve Account since such date which have created a deficiency, then earnings on investments in the 2019C Debt Service Reserve Account shall be deposited into the 2019C Revenue Account and used for the purpose of such Account; and

(ii) if as of the last date on which amounts on deposit in the 2019C Debt Service Reserve Account were valued by the Trustee there was a deficiency or if after such date withdrawals have been made from the 2019C Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the 2019C Debt Service Reserve Account shall be deposited into the 2019C Debt Service Reserve Account until the amount on deposit therein is equal to the 2019C Reserve Account Requirement, and thereafter earnings in the 2019C Debt Service Reserve Account shall be deposited into the 2019C Revenue Account and used for the purpose of such Account.

#### SECTION 4.03 2019C Debt Service Reserve Account.

(a) Amounts on deposit in the 2019C Debt Service Reserve Account shall be used, except as otherwise provided herein, only for the purpose of making payments into the 2019C Interest Account, the 2019C Principal Account or the 2019C Sinking Fund Account to pay Debt

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CAB Acquisition and Construction Account, \$284.33 transferred from the Series 2012A CAB Impact Fee Revenue Account and \$2,541,587.57 transferred from the Series 2012A-3 Prepayment Account, together with \$40,897.22 already deposited in the Series 2012A-3 General Account, for a total of \$16,314,075.44, shall be deposited with the Trustee, for further credit to the Series 2012A-3 General Account of the 2012A-3 Bond Redemption Fund established pursuant to the Fourth Supplemental Indenture to refund and redeem the Refunded Bonds on July 22, 2019, and shall be held uninvested until such date; and

(e) \$2,788,929.54 of proceeds of the Series 2019C Bonds shall be deposited in the 2019C Acquisition and Construction Account of the Acquisition and Construction Fund to be applied in accordance with Article V of the Master Indenture to finance the 2019 Project.

Upon deposits to the General Account provided above, the Trustee is directed to transfer any remaining balance in the Funds and Accounts for the Refunded Bonds to the 2019C Acquisition and Construction Account and to close all Funds and Accounts for the Refunded Bonds.

SECTION 4.05 2019C Costs of Issuance Account. The amount deposited in the 2019C Costs of Issuance Account shall, at the written direction of a Responsible Officer delivered to the Trustee, be used to pay the costs of issuance relating to the Series 2019C Bonds. On the earlier to occur of: (x) the written direction of a Responsible Officer or (y) six months from the date of issuance of the Series 2019C Bonds, any amounts deposited in the 2019C Costs of Issuance Account which have not been requisitioned shall be transferred over and deposited into the 2019C Acquisition and Construction Account and used for the purposes permitted therefor.

#### ARTICLE V.

##### PREPAYMENTS; REMOVAL OF 2019C SPECIAL ASSESSMENT LIENS

SECTION 5.01 Power to Issue Series 2019C Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2019C Bonds, to execute and deliver the Indenture and to pledge the Pledged Revenues for the benefit of the Series 2019C Bonds to the extent set forth herein. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2019C Bonds, except for Bonds issued to refund a portion of the Series 2019C Bonds and as otherwise permitted under the Master Indenture. The Series 2019C Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2019C Bonds under the Indenture against all claims and demands of all persons whomsoever.

##### SECTION 5.02 Prepayments; Removal of 2019C Special Assessment Liens.

(a) At any time any owner of property subject to the 2019C Special Assessments may, at its option, require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the 2019C Special Assessments by paying to the Issuer all or a

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portion of the 2019C Special Assessment, which shall constitute 2019C Prepayment Principal, pursuant to the Assessment Methodology, plus accrued interest to the next succeeding Interest Payment Date (or the second succeeding Interest Payment Date if such prepayment is made within 45 calendar days before an Interest Payment Date), attributable to the property subject to the 2019C Special Assessment owned by such owner.

(b) Upon receipt of 2019C Prepayment Principal as described in paragraph (a) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of St. Johns County or Duval County, as applicable, an affidavit or affidavits, as the case may be, executed by the District Manager, to the effect that the 2019C Special Assessment has been paid in whole or in part and that such 2019C Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the 2019C Prepayment Account of the 2019C Bond Redemption Fund to be applied in accordance with Section 3.01(b)(i) of this Eleventh Supplemental Indenture, to the redemption of Series 2019C Bonds in accordance with Section 3.01(b)(i) of this Eleventh Supplemental Indenture.

The Trustee may conclusively on the Issuer's determination of what moneys constitute Prepayments. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the applicable Series 2019C Bonds pursuant to Section 3.01(b)(i) on each March 15 and September 15.

SECTION 5.03 Continuing Disclosure. Contemporaneously with the execution and delivery of the Series 2019C Bonds, the Issuer will execute and deliver the Continuing Disclosure Agreement under which the Issuer has assumed certain obligations for the benefit of the Holders and Beneficial Owners from time to time of the Series 2019C Bonds. The Issuer covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement; however, as set forth therein and notwithstanding any provision of the Indenture to the contrary, failure by the Issuer to comply with the provisions of such Continuing Disclosure Agreement shall not constitute an Event of Default hereunder, but instead shall be enforceable by mandamus, injunction or any other means of specific performance.

#### ARTICLE VI ADDITIONAL COVENANTS OF THE ISSUER

SECTION 6.01 Provision Relating to Bankruptcy or Insolvency of Landowner. The provisions of this Section 6.01 shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel representing ten percent (10%) or more of the 2019C Special Assessments (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding"). For as long as any Series 2019C Bonds remain Outstanding, in any Proceeding involving the Issuer, any Insolvent Taxpayer, the Series 2019C Bonds or the 2019C Special Assessments, the Issuer shall be obligated to act in accordance with direction from the Trustee with regard to all matters directly or indirectly affecting the Series 2019C

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pursue such a claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the Issuer in pursuance of its claim for operation and maintenance assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or directions with respect to the 2019C Special Assessments whether such claim is pursued by the Issuer or the Trustee; provided, however, that the Issuer shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (c) of the paragraph above.

SECTION 6.02 Collection of Assessments. Pursuant to Section 9.04 of the Master Indenture, the 2019C Special Assessments levied on platted lots and pledged hereunder to secure the Series 2019C Bonds will be collected pursuant to the Uniform Method and the 2019C Special Assessments levied on unplatted land and pledged hereunder to secure the Series 2019C Bonds will be collected directly by the Issuer pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method.

Notwithstanding the immediately preceding paragraph or any other provision in the Indenture to the contrary, if the Trustee, acting at the direction of the Majority Owners, requests that the Issuer not use the Uniform Method, but instead collect and enforce Delinquent Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the Issuer shall collect and enforce said Delinquent Special Assessments that have not been paid in the manner and pursuant to the method so requested by the Trustee unless the Issuer demonstrates to the Trustee that collection of any such Delinquent Special Assessments in the manner and pursuant to the method so requested by the Trustee is materially harmful to the Issuer.

Any 2019C 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.

If any property shall be offered for sale for the nonpayment of any Series 2019C Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the 2019C Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the Issuer for an amount equal to the balance due on the 2019C Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the Issuer and the Issuer shall receive in its corporate name or in the name of a special purpose entity title to the property for the benefit of the Owners of the Series 2019C Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners of the Series 2019C Bonds, but shall not be obligated, to direct the Issuer with respect to any action taken pursuant to this Section. The Issuer, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the 2019C Revenue Account. The Issuer, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the Series 2019C Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the Series 2019C Bonds

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Bonds or for as long as any Series 2019C Bonds remain Outstanding, in any proceeding involving the Issuer, any Insolvent Taxpayer, the Series 2019C Bonds or the 2019C Special Assessments or the Trustee. The Issuer agrees that it shall not be a defense to a breach of the foregoing covenant that it has acted upon advice of counsel in not complying with this covenant.

The Issuer acknowledges and agrees that, although the Series 2019C Bonds were issued by the Issuer, the Owners of the Series 2019C Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer: (a) the 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 2019C Special Assessments, the Series 2019C 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 2019C Special Assessments, the Series 2019C Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee; (c) the Trustee shall have the right, but is not obligated to, (i) vote in any such Proceeding and all claims of the Issuer, or (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the Issuer, including without limitation, motions seeking relief from the automatic stay, dismissal of the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, and objections to disclosure statements, plans of liquidation or reorganization, and motions for use of cash collateral, seeking approval of sales or post-petition financing. If the Trustee chooses to exercise any such rights, the Issuer shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the Issuer in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute any claims, to propose and prosecute a plan, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the Bankruptcy Code and the Issuer shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of the lands owned by any Insolvent Taxpayer submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the Issuer's claim and rights with respect to the 2019C 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 2019C 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 6.01 shall preclude the Issuer from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance assessments, and the Issuer shall be free to

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SECTION 6.03 Covenant of the Issuer Regarding the Enforcement of Remedies; Delinquent Special Assessments. The Issuer covenants and agrees that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Special Assessments, the provisions for the foreclosure of liens of Delinquent Special Assessments and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, the Majority Owners, from time to time, of the Series 2019C Bonds.

The Issuer further covenants and agrees to furnish, at its expense, no later than thirty (30) days after the due date of each installment of 2019C Special Assessments, a list of all Delinquent Special Assessments, together with a list of foreclosure actions currently in progress and the current status of such Delinquent Special Assessments, to any Owner of Series 2019C Bonds who requests the same.

SECTION 6.04 Requisite Owners for Direction or Consent. Anything in the Master Indenture to the contrary notwithstanding, any direction or consent or similar provision which requires more than fifty percent (50%) of the Owners, shall in each case be deemed to refer to, and shall mean, the Majority Holders.

SECTION 6.05 Additional Covenant Regarding Assessments. In addition to, and not in limitation of, the covenants contained elsewhere in this Eleventh Supplemental Indenture and in the Master Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the 2019C Special Assessments, including the Assessment Methodology, and to levy the 2019C Special Assessments, in accordance with such proceedings and in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2019C Bonds, when due. The Assessment Methodology shall not be amended in a manner that will or is likely to have a material adverse effect on the interests of the Owners of the Series 2019C Bonds without the written consent of the Owners of a majority in aggregate principal amount of the Series 2019C Bonds.

SECTION 6.06 Amendments. Any amendments to this Eleventh Supplemental Indenture shall require the Issuer's consent and shall be made pursuant to the provisions for amendment contained in the Master Indenture, except as provided in Section 6.06(b), amendments requiring Bondholder approval under the Master Indenture shall only require the approval of the Owners of the applicable percentage of the Series 2019C Bonds.

SECTION 6.07 Additional Events of Default and Remedies. Section 10.02 of the Master Indenture is hereby amended with respect to the Series 2019C Bonds by inserting at the conclusion thereof the following paragraph:

(j) Any portion of the 2019C Special Assessments shall have become Delinquent Assessments and after realization of proceeds from the sale of tax certificates and tax deeds, the Indenture provides for the Trustee to withdraw funds from the 2019C Debt Service Reserve Account to pay Debt Service Requirements on the Series 2019C Bonds (regardless of whether the Trustee does or does not, per the direction of the

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Majority Owners, actually withdraw such funds from the 2019C Debt Service Reserve Account to pay Debt Service Requirements on the Series 2019C Bonds.

