NEW ISSUE - BOOK-ENTRY ONLY **NOT RATED**
LIMITED OFFERING

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 2020 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax. See "TAX MATTERS" herein for a description of other tax consequences to holders of the 2020 Bonds.

$17,755,000
LAKEWOOD RANCH STEWARDSHIP DISTRICT
Special Assessment Revenue Bonds, Series 2020
(Northeast Sector Project - Phase 2B)

Dated: Date of Delivery **Due: May 1, as set forth below**

The Lakewood Ranch Stewardship District (the "District") is issuing its Special Assessment Revenue Bonds, Series 2020 (Northeast Sector Project - Phase 2B) (the "2020 Bonds") in fully registered form, without coupons, in denominations of $5,000 or any integral multiple thereof; provided that the 2020 Bonds will be deliverable to the initial purchasers in minimum principal amounts of $100,000 or integral multiples of $5,000 in excess thereof. The 2020 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the 2020 Bonds will be made in book entry form and purchasers of beneficial interests in the 2020 Bonds will not receive physical 2020 Bond certificates. For so long as the book entry system is maintained, the principal of, premium, if any, and interest on the 2020 Bonds will be paid from the sources described herein by U.S. Bank National Association, as trustee (the "Trustee"), to DTC as the registered owner thereof. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of the Direct Participants and Indirect Participants, as more fully described herein. Any purchaser, as a beneficial owner of a 2020 Bond, must maintain an account with a broker or dealer who is, or acts through, a Direct Participant in order to receive payment of the principal of, premium, if any, and interest on such 2020 Bond. Interest on the 2020 Bonds calculated on the basis of a 360 day year comprised of twelve thirty day months is payable on each May 1 and November 1 commencing May 1, 2021. See "DESCRIPTION OF THE 2020 BONDS" herein.

Proceeds of the 2020 Bonds will be used to (i) redeem all of the Outstanding principal amount of the District's Bond Anticipation Note, Series 2017 (Northeast Sector Project), (ii) finance the acquisition, construction, installation and equipping of the Northeast Sector Project - Phase 2B, (iii) fund the 2020 Reserve Account in an amount equal to the initial 2020 Reserve Account Requirement, (iv) capitalize interest on the 2020 Bonds through May 1, 2021 and (v) pay costs of issuance of the 2020 Bonds. See "ESTIMATED SOURCES AND USES OF PROCEEDS" herein.

The District is a local unit of special purpose government and an independent special district of the State of Florida, created pursuant to Chapter 2005-338, Laws of Florida, as amended (the "Act"). The 2020 Bonds are being issued pursuant to the Act and a Master Trust Indenture dated as of September 1, 2005 (the "Master Indenture") by and between the District and the Trustee as supplemented by a Thirty-First Supplemental Trust Indenture dated as of October 1, 2020 between the District and the Trustee (the "Supplemental Indenture" together with the Master Indenture, the "Indenture"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture. The principal of and interest on the 2020 Bonds shall be payable solely from, and shall be secured solely by the revenues derived by the District from the Series 2020 Assessments (the "2020 Pledged Revenues") and the Funds and Accounts (except for the 2020 Rebate Account and the 2020 Costs of Issuance Account) established by the Supplemental Indenture (the "2020 Pledged Funds"). The 2020 Pledged Revenues and 2020 Pledged Funds collectively comprise the "2020 Trust Estate."

The 2020 Bonds are subject to optional, mandatory and extraordinary mandatory redemption at the times, in the amounts, and at the redemption price more fully described herein under the caption "DESCRIPTION OF THE 2020 BONDS – Redemption Provisions."

NEITHER THE 2020 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE STATE OF FLORIDA. THE 2020 BONDS AND THE INTEREST 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 2020 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE 2020 BONDS SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2020 TRUST ESTATE PLEDGED TO THE 2020 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

Investment in the 2020 Bonds poses certain risks and the 2020 Bonds are not a suitable investment for all potential investors. See "INTRODUCTION", "BONDHOLDERS' RISKS" and "Suitability for Investment" herein. The Underwriter is limiting this offering of the 2020 Bonds to accredited investors within the meaning of the rules of the Florida Department of Financial Services; the limitation of the initial offering of 2020 Bonds to Accredited Investors does not denote restrictions on transfer in any secondary market for the 2020 Bonds. The 2020 Bonds are not credit enhanced, are not rated and no application has been made for a rating or credit enhancement with respect to the 2020 Bonds, nor is there any reason to believe that the District would have been successful in obtaining either credit enhancement for the 2020 Bonds or a rating for the 2020 Bonds had application been made. Potential investors are solely responsible for evaluating the merits and risks of an investment in the 2020 Bonds.

This cover page contains certain information for quick reference only. It is not a summary of the 2020 Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

$1,520,000 – 2.50% 2020 Term Bond due May 1, 2025; Yield: 2.56%, Price: 99.743, CUSIP 51265KEK0*
$2,165,000 – 3.20% 2020 Term Bond due May 1, 2030; Yield: 3.20%, Price: 100, CUSIP 51265KEL8*
$5,685,000 – 3.75% 2020 Term Bond due May 1, 2040; Yield: 3.75%, Price: 100, CUSIP 51265KEM6*
$8,385,000 – 4.00% 2020 Term Bond due May 1, 2050; Yield: 3.95%, Price: 100.392, CUSIP 51265KEN4***

The 2020 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to the receipt of the opinion of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, as to the validity of the 2020 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the Underwriter by its counsel, Akerman LLP, Orlando, Florida, for the District by its counsel, Hopping Green & Sams, P.A., Tallahassee, Florida, for the Landowner (hereinafter defined) by its in-house counsel, and for the Trustee by Holland & Knight, LLP, Miami, Florida. PFM Financial Advisors LLC is serving as the District's Independent Registered Municipal Advisor in connection with the issuance of the 2020 Bonds. It is expected that the 2020 Bonds will be delivered in book entry form through the facilities of DTC on or about October 14, 2020.