**ARTICLE VII.**  
**MISCELLANEOUS PROVISIONS**

SECTION 7.01 Confirmation of Master Indenture; Interpretation of Supplemental Indenture. As supplemented and amended by this Eleventh Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this Eleventh 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 Eleventh Supplemental Indenture and to the Series 2019C Bonds issued hereunder.

SECTION 7.02 Amendments. Any amendments to this Eleventh Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 7.03 Counterparts. This Eleventh Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 7.04 Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this Eleventh Supplemental Indenture are hereby incorporated herein and made a part of this Eleventh Supplemental Indenture for all purposes.

SECTION 7.05 Payment Dates. In any case in which an Interest Payment Date or the maturity date of the Series 2019C Bonds or the date fixed for the redemption of any Series 2019C 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 7.06 No Rights Conferred on Others. Except as otherwise provided in Article VI hereof, nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2019C Bonds.

SECTION 7.07 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.

SECTION 7.08 Extraordinary Fees and Expenses of Trustee. In the event that the Trustee shall be required under the Indenture or directed by the Owners of the Series 2019C Bonds to take actions to enforce the collection of Delinquent Special Assessments or to take any other extraordinary actions under the Indenture, the Trustee shall be entitled to withdraw its reasonable fees and expenses, including reasonable attorney fees, from the Pledged Revenues.

SECTION 7.09 No Parity Bonds. The Issuer covenants and agrees that, so long as there are any Series 2019C Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Pledged Revenues. Except as set forth in the next succeeding sentence, the Issuer further covenants and agrees that, so long as there are any Series 2019C Bonds Outstanding and it shall not incur additional indebtedness, whether in the form of bonds or otherwise, secured by Special Assessments levied upon the same property that is subject to the 2019C Special Assessments without the consent of the Owners of a majority in aggregate principal amount of the Series 2019C Bonds at the time Outstanding. Notwithstanding the preceding sentence, the Issuer: (i) may incur additional indebtedness payable from additional Special Assessments to be levied by the Issuer for the purpose of effecting repairs to or replacements of property, facilities or equipment of the Issuer; and (ii) may issue Refunding Bonds.

SECTION 7.10 Brokerage Statements. 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 monthly cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

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IN WITNESS WHEREOF, Tolomato Community Development District has caused this Eleventh Supplemental Trust Indenture to be executed by the Chairman of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by the Secretary of its Board of Supervisors and U.S. Bank National Association, has caused this Eleventh Supplemental Trust Indenture to be executed by one of its Vice Presidents, all as of the day and year first above written.

**TOLOMATO COMMUNITY  
DEVELOPMENT DISTRICT**

[SEAL]

Attest:

By: \_\_\_\_\_  
Chairman, Board of Supervisors

\_\_\_\_\_  
Secretary, Board of Supervisors

**U.S. BANK NATIONAL ASSOCIATION, as  
Trustee, Paying Agent and Registrar**

By: \_\_\_\_\_  
Vice President

**EXHIBIT A**

[FORM OF SERIES 2019C BOND]

R-[ ] \$[ ]

UNITED STATES OF AMERICA

STATE OF FLORIDA

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT REFUNDING BONDS, SERIES 2019C**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
[ ]%	May 1, 20[ ]	[June ], 2019	[ ]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: [ ] DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that Tolomato Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof at the designated corporate trust office of U.S. Bank National Association, located in Orlando, Florida, as paying agent (said bank and/or any bank or trust company to become successor paying agent being herein called the "Trustee"), the principal amount set forth above with interest thereon at the rate per annum set forth above, payable on the first day of May and November of each year, commencing November 1, 2019, provided no presentation is required if this Bond is registered in the name of Cede & Co. as the nominee of DTC. Principal of this Bond is payable at the designated corporate trust office of U.S. Bank National Association, located in Orlando, Florida, in lawful money of the United States of America. Except when registration of this Bond is being maintained pursuant to a book-entry only system, interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed 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 Registrar and any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each Interest Payment Date or the date on which the principal of this 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 such date of authentication, or unless the date of authentication is prior to November 1, 2019, in which case from June \_\_, 2019, or unless the date of authentication hereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special

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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 foregoing notwithstanding, any Owner of Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE; NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, ST. JOHNS COUNTY, FLORIDA, DUVAL COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO COLLECT THE 2019C SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, ST. JOHNS COUNTY, FLORIDA, DUVAL COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond is one of an authorized series of Bonds of Tolomato 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") designated as "[\_\_\_\_\_] Tolomato Community Development District Special Assessment Refunding Bonds, Series 2019C" (the "Series 2019C Bonds") of like date, tenor and effect, except as to number, maturity date and interest rate. The Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act. The Series 2019C Bonds are issued under, and are secured and governed by, a Master Trust Indenture dated as of February 1, 2006 (as amended and supplemented in accordance with its terms, the "Master Indenture"), by and between the Issuer and the Trustee, as supplemented and amended by a Eleventh Supplemental Trust Indenture dated as of June 1, 2019 (the "Eleventh Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the Issuer and the Trustee (the Series 2019C Bonds together with any other Bonds issued under and governed by the terms of the Master Indenture, are hereinafter collectively referred to as the "Bonds"), executed counterparts of which are on file at the designated corporate trust office of the Trustee in Orlando, Florida. The Series 2019C Bonds shall be issued as fully registered Bonds in authorized denominations, as set

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and collection of non-ad valorem assessments in the form of 2019C 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. If less than all the Bonds are to be redeemed pursuant to an extraordinary mandatory redemption, the Trustee shall select the Bonds or portions of the Bonds to be redeemed as provided in the Indenture. Partial redemptions of Bonds shall be made in such a manner that the remaining Bonds held by each Bondholder shall be in Authorized Denominations.

The Series 2019C 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"); This Bond is transferable by the Registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Orlando, Florida, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the Issuer 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 Bond or Bonds, in the same aggregate principal amount as the Bond or Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Orlando, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

#### Optional Redemption

The Series 2019C Bonds may, at the option of the Issuer, be called for redemption prior to maturity in whole or in part at any time on or after May 1, 20[\_\_\_\_\_] (less than all Series 2019C Bonds to be selected by lot), at the Redemption Price of 100% of the principal amount of the Series 2019C Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the redemption date.

#### Extraordinary Mandatory Redemption

The Series 2019C Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole on any date, or in part on any Quarterly Redemption Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2019C Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

- (i) from 2019C Prepayment Principal deposited into the 2019C Prepayment Account of the 2019C Bond Redemption Fund following the payment of 2019C Special Assessments in accordance with the provisions of the Indenture, and particularly Sections 4.01(d)(ii) and 5.02(a) of the Eleventh Supplemental Indenture;

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forth in the Indenture. Capitalized terms used, but not defined, in this Bond shall have the meanings assigned thereto in the Indenture.

As described in the Indenture, the Series 2019C Bonds were issued, together with other funds of the Issuer, to: (i) refund and redeem a portion of the Outstanding Tolomato Community Development District Special Assessment Refunding Bonds, Series 2012A-3, (ii) pay certain costs associated with the issuance of the Series 2019C Bonds, (iii) make a deposit into the 2019C Debt Service Reserve Account for the benefit of all of the Series 2019C Bonds, and (iv) make a deposit to the 2019C Acquisition and Construction Account of the Acquisition and Construction Fund to fund the 2019 Project.

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 2019C Debt Service Reserve Account, and other Funds and Accounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of and interest on the Bonds, the levy and collection of the 2019C 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 registered owners 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 Series 2019C Bonds are equally and ratably secured by the Pledged Revenues, without preference or priority of one Series 2019C Bond over another. The Eleventh Supplemental Indenture does not authorize the issuance of any additional Bonds which pledge the Pledged Revenues on parity with the lien thereof of the Series 2019C Bonds.

By the acceptance of this Bond, the owner hereof assents to all the provisions of the Indenture.

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, St. Johns County, Florida, Duval County, Florida, the State of Florida or any political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, St. Johns County, Florida, Duval County, Florida, the State of Florida or any political subdivision or agency 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 2019C Special Assessments to be assessed, levied and collected by the Issuer as set forth in 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

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(ii) from moneys, if any, on deposit in the Series 2019C Funds and Accounts (other than the 2019C Rebate Fund) sufficient to pay and redeem all Outstanding Series 2019C Bonds;

(iii) from amounts transferred from the 2019C Debt Service Reserve Account in accordance with Sections 4.03(b) or 4.03(c) of the Eleventh Supplemental Indenture;

(iv) from proceeds received by the Issuer from property damage [or destruction insurance] or from the condemnation of the 2012A-3 Project or the 2019 Project or any part thereof deposited to the 2019C Bond Redemption Fund in accordance with Section 9.14(c) of the Master Indenture; and

(v) [following condemnation or the sale of any portion of the 2012A-3 Project or the 2019 Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the 2012A-3 Project or the 2019 Project to the Trustee by or on behalf of the Issuer for deposit into the 2019C General Account of the 2019C Bond Redemption Fund in accordance with the manner it has credited such moneys toward extinguishment of 2019C Special Assessments which the Issuer shall describe to the Trustee in writing.]

#### Mandatory Sinking Fund Redemption.

The Series 2019C Bonds maturing on May 1, 20\_\_ are subject to mandatory redemption in part by the Issuer prior to their scheduled maturity from moneys in the 2019C Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year</u> <u>(May 1)</u>	<u>Sinking Fund</u> <u>Installment</u>	<u>Year</u> <u>(May 1)</u>	<u>Sinking Fund</u> <u>Installment</u>
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\_\_\_\_\_  
\*Maturity.

The Series 2019C Bonds maturing on May 1, 20\_\_ are subject to mandatory redemption in part by the Issuer prior to their scheduled maturity from moneys in the 2019C Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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<b>Year</b>	<b>Sinking Fund</b>	<b>Year</b>	<b>Sinking Fund</b>
<b>(May 1)</b>	<b>Installment</b>	<b>(May 1)</b>	<b>Installment</b>

\_\_\_\_\_

\*Maturity.

The Series 2019C Bonds maturing on May 1, 20\_\_ are subject to mandatory redemption in part by the Issuer prior to their scheduled maturity from moneys in the 2019C Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year</b>	<b>Sinking Fund</b>	<b>Year</b>	<b>Sinking Fund</b>
<b>(May 1)</b>	<b>Installment</b>	<b>(May 1)</b>	<b>Installment</b>

\_\_\_\_\_

\*Maturity.

The above Sinking Fund Installments are subject to recalculation, as provided in the Master Indenture, as the result of certain purchases or the redemption of Series 2019C Bonds other than in accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of Series 2019C Bonds in substantially equal installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term thereof.

#### Notice of Redemption

When required to redeem Series 2019C Bonds under any provision of the Eleventh Supplemental Indenture or directed to redeem Series 2019C Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2019C Bonds to be redeemed notice of the redemption, as set forth in Section 8.02 of the Master Indenture.

This Bond shall be issued initially pursuant to a book-entry-only system administered by The Depository Trust Company, New York, New York ("DTC"), which shall act as securities depository for the Bonds, with no physical distribution of Bonds to be made. Any provisions of the Indenture or this Bond requiring physical delivery of Bonds shall, under the book-entry-only system, be deemed to be satisfied by a notation on the records maintained by DTC of ownership interests of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). DTC Participants and Indirect Participants will be responsible for

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be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

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maintaining records with respect to the beneficial ownership interests of individual purchasers of the Bonds ("Beneficial Owners").

This Bond shall initially be issued in the name of Cede & Co. as nominee for DTC, and so long as this Bond is held in book-entry-only form Cede & Co. shall be considered the registered owner for all purposes hereof, including the payment of the principal of and interest on this Bond. Payment to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to individual Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Issuer or the Trustee.

The Issuer shall keep books for the registration of the Bonds at the designated corporate trust office of the Registrar in Orlando, Florida. Except when registration of the Bonds is being maintained pursuant to a book-entry-only system, the Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee or such other authenticating agent as may be appointed by the Trustee under the Indenture shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. There shall be no charge for any such exchange or transfer of Bonds, but the Issuer may require payment of a sum sufficient to pay any tax, fee or other governmental charge imposed. Neither the Issuer nor the Registrar shall be required (a) to transfer or exchange Bonds for a period of 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bond called for redemption in whole or in part.

The Issuer, the Trustee, the Paying Agent and the Registrar may deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, the Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon this order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions. This Bond shall not

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This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee, or such other authenticating agent as may be appointed by the Trustee under the Indenture, of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, Tolomato Community Development District has caused this Bond to be signed by the manual signature of the Chairman of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the manual signature of the Secretary of its Board of Supervisors, all as of the date hereof.

(SEAL)

**TOLOMATO COMMUNITY  
DEVELOPMENT DISTRICT**

Attest:

By: \_\_\_\_\_  
Chairman, Board of Supervisors

\_\_\_\_\_  
Secretary, Board of Supervisors

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**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds of the Series designated herein, delivered pursuant to the within mentioned Indenture.

Date of Authentication: \_\_\_\_\_, 20\_\_

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

By: \_\_\_\_\_  
Authorized Signatory

**STATEMENT OF VALIDATION**

This Bond is one of a series of Bonds which were validated by a Final Judgment of the Circuit Court of the Seventh Judicial Circuit of Florida, in and for St. Johns County, Florida, rendered on the 17<sup>th</sup> day of December, 2004, and a Final Judgment of the Circuit Court of the Fourth Judicial Circuit of Florida, in and for Duval County, Florida, rendered on the 7<sup>th</sup> day of January, 2005.

\_\_\_\_\_  
Chairman, Board of Supervisors

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**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	UNIF GIFT MIN ACT - _____	Custodian _____
TEN ENT	- as tenants by the entireties	(Cust)	(Minor)
JT TEN	- as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts 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.

Dated: \_\_\_\_\_

Signature Guarantee:

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatsoever.

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## **APPENDIX D**

### **Form of Opinion of Bond Counsel**

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## APPENDIX D

*Upon delivery of the Series 2019C Bonds in definitive form, Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, proposes to render its opinion with respect to the Series 2019C Bonds in substantially the following form:*

June 28, 2019

Tolomato Community Development District St. Johns County and Duval County, Florida	U.S. Bank National Association Orlando, Florida
---	--

Re: Tolomato Community Development District Special Assessment Refunding Bonds, Series 2019C

Ladies and Gentlemen:

We have acted as Bond Counsel to the Tolomato Community Development District (the "Issuer") in connection with the issuance by the Issuer of its \$15,865,000 Tolomato Community Development District Special Assessment Refunding Bonds, Series 2019C (the "Series 2019C Bonds") pursuant to and under the authority of the Constitution and the laws of the State of Florida, particularly the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, and other applicable provisions of law (collectively, the "Act"), Rule 42SS-1 of the Florida Land and Water Adjudicatory Commission ("FLWAC") effective July 29, 2004, as amended on March 2, 2010 and July 17, 2013. Rule 42SS-1 was further amended on June 11, 2018 (the "Boundary Amendment") to expand the boundaries of the Issuer to include an additional approximately 80 acres located entirely within St. Johns County (as so amended, the "Rule"), and Resolution No. 2005-10 adopted by the Board of Supervisors of the Issuer (the "Board") on October 21, 2004, as supplemented by Resolution No. 2019-09 adopted by the Board on June 11, 2019 (together, the "Resolution"). The Series 2019C Bonds are being further issued under and secured by a Master Trust Indenture dated as of February 1, 2006 (as amended and supplemented in accordance with its terms, the "Master Indenture"), as particularly supplemented by an Eleventh Supplemental Trust Indenture dated as of June 1, 2019 (the "Eleventh Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the Issuer and U.S. Bank National Association, as trustee. In our capacity as Bond Counsel, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meaning set forth in the Indenture.

The Series 2019C Bonds are being issued, together with other funds of the Issuer, to (i) currently refund and redeem a portion of the Issuer's Outstanding Special Assessment Refunding Bonds, Series 2012A-3, (ii) make a deposit to the 2019C Acquisition and Construction Account to fund assessable improvements (the "2019 Project"), (iii) make a deposit into the

2019C Debt Service Reserve Account for the benefit of all of the Series 2019C Bonds, and (iv) pay the costs of issuance of the Series 2019C Bonds. The Series 2019C Bonds are a portion of the bonds validated by a final judgment rendered by the Circuit Court of the Fourth Judicial Circuit of Florida, in and for St. Johns, Duval and Nassau Counties, Florida, rendered on the 17<sup>th</sup> day of December, 2004 and a series of Bonds which were validated by judgment of the Circuit Court of the Fourth Judicial Circuit of Florida, in and for St. Johns, Duval and Nassau Counties, Florida, rendered on the 7<sup>th</sup> day of January, 2005, the appeal period for which has expired with no appeal having been taken (the "Final Judgment").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution and the Indenture and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have also relied upon all findings in the Final Judgment. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Hopping, Green & Sams, P.A., Issuer's Counsel, as to the due creation and valid existence of the Issuer and the due authorization and execution of the Resolution.

The Series 2019C Bonds are payable from and secured by Pledged Revenues which consists of (a) all revenues received by the Issuer from 2019C Special Assessments levied and collected on the District Lands benefitted by the 2012A-3 Project and the 2019 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such 2019C Special Assessments or from the issuance and sale of tax certificates with respect to such 2019C Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues shall not include (i) revenues received by the Issuer from other special assessments levied and collected on District Lands with respect to any future Series of Bonds, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such other special assessments or from the issuance and sale of tax certificates with respect to such other special assessments, (ii) any moneys transferred to the 2019C Rebate Fund, or investment earnings thereon, and (iii) "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.

The Series 2019C Bonds are limited obligations of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never



have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form of any real or personal property for the payment of the principal of or interest on the Series 2019C Bonds.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion that, under existing law:

1. The Indenture constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.

2. The Series 2019C Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their respective terms, and payable from and secured solely by the Pledged Revenues in the manner and to the extent provided in the Indenture.

3. The Indenture creates a valid lien upon the Pledged Revenues for the security of the Series 2019C Bonds

4. Interest on the Series 2019C Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Series 2019C Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Indenture to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2019C Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2019C Bonds.

It is to be understood that the rights of the owners of the Series 2019C Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida, the exercise of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of the Official Statement or any other offering material relating to the Series 2019C Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official

statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2019C Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Series 2019C Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2019C Bonds or regarding the perfection or priority of the lien on the Pledged Revenues created by the Indenture. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Series 2019C Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

## **APPENDIX E**

### **Form of Continuing Disclosure Agreement**

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## CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (this "**Disclosure Agreement**") dated as of June 28, 2019, is executed and delivered by **TOLOMATO COMMUNITY DEVELOPMENT DISTRICT** (the "**District**"), **SONOC COMPANY, LLC**, a Delaware limited liability company (the "**Developer**"), and **LERNER REPORTING SERVICES, INC.**, as initial dissemination agent (the "**Dissemination Agent**") in connection with the issuance by the District of its \$15,865,000 Special Assessment Refunding Bonds, Series 2019C (the "**Bonds**"). The Bonds are being issued pursuant to a Master Trust Indenture dated as of February 1, 2006 (the "**Master Indenture**"), by and between the District and U.S. Bank National Association, as trustee (the "**Trustee**") as amended and supplemented from time to time, and as particularly supplemented with respect to the Bonds by an Eleventh Supplemental Trust Indenture by and between the District and the Trustee, dated as of June 1, 2019 (the "**Supplemental Indenture**" and, together with the Master Indenture, the "**Indenture**"). The District, the Developer and the Dissemination Agent covenant and agree as follows:

**1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the District, the Developer and the Dissemination Agent for the benefit of the Beneficial Owners of the Bonds and to assist the Participating Underwriter in complying with the continuing disclosure requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("**SEC**") pursuant to the Securities Exchange Act of 1934, as amended from time to time (the "**Rule**").

The District, the Developer and the Dissemination Agent have no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule and the execution and delivery of this Disclosure Agreement is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction or a governmental regulatory agency that the Rule requires the District, the Developer or the Dissemination Agent (as the case may be) to provide additional information, the District, the Developer and the Dissemination Agent, as applicable, agree to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the District, the Trustee or any other person of any covenant, agreement or obligation under the Indenture (or remove any of the benefits thereof) nor shall anything herein prohibit the District, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

**2. Definitions.** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

**"Annual Report"** shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

**"Annual Filing Date"** shall mean the date set forth in Section 4(a) hereof by which the Annual Report is to be filed with the Repository.

**"Annual Financial Information"** shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

**"Assessments"** shall mean the non-ad valorem special assessments pledged to the payment of the Bonds pursuant to the Indenture.

**"Audited Financial Statements"** shall mean the financial statements (if any) of the District for the prior Fiscal Year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

**"Audited Financial Statements Filing Date"** shall mean the date under State law by which a unit of local government must produce its Audited Financial Statements. The current filing date is nine (9) months after the end of the Fiscal Year of such unit of local government, including the District.

**"Beneficial Owner"** shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

**"Business Day"** shall mean any day other than (a) a Saturday, Sunday or a day on which the Trustee is required, authorized or not prohibited by law (including executive orders), to close and is closed, or (b) a day on which the New York Stock Exchange is closed.

**"Development"** shall have the meaning ascribed thereto in the Limited Offering Memorandum.

**"Disclosure Representative"** shall mean (a) as to the District, the District Manager or his/her/its designee, or such other officer or employee 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(s) 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, initially, Lerner Reporting Services, Inc., 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 Governmental Management Services, LLC, or a successor District Manager.

**"EMMA"** shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

**"Event of Bankruptcy"** shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

**"Financial Obligation"** shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either (a) or (b). The term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

**"Fiscal Year"** shall mean the fiscal year of the District, which is the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

**"Landowner"** shall mean 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 final offering document relating to the Bonds.

**"Listed Event"** shall mean any of the events listed in Section 7(a) of this Disclosure Agreement.

**"MSRB"** shall mean the Municipal Securities Rulemaking Board.

**"MSRB Website"** shall mean [www.emma.msrb.org](http://www.emma.msrb.org).

**"Obligated Person"** shall mean, with respect to the Bonds, any person, including the District, who is either generally or through an enterprise fund or account of such person committed by contract or other arrangement to support payment of twenty percent (20%) or more of the obligations on the 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.

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

**"Quarterly Filing Date"** shall mean the dates set forth in Section 6(a) 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 SEC from time to time to act as a repository for purposes of complying with the Rule. The Repositories currently approved by the SEC may be found by visiting the SEC's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure submissions through the MSRB Website.

**"State"** shall mean the State of Florida.

### **3. 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, the amount of delinquencies greater than 150 calendar days, and, in the event that delinquencies amount to more than ten percent (10%) of the amount of Assessments due in any year, a list of delinquent property owners;
- (iv) If available, the amount of tax certificates sold, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year;
- (v) All fund balances in all Funds and Accounts for the Bonds. Upon request, the District shall provide any Beneficial Owners and the Dissemination Agent with this information at least annually, and, in such cases, within thirty (30) days of such written request;
- (vi) The total amount of Bonds Outstanding;
- (vii) The amount of principal and interest due on the Bonds in the current Fiscal Year;
- (viii) The most recent Audited Financial Statements of the District, unless such Audited Financial Statements have not yet been prepared; and
- (ix) Any amendment or waiver of the provisions of this Disclosure Agreement as described in Section 11 hereof.



(b) To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth. Any or all of the items listed above may be incorporated by specific reference to documents available to the public on the MSRB Website or filed with the SEC, including offering documents of debt issues of the District or related public entities, which have been submitted to the Repository. The District shall clearly identify any document incorporated by reference.

(c) The District represents and warrants that it will supply, in a timely fashion, any information available to the District and reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the District 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 or others as thereafter disseminated by the Dissemination Agent.

(d) The District reserves the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District; provided that the District agrees that any such modification will be done in a manner consistent with the Rule.

#### **4. Provision of Annual Reports.**

(a) Subject to the following sentence, the District shall provide the Annual Report to the Dissemination Agent no later than March 30<sup>th</sup> after the close of the Fiscal Year, commencing with the Fiscal Year ending September 30, 2019 (the "**Annual Filing Date**") in an electronic format as prescribed by the Repository. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3(a) of this Disclosure Agreement; provided that the Audited Financial Statements may be submitted separately from the balance of the Annual Report and later than the date required above, but in no event later than the Audited Financial Statements Filing Date, if they are not available by the Annual Filing Date. If the Audited Financial Statements are not available at the time of the filing of the Annual Report, unaudited financial statements are required to be delivered as part of the Annual Report in a format similar to the Audited Financial Statements. If the District's Fiscal Year changes, the District shall give notice of such change in the same manner as for a Listed Event under Section 7(a).

(b) If on the fifteenth (15<sup>th</sup>) calendar day prior to each Annual Filing Date and/or Audited Financial Statements Filing Date, the Dissemination Agent has not received a copy of the Annual Report or Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative of the District by telephone and in writing (which may be by e-mail) to remind the District of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 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 or Audited Financial Statements, as applicable, in accordance with Section 4(a) above, or (ii) instruct the

Dissemination Agent in writing that the District will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the time required under this Disclosure Agreement, state the date by which the Annual Report or Audited Financial Statements, as applicable, for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 7(a)(xv) has occurred and to immediately send a notice to any Repository in electronic format as required by such Repository in substantially the form attached as Exhibit A hereto.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name, address and filing requirements of any Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the District certifying that the Annual Report or Audited Financial Statements, as applicable, has been provided pursuant to this Disclosure Agreement and stating the date(s) it was provided.

## **5. Content of Quarterly Reports.**

(a) Each Quarterly Report shall contain the following information with respect to the lands subject to the Assessments if such information is not otherwise provided pursuant to subsection (b) of this Section 5:

(i) A description and status of the infrastructure improvements in the District financed by the Bonds;

(ii) The number of assessable residential units planned;

(iii) The number of residential units closed with end users;

(iv) The number of residential units under contract with end users;

(v) The amount of retail, office and commercial square footage planned;

(vi) The amount of retail, office and commercial square footage sold;

(vii) The amount of retail, office and commercial square footage constructed;

(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 that would affect property subject to the Assessments;

(xi) Materially adverse changes or determinations to permits or approvals for the Development which necessitate changes to the Developer's land-use or other plans for the Development that would affect property subject to the Assessments;

(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 or an affiliate, additional mortgage debt, etc.) that would affect property subject to the Assessments;

(xiii) Any event that has 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 that would affect property subject to the Assessments; and

(xiv) Any amendment or waiver of the provisions hereof as described in Section 11 hereof.

(b) Any of the items listed in subsection (a) above may be incorporated by reference from other documents which are available to the public on the MSRB Website or filed with the SEC. The Developer shall clearly identify each such other document so incorporated by reference.

(c) The Developer represents and warrants that it will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The Developer acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by 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 Developer or others as thereafter disseminated by the Dissemination Agent.

(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 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, so long as it is an Obligated Person for purposes of this Disclosure Agreement, shall provide a Quarterly Report to the Dissemination Agent 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. 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 Disclosure Representative of 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 Section 6(a) above. Upon such reminder, the Disclosure Representative of 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 Quarterly Report will be provided. 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(a)(xv) 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.

(c) The Dissemination Agent shall:

(i) determine prior to each Quarterly Filing Date the name, address and filing requirements of each Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the 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.**

(a) Pursuant to the provisions of this Section 7, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds and the Developer shall give, or cause to be given, notice of the occurrence of items (x), (xii), (xiii), (xv), (xvi), (xvii) and (xviii) 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 item (xv) below, which notice shall be given in a timely manner:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties\*;

(v) substitution of credit or liquidity providers, or their failure to perform\*;

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\* There is no credit enhancement for the Bonds.

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) modifications to rights of the holders of the Bonds, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) ratings changes\*;

(xii) an Event of Bankruptcy or similar event of an Obligated Person;

(xiii) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) notice of any failure on the part of the District to meet the requirements of Sections 3 and 4 hereof or of the Developer to meet the requirements of Sections 5 and 6 hereof;

(xvi) termination of the District's or the Developer's obligations under this Disclosure Agreement prior to the final maturity of the Bonds, pursuant to Section 9 hereof;

(xvii) incurrence of a Financial Obligation of the District or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District or Obligated Person, any of which affect security holders, if material;

(xviii) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the District or Obligated Person, any of which reflect financial difficulties; and

(xix) any amendment to the accounting principles to be followed by the District in preparing financial statements pursuant to Section 11 hereof.

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\* The Bonds are not rated as of the date hereof.

(b) The notice required to be given in paragraph 7(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

**8. Identifying Information.** In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Agreement to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any Annual Financial Information, financial statement or other financial information or operating data;
- (c) the issues or specific securities to which such documents are related (including CUSIP numbers, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the District;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

**9. Termination of Disclosure Agreement.** The District's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the District for payment of the Bonds, or if the Rule is repealed or no longer in effect. The Developer's obligations under this Disclosure Agreement shall terminate at such time as the Developer is no longer an Obligated Person. If any such termination occurs prior to the final maturity of the Bonds, the District 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 District may, from time to time, appoint or engage a Dissemination Agent to perform the duties of the Dissemination Agent as provided herein, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the District shall be the Dissemination Agent. The initial Dissemination Agent shall be Lerner Reporting Services, Inc. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District or the Developer pursuant to this Disclosure Agreement.

**11. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the District, the Developer and the Dissemination Agent (if the Dissemination Agent is not the District) may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a), 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 District and/or the Developer, or the type of business conducted;

(b) The Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of counsel expert in federal securities laws, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of holders or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the District, the 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 of 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 of the District, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 7(a), and (ii) the Annual Report or Audited Financial Statements, as applicable, for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**12. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the District or the 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, Quarterly Report or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Agreement. If the District or the Developer chooses to include any information in any Annual Report, Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District or the Developer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Quarterly Report, or notice of occurrence of a Listed Event.

**13. Default.** In the event of a failure of the District, the Developer, the Disclosure Representative of the District, the Disclosure Representative of the Developer, or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Beneficial Owners of more than 50% aggregate principal amount of Outstanding Bonds and receipt of indemnity

satisfactory to the Trustee, shall) or any Beneficial Owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District, the 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 District, 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. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA compliant format. Anything herein to the contrary notwithstanding, in the event that the applicable Disclosure Representative and the Dissemination Agent are the same party, such party's limited duties in their capacity as Dissemination Agent, as described hereinabove, shall not in any way relieve or limit such party's duties in their capacity as Disclosure Representative under this Disclosure Agreement.

**15. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the District, the Developer, the Dissemination Agent, the Trustee, the Participating Underwriter and Beneficial Owners of the Bonds (the Participating Underwriter and Beneficial Owners of the Bonds being hereby deemed express third party beneficiaries of this Disclosure Agreement), and shall create no rights in any other person or entity.

**16. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**17. Governing Law.** This Disclosure Agreement shall be governed by the laws of the State and federal law.

**18. Trustee Cooperation.** The District represents that the Dissemination Agent is a bona fide agent of the District and directs the Trustee to deliver to the Dissemination Agent at the expense of the District, any information or reports it requests that the District has a right to request from the Trustee (inclusive of balances, payments, etc.) that are in the possession of and readily available to the Trustee.

**19. Undertakings.** The Developer represents that it has instituted internal processes to provide information to the Dissemination Agent on a timely basis and obtained assurances from the Dissemination Agent that they will in turn request the required reporting information timely and file such information timely with the appropriate Repository.



**SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT  
(Tolomato Community Development District)**

**IN WITNESS WHEREOF**, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

[SEAL]

**TOLOMATO COMMUNITY  
DEVELOPMENT DISTRICT, AS ISSUER**

CONSENTED TO AND AGREED TO BY:

**GOVERNMENTAL MANAGEMENT  
SERVICES, LLC**, and its successors and  
assigns, as Disclosure Representative

By: \_\_\_\_\_  
Chairman, Board of Supervisors

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**JOINED BY U.S. BANK NATIONAL  
ASSOCIATION, AS TRUSTEE, FOR  
PURPOSES OF SECTIONS 13, 15 AND 18  
ONLY**

**LERNER REPORTING SERVICES, INC.,  
AS INITIAL DISSEMINATION AGENT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SONOC COMPANY, LLC,**  
a Delaware limited liability company,  
AS DEVELOPER

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A TO CONTINUING DISCLOSURE AGREEMENT  
(Tolomato Community Development District)**

**NOTICE TO REPOSITORIES  
OF FAILURE TO FILE ANNUAL REPORT/AUDITED FINANCIAL STATEMENTS**

Name of District: Tolomato Community Development District

Obligated Person(s) Tolomato Community Development District  
SONOC Company, LLC

Name of Bond Issue: \$15,865,000 Special Assessment Refunding Bonds, Series 2019C

Date of Issuance: June 28, 2019

CUSIPS: 889560DV7; 889560DW5; 889560DX3

**NOTICE IS HEREBY GIVEN** that the [District] [Developer] has not provided [an Annual Report] [Audited Financial Statements] [a Quarterly Report] with respect to the above-named Bonds as required by [Section 4] [Section 6] of the Continuing Disclosure Agreement dated June 28, 2019, among the District, the Developer and the Dissemination Agent named therein. The [District] [Developer] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by \_\_\_\_\_, 20\_\_\_\_.

Dated: \_\_\_\_\_, \_\_\_\_\_, Dissemination Agent

cc: [District] [Developer]  
Participating Underwriter

## **APPENDIX F**

### **Audited General Purpose Financial Statements of the District for the Fiscal Year Ended September 30, 2018**

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**TOLOMATO  
COMMUNITY DEVELOPMENT DISTRICT  
ST. JOHNS AND DUVAL COUNTIES, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2018**

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
ST. JOHNS AND DUVAL COUNTIES, FLORIDA  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
Tolomato Community Development District  
St. Johns and Duval Counties, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Tolomato Community Development District, St. Johns and Duval Counties, Florida ("District") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2018, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

### **Report on Other Legal and Regulatory Requirements**

We have also issued our report dated April 1, 2019, on our consideration of the District's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

April 1, 2019



## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Tolomato Community Development District, St. Johns and Duval Counties, Florida, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2018. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

### FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net position deficit balance of (\$250,160,310).
- The change in the District's total net position in comparison with the prior fiscal year was (\$6,739,446), a decrease. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2018, the District's governmental funds reported combined ending fund balances of \$19,326,956, a decrease of (\$2,519,524) in comparison with the prior fiscal year. A portion of the fund balance is non-spendable for prepaid and deposit items, restricted for debt service and capital projects, assigned to maintenance reserves and subsequent years' expenditures, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

### OVERVIEW OF FINANCIAL STATEMENTS

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

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment. The District does not have any business-type activities. The governmental activities of the District include the general government (management), maintenance, roadways and recreational functions.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### Governmental Funds

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

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

The District maintains three governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, liabilities exceeded assets at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

NET POSITION SEPTEMBER 30,			
	2018	2017 (Restated)	
Current and other assets	\$ 20,786,151	\$ 24,453,057	
Capital assets, net of depreciation	42,718,794	34,822,148	
Total assets	63,504,945	59,275,205	
Current liabilities	29,368,443	25,807,667	
Long-term liabilities	284,296,812	276,888,402	
Total liabilities	313,665,255	302,696,069	
Net position			
Net investment in capital assets	(241,578,018)	(242,066,254)	
Restricted	2,356,118	1,126,486	
Unrestricted	(10,938,410)	(2,481,096)	
Total net position	\$ (250,160,310)	\$ (243,420,864)	

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

The District's net position decreased during the most recent fiscal year.

Key elements of the change in net assets are reflected in the following table:

CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2018	2017 (Restated)
Revenues:		
Program revenues		
Charges for services	\$ 18,116,198	\$ 18,708,968
Operating grants and contributions	188,335	89,740
Capital grants and contributions	10,088,709	10,395,240
General revenues		
Unrestricted investment earnings	25,341	5,996
Miscellaneous	52,465	44,012
Total revenues	28,471,048	29,243,956
Expenses:		
General government	833,004	838,876
Maintenance and operations	1,897,308	1,571,299
Roadways	8,632,849	839,275
Environmental	52,758	51,090
Facility rental	22,408	48,207
Recreation	3,551,395	3,562,634
Interest	17,776,903	17,288,055
Bond issuance costs	2,443,869	13,714
Total expenses	35,210,494	24,213,150
Change in net position	(6,739,446)	5,030,806
Net position - beginning, as restated	(243,420,864)	(248,451,670)
Net position - ending	\$ (250,160,310)	\$ (243,420,864)

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2018 was \$35,210,494. The costs of the District's activities were primarily funded by program revenues. Program revenues are comprised primarily of assessments. The remainder of the current fiscal year revenue includes a Developer contribution of land, impact fees, interest revenue, recreation fees and charges and miscellaneous income. The majority of the decrease in program revenues is the result of a decrease in prepayment revenues from the prior fiscal year. The majority of the change in expenses results from the increase in certain roadway costs as well as bond issuance costs being incurred in the current fiscal year as the District issued Bonds.

## GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2018.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2018, the District had \$53,253,816 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$10,535,022 has been taken, which resulted in a net book value of \$42,718,794. More detailed information about the District's capital assets is presented in the notes of the financial statements.

### Capital Debt

At September 30, 2018, the District had \$307,430,000 in Bonds outstanding for its governmental activities. In addition, the District had a Developer Advance of \$1,419,628. More detailed information about the District's capital debt is presented in the notes of the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

For the subsequent fiscal year, the District anticipates that the cost of general operations will remain fairly constant. Subsequent to fiscal year end, the Board is in the process of refinancing the current Series 2006 outstanding Bonds.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Tolomato Community Development District's Finance Department at 245 Nocatee Center Way, Ponte Vedra, Florida, 32081.

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
ST. JOHNS AND DUVAL COUNTIES, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 251,838
Investments	3,138,150
Assessments receivable	88,731
Other receivables	290,638
Inventory	12,051
Prepaid and deposit items	198,981
Restricted assets:	
Investments	16,805,762
Capital assets:	
Nondepreciable	14,981,956
Depreciable, net	27,736,838
Total assets	<u>63,504,945</u>
<b>LIABILITIES</b>	
Accounts payable	260,468
Contracts and retainage payable	1,021,571
Unearned revenue	122,756
Deposits	54,400
Accrued interest payable	27,852,094
Non-current liabilities:	
Compensated absences	57,154
Due within one year	11,255,000
Due in more than one year	273,041,812
Total liabilities	<u>313,665,255</u>
<b>NET POSITION</b>	
Net investment in capital assets	(241,578,018)
Restricted for capital projects	2,356,118
Unrestricted	(10,938,410)
Total net position	<u>\$ (250,160,310)</u>

See notes to the financial statements

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
ST. JOHNS AND DUVAL COUNTIES, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 833,004	\$ 833,004	\$ -	\$ -	\$ -
Maintenance and operations	1,897,308	785,126	-	-	(1,112,182)
Roadways	8,632,849	3,572,366	-	9,074,709	4,014,226
Environmental	52,758	21,832	-	-	(30,926)
Facility rental	22,408	360,095	-	-	337,687
Recreation	3,551,395	666,216	-	1,014,000	(1,871,179)
Interest on long-term debt	17,776,903	11,877,559	188,335	-	(5,711,009)
Bond issuance costs	2,443,869	-	-	-	(2,443,869)
Total governmental activities	35,210,494	18,116,198	188,335	10,088,709	(6,817,252)
General revenues:					
Unrestricted investment earnings					25,341
Miscellaneous					52,465
Total general revenues					77,806
Change in net position					(6,739,446)
Net position - beginning, as restated (Note 8)					(243,420,864)
Net position - ending					<u>\$ (250,160,310)</u>

See notes to the financial statements

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
ST. JOHNS AND DUVAL COUNTIES, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018**

	Major Funds			Total
	General	Debt Service	Capital Projects	Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalent	\$ 179,826	\$ -	\$ 72,012	\$ 251,838
Investments	3,138,150	13,524,231	3,281,531	19,943,912
Assessments receivable	29,081	59,650	-	88,731
Other receivables	266,492	-	24,146	290,638
Inventory	12,051	-	-	12,051
Prepaid and deposit items	198,981	-	-	198,981
Total assets	<u>\$ 3,824,581</u>	<u>\$ 13,583,881</u>	<u>\$ 3,377,689</u>	<u>\$ 20,786,151</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 260,468	\$ -	\$ -	\$ 260,468
Unearned revenue	122,756	-	-	122,756
Deposits	54,400	-	-	54,400
Contracts and retainage payable	-	-	1,021,571	1,021,571
Total liabilities	<u>437,624</u>	<u>-</u>	<u>1,021,571</u>	<u>1,459,195</u>
Fund balances:				
Nonspendable:				
Prepaid and deposit items	198,981	-	-	198,981
Restricted for:				
Debt service	-	13,583,881	-	13,583,881
Capital projects	-	-	2,356,118	2,356,118
Assigned to:				
Maintenance reserves	635,698	-	-	635,698
Subsequent year's expenditures	400,000	-	-	400,000
Unassigned	2,152,278	-	-	2,152,278
Total fund balances	<u>3,386,957</u>	<u>13,583,881</u>	<u>2,356,118</u>	<u>19,326,956</u>
Total liabilities and fund balances	<u>\$ 3,824,581</u>	<u>\$ 13,583,881</u>	<u>\$ 3,377,689</u>	<u>\$ 20,786,151</u>

See notes to the financial statements

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
ST. JOHNS AND DUVAL COUNTIES, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

Total fund balances - governmental funds	\$	19,326,956
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	53,253,816	
Accumulated depreciation	<u>(10,535,022)</u>	42,718,794

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Compensated absences	(57,154)	
Accrued interest payable	(27,852,094)	
Developer advance	(1,419,628)	
Bonds payable	<u>(282,877,184)</u>	<u>(312,206,060)</u>
Net position of governmental activities		<u><u>\$ (250,160,310)</u></u>

See notes to the financial statements



**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
ST. JOHNS AND DUVAL COUNTIES, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
<b>REVENUES</b>				
Assessments	\$ 5,212,328	\$ 11,877,559	\$ -	\$ 17,089,887
Interest	25,341	188,335	26,847	240,523
Impact fees	-	-	9,047,862	9,047,862
Cost-sharing revenues	52,465	-	-	52,465
Rental revenue	360,095	-	-	360,095
Recreation fees and charges	666,216	-	-	666,216
Total revenues	6,316,445	12,065,894	9,074,709	27,457,048
<b>EXPENDITURES</b>				
Current:				
General government	820,923	12,081	-	833,004
Maintenance and operations	1,872,384	-	-	1,872,384
Roadways	740,114	-	-	740,114
Environmental	52,758	-	-	52,758
Facility rental	22,408	-	-	22,408
Recreation	2,239,202	-	-	2,239,202
Debt service:				
Principal	-	50,165,962	1,634,503	51,800,465
Interest	-	6,634,599	-	6,634,599
Bond issue costs	-	-	2,443,869	2,443,869
Capital outlay	31,077	-	16,079,169	16,110,246
Total expenditures	5,778,866	56,812,642	20,157,541	82,749,049
Excess (deficiency) of revenues over (under) expenditures	537,579	(44,746,748)	(11,082,832)	(55,292,001)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in (out)	-	(1,315,211)	1,315,211	-
Bond proceeds	-	42,972,747	10,997,253	53,970,000
Original Issuance discount	-	(1,197,523)	-	(1,197,523)
Total other financing sources (uses)	-	40,460,013	12,312,464	52,772,477
Net change in fund balances	537,579	(4,286,735)	1,229,632	(2,519,524)
Fund balances - beginning	2,849,378	17,870,616	1,126,486	21,846,480
Fund balances - ending	\$ 3,386,957	\$ 13,583,881	\$ 2,356,118	\$ 19,326,956

See notes to the financial statements

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
ST. JOHNS AND DUVAL COUNTIES, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Net change in fund balances - total governmental funds	\$ (2,519,524)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position.	8,217,511
Governmental funds report the face amount of Bonds issued as financial resources when debt is first issued, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position.	(53,970,000)
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(1,334,865)
Expenditures related to debt service payments are recognized when paid while the amounts reduce the long term debt on the government wide financial statements.	51,800,465
The statement of activities reports noncash contributions as revenues, but these revenues are not reported in the governmental fund financial statements.	1,014,000
In connection with the issuance of the Bonds, the original issue discount/premium is reported as a financing use/source when debt is first issued, whereas this amount is eliminated in the statement of activities and reduces/increases long-term liabilities in the statement of net position.	1,197,523
Amortization of Bond discounts/premiums is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(83,138)
Accreted interest on long-term liabilities is recorded in the statement of activities but not in the fund financial statements.	(6,353,260)
The interest portion of the Participation Amount is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(4,930,078)
The change in compensated absences between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements.	(2,252)
The change in accrued interest on long-term liabilities between the current and prior fiscal years is recorded in the statement of activities, but not in the governmental fund financial statements.	224,172
Change in net position of governmental activities	<u>\$ (6,739,446)</u>

See notes to the financial statements

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
ST. JOHNS AND DUVAL COUNTIES, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY**

Tolomato Community Development District ("District") was established pursuant to Rule 42SS-1, Florida Administrative Code, adopted by the Florida Land and Water Adjudicatory Commission effective July 29, 2004. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue Bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by the registered voters within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. SONOC Company, LLC ("Master Developer") is the master developer in the Nocatee DRI and is the landowner of substantially all of the lands in the Development, other than lands that it has sold or donated. The Master Developer has retained Nocatee Development Company ("NDC") to provide comprehensive management of the development. NDC's shareholders are also principals in The PARC Group, Inc. ("PARC"), a real estate development company in Northeast Florida. The Chairman of the Board of Supervisors of the District is a shareholder of NDC.

The Board has the responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-Wide and Fund Financial Statements**

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; operating-type special assessments for maintenance and debt service are treated as charges for services and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

### **Assessments**

Assessments are non-ad valorem assessments on certain land and all platted lots within the District. Assessments are levied each November 1 on property of record as of the previous January. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. For debt service assessments, amounts collected as advance payments are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

### **General Fund**

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

### **Debt Service Fund**

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

### **Capital Projects Fund**

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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

### **Assets, Liabilities and Net Position or Equity**

#### **Restricted Assets**

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

#### **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

The State Board of Administration's ("SBA") Local Government Surplus Funds Trust Fund ("Florida PRIME") is a "2a-7 like" pool. A "2a-7 like" pool is an external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, the pool operates essentially as a money market fund. The District has reported its investment in Florida PRIME at amortized cost for financial reporting purposes.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

#### **Inventories and Prepaid Items**

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Assets, Liabilities and Net Position or Equity (Continued)

#### Capital Assets

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and equipment	5
Maintenance facilities	10
Recreational facilities	20

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

#### Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

#### Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

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

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity (Continued)**

#### **Fund Equity/Net Position**

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

### **Other Disclosures**

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

## **NOTE 3 – BUDGETARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain public comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

## NOTE 4 – DEPOSITS AND INVESTMENTS

### Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

### Investments

The District's investments were held as follows at September 30, 2018:

	Amortized Cost	Credit Risk	Maturities
First American Government Obligations Fund - Class Z	\$ 7,682,180	S&P AAAM	Weighted average of the fund portfolio: 26 days
First American Treasury Obligations Fund - Class Z	8,920,640	S&P AAAM	Weighted average of the fund portfolio: 18 days
Fidelity Govt Portfolio CI III	324,342	N/A	Not available
Investment in Local Government Surplus Funds Trust Fund (Florida PRIME)	3,016,750	S&P AAAM	Weighted average of the fund portfolio: 33 days
	<u>\$ 19,943,912</u>		

*Credit risk* – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

*Concentration risk* – The District places no limit on the amount the District may invest in any one issuer.

*Interest rate risk* – The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

However, the Bond Indenture limits the type of investments held using unspent proceeds.

*Fair Value Measurement* – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. For external investment pools that qualify to be measured at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, the District's investments have been reported at amortized cost above.



#### NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

##### Investments (Continued)

*External Investment Pool* – With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.” With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

#### NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2018 were as follows:

Fund	Transfer in	Transfer Out
Debt service fund	\$ -	\$ 1,315,211
Capital projects fund	1,315,211	-
Total	<u>\$ 1,315,211</u>	<u>\$ 1,315,211</u>

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, transfers from the debt service fund to the capital projects fund were made in accordance with the Bond Indentures.

## NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2018 was as follows:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land & land improvements	\$ 5,960,510	\$ 1,014,000	\$ -	\$ 6,974,510
Infrastructure in progress	11,625,132	8,217,511	(11,835,197)	8,007,446
Total capital assets, not being depreciated	17,585,642	9,231,511	(11,835,197)	14,981,956
Capital assets, being depreciated				
Maintenance facilities	226,723	-	-	226,723
Recreational facilities	24,170,204	11,835,197	-	36,005,401
Equipment	2,039,736	-	-	2,039,736
Total capital assets, being depreciated	26,436,663	11,835,197	-	38,271,860
Less accumulated depreciation for:				
Maintenance facilities	101,761	22,672	-	124,433
Recreational facilities	7,162,343	1,208,510	-	8,370,853
Equipment	1,936,053	103,683	-	2,039,736
Total accumulated depreciation	9,200,157	1,334,865	-	10,535,022
Total capital assets, being depreciated, net	17,236,506	10,500,332	-	27,736,838
Governmental activities capital assets	\$ 34,822,148	\$ 19,731,843	\$ (11,835,197)	\$ 42,718,794

### Infrastructure improvements

The total projected cost of the District's infrastructure improvements has been estimated at a total cost of \$507 million. Certain improvements, such as roadways and parks, have been conveyed to other governmental entities, and more will be conveyed upon completion of the project. Funding for the District's infrastructure has primarily been provided by the Series 2006, 2007, and 2007A Bonds. The portions of the project not financed through these bonds are expected to be financed by the Master Developer or with future bond proceeds.

During the current fiscal year, the Master Developer donated land to the District to be used for recreational and entertainment purposes, ponds, and various right-of-ways. The land may not be used for any other purpose without the prior written consent of the Master Developer. In conjunction with these transactions, \$1,014,000 in land was recognized as Developer contributions in the current fiscal year. See Note 16 – Subsequent Events for additional conveyances.

Jacksonville Electric Authority ("Authority") reimburses the District for costs incurred for improvements made on behalf of the Authority. The improvements will not be owned or maintained by the District; therefore, they are not included in the capital asset schedule above. During the prior fiscal year, the District incurred costs to be reimbursed by the Authority of \$2,378,447 and was reimbursed by the Authority for part of these cost. The remaining balance of \$1,189,224 was reimbursed to the District during the current fiscal year.

The District has an agreement with the County for road impact fees. Under the terms of the agreement, the District collects road impact fees and will provide the County with an annual list of fees. The District received road impact fee revenues of approximately \$1.2 million for the fiscal year ended September 30, 2018.

In a prior fiscal year, the County required the District to open a Letter of Credit as a surety bond toward the construction of certain roads, drainage, and utilities. Accordingly, on April 10, 2015 the District obtained an Irrevocable Standby Letter of Credit ("LOC") in the amount of \$1,783,006 from BBVA Compass Bank. The LOC had an original expiration date of July 5, 2017 which was extended to June 12, 2018. Further, it may be reduced with the County's authorization when construction reaches certain milestones which happened in a prior fiscal year as the County authorized the District to reduce the balance to \$409,825. During the current fiscal year, the LOC expired and the District received the final amount owed.

## NOTE 6 - CAPITAL ASSETS (Continued)

### **Construction Funding Agreement**

During a prior fiscal year, the District and the Master Developer entered into a Construction Funding and Deferred Costs Agreements whereby the Master Developer agreed to fund the construction a certain Amenity Center (the "Twenty Mile Post Amenity Center Project") and the Master Developer has agreed to convey and transfer certain Parks to the District. In return, the District has agreed to provide reimbursement to the Master Developer of Master Developer's costs and expenses of developing and constructing the Parks. To the extent that the funding of the Project qualifies for reimbursement by the District to the Master Developer as deferred cost as defined in any Supplemental Trust Indenture, the District and the Master Developer reserve the right to reimburse the funding provided for with funds available and permitted to be used for such purpose whether such funds are presently available or become available in the future.

The Twenty Mile Post Amenity Center Project was completed during a prior fiscal year and cost approximately \$1,089,600. The Master Developer provided a total of \$701,486 toward this project during prior fiscal years. Reimbursement of this funding is considered a deferred costs and limited to funds available in the Series 2006 trust accounts and to the extent authorized under the Bond Indenture. During the prior fiscal year, the District and the Master Developer entered into another Funding Agreement whereby the Master Developer agreed to pay for the feasibility analysis, design and engineering fees associated with a new amenity and certain park improvements. The Master Developer provided \$2,352,645 toward this project in the prior fiscal year. This funding may be reimbursed as a deferred cost as defined by the Bond Indenture or from future Bond issuances. The amounts from these agreements have been recognized as a long-term Developer Advances net of any payments made by the District to reimburse the Master Developer as of September 30, 2018 – see Note 7.

### **Impact Fee Credits Purchase Agreements**

In connection with the construction of certain roads, the District was granted approximately \$78.6 million in Road Impact Fee Credits under the Impact Fee Credit Agreement between the District and St. Johns County, Florida. The District wishes to proceed with the construction of certain roads (the "Projects"), which are major roadways that are necessary for the continued growth of the development within the District. In order to allow the District to proceed with the Projects, in the 2016, fiscal year, the Master Developer has agreed to purchase from the District Road Impact Fee Credits (the "Purchased Credits"). In exchange for the purchase of the Purchased Credits by the Master Developer, the District agreed to remit all impact fees collected first to the Master Developer until the Master Developer has recovered the dollar value of the Purchased Credits. The District and the Developer have entered into various other Impact Fee Credit Purchase Agreements whereby the District agreed to assign to the Developer Road Impact Fee Credits in order for the District to proceed with the construction of various landscape, hardscape improvements, parks, and other infrastructure improvements. In accordance with this agreement, all revenue from impact fee purchases will be first paid to the Developer until the Developer has recovered the total amount spent on the improvements. During the current fiscal year, the Master Developer purchased \$7,861,658 of impact fee credits.

Depreciation expense was charged to function/programs as follows:

Maintenance and operations	\$ 22,672
Recreation	1,312,193
Total depreciation expense	<u>\$ 1,334,865</u>

## NOTE 7 - LONG TERM LIABILITIES

### **Series 2006**

On February 10, 2006 the District issued \$91,020,000 of Special Assessment Bonds, Series 2006. The Bonds are due May 1, 2037 with a fixed interest rate of 5.40%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1 and the principal is to be paid serially on each May 1, commencing May 1, 2008.

## NOTE 7 - LONG TERM LIABILITIES (Continued)

### Series 2006 (Continued)

The Series 2006 Bonds are subject to redemption at the option of the District prior to their maturity in the manner described in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Indenture if certain events occurred as outlined in the Bond Indenture. This occurred during the current fiscal year as the District collected prepaid assessments and prepaid \$3,240,000 of the Series 2006 Bonds. See Note 16 - Subsequent Events for additional call amount subsequent to the fiscal year end.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2018.

### Series 2007

On October 1, 2007, the District issued \$167,185,000 of Capital Improvement Revenue Bonds, Series 2007 consisting of \$15,930,000 term bonds due May 1, 2017 with a fixed interest rate of 6.375%, \$20,670,000 term bonds due May 1, 2023 with a fixed interest rate of 6.45%, \$190,000,000 term bonds due May 1, 2027 with a fixed interest rate of 6.55%, and \$111,585,000 term bonds due May 1, 2040 with a fixed interest rate of 6.65%. The Series 2007 bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest was to be paid semiannually on each May 1 and November 1. Principal on the Bonds was to be paid serially commencing May 1, 2011 through May 1, 2040. The Bonds have been restructured as described below.

### Series 2007A

On March 2, 2010, the District merged with Split Pine Community Development District ("Split Pine") and consequently assumed Split Pine's \$32,885,000 Special Assessment Bonds, Series 2007A (the "Series 2007A Bonds") with a fixed interest rate of 5.25% due on May 1, 2039. The Series 2007A Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of Split Pine. Interest was to be paid semiannually on each May 1 and November 1. Principal on the Bonds was to be paid serially commencing May 1, 2008 through May 1, 2039. The Bonds have been restructured as described below.

### Series 2012A Bonds

During prior fiscal years, the Master Developer and its affiliate failed to make payment of the special assessments which secured the Series 2007 and Series 2007A Bonds. As a result, certain scheduled debt service payments due in those fiscal years were not made. In order to avoid foreclosure and to accommodate the slower than anticipated development and sale of the lands in the Development encumbered by the Bonds and owned by the Master Developer, the District negotiated a restructuring of the Series 2007 and Series 2007A Bonds. As such, on August 23, 2012, with the consent of 100% of the Bondholders, the District issued \$73,528,312 of Special Assessments Refunding Bonds, Series 2012 in exchange of \$64,370,000 and \$9,160,000 of the Series 2007 and Series 2007A bonds, respectively. The Series 2012A-1 and 2012A-2 were refunded during the current fiscal year. Therefore only the 2012A-3 and 2012A-4 convertible capital appreciations bonds remain as follows:

Series	Initial Amount	Maturity Amount	Interest Rate	Conversion Date	Principal Payments Commencing	Interest Payments Commencing	Maturity Date
2012A-3	19,579,718	30,250,000	6.61%	5/1/2019	5/1/2020	11/1/2019	5/1/2040
2012A-4	8,440,759	15,850,000	6.61%	5/1/2022	5/1/2023	11/1/2022	5/1/2040

## **NOTE 7 - LONG TERM LIABILITIES (Continued)**

### **Series 2012A Bonds (Continued)**

For the Series 2012A-3, and 2012A-4 (the "Convertible Capital Appreciation Bonds"), interest accretes to the bond principal through the conversion date; no payments are due from landowners until then. Subsequent to the conversion date, the Bonds will be at full value and periodic principal and interest payments will begin according to the schedule above.

The Series 2012A Bonds are subject to redemption at the option of the District prior to their maturity in the manner described in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Indenture if certain events occurred as outlined in the Bond Indenture.

During the current fiscal year, the District issued the Series 2018A and 2018B Bonds in order to currently refund the Series 2012A-1 and 2012A-2 Bonds which had outstanding balances of \$31,670,000 and \$12,835,000, respectively, at the time of the refunding. The refunding resulted in a difference in cash flows required to pay the respective debt service of \$9,130,432. The refunding resulted in an economic gain of \$7,606,867. The refunded Bonds have been paid off as of September 30, 2018.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2018.

### **Bifurcated Bonds**

Also in August 2012, the District bifurcated \$22,660,000 of its Series 2007A bonds which were not exchanged for Series 2012 Bonds into \$7,115,000 Special Assessment Bonds, Series 2007A-1 and \$15,545,000 Special Assessments Bonds, Series 2007A-2, (Together with the Series 2007A-1, "The Bifurcated Bonds"). The Bifurcated bonds are due on May 1, 2039 with a fixed interest rate of 5.25%. Principal on the Bonds is to be paid serially commencing May 1, 2013 through May 1, 2039.

The Series 2007A-1 Bonds were non-performing at the time of the restructuring. Since that time, all scheduled interest and principal payments have been made.

The Series 2007A-2 Bonds are subordinate to the Series 2007A-1 Bonds and are payable from revenues as described in the Restructuring Agreement ("Agreement"). The Agreement requires that the operating and maintenance assessments be paid by the landowners. Also according to the Agreement, payments toward the Series 2007A-2 bonds, if any, are derived from cash proceeds from the sale by the Master Developer of any undeveloped land or finished lots comprising part of the restructured parcels. Cash proceeds are first used for recovery of development and other costs incurred by the Master Developer, plus interest. Any remaining cash proceeds are split between the Master Developer and the Bondholders for interest and principal payments. Once all land under this Agreement is sold, any remaining balance of the Series 2007A-2 bonds will be forgiven. No net cash proceeds from the sale of undeveloped land and finished lots were available in fiscal year 2018 as there are still outstanding Master Developer costs and interest. As a result, no payments were made on the Series 2007A-2 Bonds. The amounts have not been recorded at the fund level but the accrued interest has been recorded at the government wide level. The non-payment is not considered an event of default.

The Series 2007A-1 and 2007A-2 Bonds are subject to redemption at the option of the District prior to their maturity in the manner described in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Indenture if certain events occurred as outlined in the Bond Indenture.

## **NOTE 7 - LONG TERM LIABILITIES (Continued)**

### **Bifurcated Bonds (Continued)**

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2018, except for the items shown below under bond compliance.

### **Trifurcated Bonds**

Furthermore, In August 2012 the District also trifurcated \$100,515,000 of its Series 2007 bonds which were not exchanged with Series 2012 Bonds into \$2,545,000 Special Assessments Bonds, Series 2007-1, \$77,555,000 Special Assessments Bonds, Series 2007-2, and \$20,415,000 Special Assessments Bonds, Series 2007-3 (together with the Series 2007-1 and 2007-2, "the Trifurcated Bonds"). The Trifurcated Bonds are due on May 1, 2040 with interest rates ranging from 6.375% to 6.650%. The Series 2007-2 were exchanged in the prior fiscal year for the Series 2015 Bonds.

The Series 2007-1 Bonds were non-performing at the time of the restructuring. Since that time, all scheduled interest and principal payments have been made.

The Series 2007-2 Bonds encumbered the parcels that were granted forbearance by the Bondholders. The Bondholders agreed to withhold any actions for non-payment through August 16, 2014; No debt service payments had been made on these Bonds since fiscal year 2010. The series 2007-2 were subsequently restructured in the prior fiscal year (See below for more detail).

The Series 2007-3 Bonds are subordinate to the Series 2007-1 Bonds and are payable from revenues as described in the Restructuring Agreement ("Agreement"). The Agreement requires that the operating and maintenance assessments be paid by the landowners. Also per the Agreement, payments toward the Series 2007-3 bonds, if any, are derived from cash proceeds from the sale by the Master Developer of any undeveloped land or finished lots comprising part of the restructured parcels. Cash proceeds are first used for recovery of development and other costs incurred by the Master Developer, plus interest. Any remaining cash proceeds are split between the Master Developer and the Bondholders for interest and principal payments. Once all land under this Agreement is sold, any remaining balance of the Series 2007-3 bonds will be forgiven. No net cash proceeds from the sale of undeveloped land and finished lots were available in fiscal year 2018 as there are still outstanding Master Developer costs and interest. As a result, no payments were made on the Series 2007-3 Bonds. The amounts have not been recorded at the fund level but the accrued interest has been recorded at the government wide level. The non-payment is not considered an event of default.

The Series 2007-1 and 2007-3 Bonds are subject to redemption at the option of the District prior to their maturity in the manner described in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Indenture if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2018, except for the items shown below under bond compliance.

## NOTE 7 - LONG TERM LIABILITIES (Continued)

### **Series 2015**

In March 2015, the District issued \$77,555,000 Special Assessments Refunding Bonds, Series 2015 in exchange of its outstanding Series 2007-2 Bonds. The Series 2015 Bonds are further comprised of the following term and convertible capital appreciations bonds:

Series	Initial Amount	Maturity Amount	Interest Rate	Conversion Date	Principal Payments Commencing	Interest Payments Commencing	Maturity Date
2015-1	\$ 30,165,277	\$ 48,040,000	6.610%	11/1/2021	5/1/2022	5/1/2022	5/1/2040
2015-2	15,248,334	29,515,000	6.610%	11/1/2024	5/1/2025	5/1/2025	5/1/2040
2015-3	32,140,000	32,140,000	6.610%	N/A	5/1/2015	5/1/2015	5/1/2040

The Series 2015-1 and 2015-2 Bonds are Capital Appreciation Bonds, therefore interest accretes to the bond principals through the conversion date; no payments are due from landowners until then. Subsequent to the conversion date, these Bonds will be at full value and periodic principal and interest payments will begin according to the schedule above.

The Series 2015-3 Bonds are subordinate to the Series 2015-1 and 2015-2 bonds and are payable from revenues as described in the Restructuring Agreement ("Agreement"). The Agreement requires that the operating and maintenance assessments be paid by the landowners. Also per the Agreement, payments toward the Series 2015-3 bonds, if any, are derived from cash proceeds from the sale by the Master Developer of any undeveloped land or finished lots comprising part of the restructured parcels. Cash proceeds are first used for recovery of development and other costs incurred by the Master Developer, plus interest. Any remaining cash proceeds are split between the Master Developer and the Bondholders for interest and principal payments. Once all land under this Agreement is sold, any remaining balance of the Series 2015-3 bonds will be forgiven. No net cash proceeds from the sale of undeveloped land and finished lots were available in fiscal year 2018 as there are still outstanding Master Developer costs and interest. As a result, no payments were made on the Series 2015-3 Bonds. The amounts have not been recorded at the fund level but the accrued interest has been recorded at the government wide level. The non-payment is not considered an event of default.

The Series 2015 Bonds are subject to redemption at the option of the District prior to their maturity in the manner described in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Indenture if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2018, except for the items shown below under bond compliance.

### **Bond compliance**

The Bond Indentures established debt service reserve requirements as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. At September 30, 2018, the District was in compliance with the requirements for the Series 2006 and 2012A Bonds. The District was not in compliance with the requirements for the Series 2007A-1, 2007A-2, 2007-1, and 2007-3.

In prior fiscal years, there were significant delinquent assessments, and, as a result, certain scheduled debt service payments due during prior fiscal years were made, in part, by draws on the debt service reserve account. As a result there were combined deficits of approximately \$3,118,000 related to the various debt service reserve requirements.

## NOTE 7 - LONG TERM LIABILITIES (Continued)

### Restructuring Agreements

In connection with the Series 2007-3, 2007A-2, and 2015-3 (together, "The Participation Bonds"), the District, the Master Developer, and the Bondholders (the "Parties") entered into certain Restructuring Agreements as described above. As of September 30, 2018, the Participation Amounts were comprised of the following:

Bonds	Participation Amount	
	Principal	Interest
Series 2007-3	\$ 2,100,000	\$ 8,474,777
Series 2007A-2	2,070,000	5,304,731
Series 2015-3	2,125,000	9,790,192
Total	<u>\$ 6,295,000</u>	<u>\$ 23,569,700</u>

### Series 2018 Refunding

On March 15, 2018, the District issued a total of \$52,040,000 of Special Assessment Refunding Bonds, Series 2018 which are comprised of the following: 1) \$29,130,000 of the Series 2018A-1 Bonds due on May 1, 2040, 2) \$8,095,000 of the Series 2018A-2 Bonds due on May 1, 2040, 3) \$10,585,000 of the Series 2018B-1 Bonds due on May 1, 2039, and 4) \$4,230,000 of the Series 2018B-2 Bonds due on May 1, 2039. The Bonds are comprised of both serial and term Bonds with interest rates ranging from 2% to 5.625%. The Bonds were issued to refund the District's outstanding Series 2012A-1 and 2012A-2 Bonds (the "Refunded Bonds"), acquire and construct certain assessable improvements (the "Project"), and pay certain costs associated with the issuance of the Bonds. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2019 through May 1, 2040.

The Series 2018 Bonds are subject to redemption at the option of the District prior to maturity. The Series 2018 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. In addition, for the Series 2018A-1 and 2018B-1 Bonds, the Bond Indenture provides for a Reserve insurance policy to fund part of the debt service reserve requirements. The District was in compliance with the requirements at September 30, 2018.

### Series 2018 Expansion

On June 27, 2018, the District issued \$1,930,000 of Special Assessment Revenue Bonds, Series 2018 Expansion due May 1, 2048. The Bonds are comprised of multiple term Bonds with interest rates ranging from 3.85% to 5%. The Bonds were issued to acquire and construct certain assessable improvements (the "Project") and pay certain costs associated with the issuance of the Bonds. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2019 through May 1, 2048.

The Series 2018 Expansion Bonds are subject to redemption at the option of the District prior to maturity. The Series 2018 Expansion Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2018.



## NOTE 7 - LONG TERM LIABILITIES (Continued)

### Developer Advances

As discussed in Note 6, the Master Developer provided advances to fund various construction projects. At September 30, 2018, the advances which are to still be repaid to the Master Developer totaled \$1,419,628. The amount has not been included in the maturity schedule below.

### Long-term debt transactions

Changes in long-term liability activity for the fiscal year ended September 30, 2018 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2006	\$ 61,855,000	\$ -	\$ 4,930,000	\$ 56,925,000	\$ 1,780,000
Series 2007-1	1,550,000	-	30,000	1,520,000	30,000
Series 2007-3	20,415,000	-	-	20,415,000	2,485,000 *
Series 2007A-1	3,355,000	-	95,000	3,260,000	100,000
Series 2007A-2	15,545,000	-	-	15,545,000	2,430,000 *
Series 2012A-1	32,275,000	-	32,275,000	-	-
Series 2012A-2	12,835,962	-	12,835,962	-	-
Series 2012A-3	30,250,000	-	-	30,250,000	-
Series 2012A-4	15,850,000	-	-	15,850,000	-
Plus: Accreted interest	(7,056,662)	2,625,418	-	(4,431,244)	-
Less: Series 2007 OID	(660,226)	-	(28,705)	(631,521)	-
Series 2015-1	48,040,000	-	-	48,040,000	-
Series 2015-2	29,515,000	-	-	29,515,000	-
Series 2015-3	32,140,000	-	-	32,140,000	2,750,000 *
Plus: Accreted interest	(22,074,803)	3,727,842	-	(18,346,961)	-
2018A-1	-	29,130,000	-	29,130,000	960,000
2018A-2	-	8,095,000	-	8,095,000	200,000
2018B-1	-	10,585,000	-	10,585,000	370,000
2018B-2	-	4,230,000	-	4,230,000	120,000
Less: Series 2018 OID	-	(1,197,523)	(54,433)	(1,143,090)	-
2018 Expansion	-	1,930,000	-	1,930,000	30,000
Compensated absences	54,902	2,252	-	57,154	-
Developer advance	3,054,131	-	1,634,503	1,419,628	-
Governmental activities long-term liabilities	<u>\$ 276,943,304</u>	<u>\$ 59,127,989</u>	<u>\$ 51,717,327</u>	<u>\$ 284,353,966</u>	<u>\$ 11,255,000</u>

\* Include the Participation Amount on the Series 2007-3, 2007A-2, and 2015-3.

At September 30, 2018, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2019	\$ 11,255,000	\$ 34,035,689 *	\$ 45,290,689
2020	5,890,000	11,583,173	17,473,173
2021	6,195,000	11,292,889	17,487,889
2022	7,810,000	12,571,937	20,381,937
2023	8,715,000	14,793,288	23,508,288
2024-2028	56,385,000	72,686,146	129,071,146
2029-2033	76,560,000	57,100,641	133,660,641
2034-2038	97,080,000	31,605,323	128,685,323
2039-2043	36,990,000	4,240,577	41,230,577
2044-2048	550,000	86,190	636,190
Total	<u>\$ 307,430,000</u>	<u>\$ 249,995,853</u>	<u>\$ 557,425,853</u>

\* Include the Participation Amount on the Series 2007-3, 2007A-2, and 2015-3. Also, include maturities on the CAB Bonds at fully Accreted Value.

## NOTE 8 – PRIOR PERIOD ADJUSTMENT

The 2018 report has adjusted the following amount listed in the 2017 report:

	Governmental Activities
Net Position - beginning, previously stated	\$ (187,340,951)
Overstatement of capital assets	(56,079,913)
Net Position - beginning, as restated	<u>\$ (243,420,864)</u>

## NOTE 9 – DEVELOPERS' TRANSACTIONS

The Master Developer owns a significant portion of land within the District; therefore, assessment revenues in the general and debt service funds include the assessments levied on those lots owned by the Master Developer.

See Note 6 – Capital Assets above for additional Master Developer transactions in the current fiscal year. See Note 16 – Subsequent Event for additional transactions subsequent to year end.

## NOTE 10 – CONCENTRATION

The District's activity is dependent upon the continued involvement of the Master Developer, the loss of which could have a material adverse effect on the completion of the District's Master Infrastructure Plan.

## NOTE 11 – COST-SHARING AGREEMENT

The District has several Cost-Sharing Agreements with certain Homeowner Associations within the District, the Master Developer, and various other landowners.

## NOTE 12 – OPERATING LEASE

The District has entered into a lease transaction with an electric utility which is accounted for as an operating lease. Monthly lease payments of \$8,977 are required through September 2024. Minimum lease payments for years ending after September 30, 2018 are as follows:

Year ending September 30:	Annual Lease Payment
2019	\$ 107,724
2020	107,724
2021	107,724
2022	107,724
2023	107,724
2024	107,724
Total	<u>\$ 646,344</u>

## NOTE 13 – RETIREMENT PLAN

The District supports a 457(b) Governmental Plan that covers all of its employees. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Participants may contribute a percentage of their annual compensation to the plan not to exceed the limits allowable by the Internal Revenue Service. The District makes matching contributions equal to 100% on the first three percent of the participant's eligible earnings and an additional 50% on the next two percent of the participant's eligible earnings. Matching contributions to the plan during 2018 totaled approximately \$20,525.

**NOTE 14 – MANAGEMENT COMPANY**

The District has contracted with a management company to perform management advisory services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management and other administrative costs.

**NOTE 15 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.

**NOTE 16 - SUBSEQUENT EVENTS****Bond Payments**

Subsequent to fiscal year end, the District prepaid a total of \$1,765,000 and \$188,760 of the Series 2006 and 2012A-3, Bonds, respectively. The prepayments were considered extraordinary mandatory redemptions as outlined in the Bond Indenture.

**Developer Transactions**

Subsequent to fiscal year end, the Developer conveyed certain master infrastructure assets to the District.

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
ST. JOHNS AND DUVAL COUNTIES, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Assessments	\$ 5,166,067	\$ 5,212,328	\$ 46,261
Interest	4,000	25,341	21,341
Miscellaneous	1,141,400	1,078,776	(62,624)
Total revenues	6,311,467	6,316,445	4,978
<b>EXPENDITURES</b>			
Current:			
General government	868,325	820,923	47,402
Maintenance and operations	1,858,175	1,872,384	(14,209)
Roadways	697,220	740,114	(42,894)
Environmental	43,000	52,758	(9,758)
Facility rental	21,200	22,408	(1,208)
Recreation	2,635,375	2,239,202	396,173
Capital outlay	1,048,140	31,077	1,017,063
Total expenditures	7,171,435	5,778,866	1,392,569
Excess (deficiency) of revenues over (under) expenditures	(859,968)	537,579	1,397,547
<b>OTHER FINANCING SOURCES</b>			
Carry forward	859,968	-	(859,968)
Total other financing sources	859,968	-	(859,968)
Net change in fund balances	\$ -	537,579	\$ 537,579
Fund balance - beginning		2,849,378	
Fund balance - ending		\$ 3,386,957	

See notes to required supplementary information

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT  
ST. JOHNS AND DUVAL COUNTIES, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2018.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors  
Tolomato Community Development District  
St. Johns and Duval Counties, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Tolomato Community Development District, St. Johns and Duval Counties, Florida ("District") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated April 1, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated April 1, 2019.

The District's responses to the findings identified in our audit are described in the accompanying Management Letter. We did not audit the District's responses and, accordingly, we express no opinion on them.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

April 1, 2019



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY  
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors  
Tolomato Community Development District  
St. Johns and Duval Counties, Florida

We have examined Tolomato Community Development District, St. Johns and Duval Counties, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2018. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2018.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of Tolomato Community Development District, St. Johns and Duval Counties, Florida and is not intended to be and should not be used by anyone other than these specified parties.

April 1, 2019





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**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors  
Tolomato Community Development District  
St. Johns and Duval Counties, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Tolomato Community Development District, St. Johns and Duval Counties, Florida ("District") as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated April 1, 2019.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 1, 2019, should be considered in conjunction with this management letter.

**Purpose of this Letter**

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General of the state of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of Tolomato Community Development District, St. Johns County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Tolomato Community Development District, St. Johns and Duval Counties, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

April 1, 2019

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

#### 2018-01 Reserve Requirement:

Observation: As a result of unscheduled draws on the Series 2007A-1, 2007A-2, 2007-1, and 2007-3 debt service reserve accounts to make certain scheduled debt service payments, the reserve requirements were not met at September 30, 2018.

Recommendation: The District should take the necessary steps to replenish the reserve account.

Reference Numbers for Prior Years Findings: 2015-01, 2016-02, 2017-02

Management Response: During the bond restructuring in 2012, the bondholders, Trustee and District agreed that certain Debt Service Reserve Funds were to be funded based on 50% of annual interest alone. These Debt Service Reserve Funds were established and funded at the time of restructuring. However, the Amended and Restated First Supplemental Trust Indenture, which governs the Reserve Funds, establishes a formula where the requirement is based on maximum annual debt service. Therefore, there has been an annual shortfall as a result of the difference between the initial approved Debt Service Fund Reserve funding amounts in connection with the restructuring and the actual Debt Service Reserve Requirements stated in the indenture. The document also provides that any excess in the Revenue Account be first used to fund any shortfall in the Debt Service Reserve Account.

### II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

#### 2017-01 Budget

Current Status: Finding has been resolved.

#### 2015-01, 2016-02, 2017-02 Reserve Requirement

Current Status: See finding no. 2018-01 above

## **REPORT TO MANAGEMENT (Continued)**

### **III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2017, except as noted above.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2018, except as noted above.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2018, except as noted above.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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