MBS Capital Markets, LLC

Dated: October 8, 2020

---

* The District is not responsible for the use of the 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.

** Priced to First Optional Redemption Date of May 1, 2030.

LAKEWOOD RANCH STEWARDSHIP DISTRICT

BOARD OF SUPERVISORS

Rex Jensen, Chair
Tony Chiofalo, Vice Chair/Assistant Secretary
Scott Almand, Treasurer
Jim Schier, Assistant Secretary
Ed Hunzeker, Assistant Secretary

DISTRICT MANAGER

PFM Group Consulting LLC
Orlando, Florida

COUNSEL TO THE DISTRICT

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

DISTRICT ENGINEER

Stantec Consulting Services Inc.
Sarasota, Florida

BOND COUNSEL

Bryant Miller Olive P.A.
Orlando, Florida

METHODOLOGY CONSULTANT AND MUNICIPAL ADVISOR

PFM Financial Advisors LLC
Orlando, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE 2020 BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF THE 2020 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE LANDOWNER AND SMR (AS HEREINAFTER DEFINED), THE DISTRICT, THE DEPOSITORY TRUST COMPANY, PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, WHICH SOURCES ARE BELIEVED TO BE RELIABLE BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF OR THE DISTRICT WITH RESPECT TO INFORMATION PROVIDED BY OTHERS OR THE UNDERWRITER NAMED ON THE COVER PAGE OF THIS LIMITED OFFERING MEMORANDUM. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR THE LANDOWNER OR SMR OR IN THE STATUS OF THE NORTHEAST SECTOR OR THE NORTHEAST SECTOR PROJECT (AS SUCH TERMS ARE HEREINAFTER DEFINED) SINCE THE DATE HEREOF. THE TRUSTEE HAS NOT PARTICIPATED IN THE PREPARATION OF THIS LIMITED OFFERING MEMORANDUM AND MAKES NO REPRESENTATION WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF ANY OF THE MATERIAL CONTAINED IN THIS LIMITED OFFERING MEMORANDUM. THE TRUSTEE HAS NO DUTY OR OBLIGATION TO PAY THE 2020 BONDS FROM ITS OWN FUNDS, ASSETS OR CORPORATE CAPITAL OR TO MAKE INQUIRY REGARDING, OR INVESTIGATE THE USE OF, AMOUNTS DISBURSED FROM THE TRUST.

THE 2020 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE 2020 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE DISTRICT, MANATEE COUNTY, THE STATE OF FLORIDA, NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE 2020 BONDS, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

"FORWARD-LOOKING STATEMENTS" ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS "MAY," "WILL," "SHOULD," "INTENDS," "EXPECTS," "BELIEVES," "ANTICIPATES," "ESTIMATES," OR OTHERS. THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS AND REAL ESTATE MARKET, THE DISTRICT'S COLLECTION OF THE SERIES 2020 ASSESSMENTS, AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S, THE LANDOWNER AND SMR'S CONTROL. BECAUSE THE DISTRICT, THE LANDOWNER AND SMR CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT, THE LANDOWNER AND SMR DO NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

THIS LIMITED OFFERING MEMORANDUM IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS LIMITED OFFERING MEMORANDUM MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRELY DIRECTLY FROM SUCH WEBSITE.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN, INCLUDING THE DISTRICT'S WEBSITE, ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS LIMITED OFFERING MEMORANDUM FOR ANY PURPOSE INCLUDING FOR PURPOSES OF RULE 15C2-12 PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION.

THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE A CONTRACT BETWEEN THE DISTRICT OR MBS CAPITAL MARKETS, LLC AND ANY ONE OR MORE OF THE OWNERS OF THE 2020 BONDS.

TABLE OF CONTENTS

Page

SUMMARY STATEMENT vi
- Bond Owners' Risks; Limited Offering vi
- The District vi
- The 2020 Bonds vi
- Purpose of the 2020 Bonds vi
- Northeast Sector vii
- Security for the 2020 Bonds vii

INTRODUCTION 1

SUITABILITY FOR INVESTMENT 2

DESCRIPTION OF THE 2020 BONDS 3
- General 3
- Redemption Provisions 3
- Notice and Effect of Redemption 5
- Book-Entry Only System 5

ESTIMATED SOURCES AND USES OF PROCEEDS 7

DEBT SERVICE REQUIREMENTS FOR 2020 BONDS 8

SECURITY FOR AND SOURCE OF PAYMENT OF THE 2020 BONDS 8
- General 8
- Landowner Prepayment Waiver 10
- Indenture Provisions Relating to Bankruptcy or Insolvency of Landowner 10
- No Parity Bonds; Limitation on Additional Bonds 11
- Events of Default and Remedies 11
- Agreement for Assignment of Development Rights 12
- Completion Agreement 13
- True Up Agreement 13

COLLECTION OF SERIES 2020 ASSESSMENTS 13

ENFORCEMENT OF ASSESSMENT COLLECTIONS 13
- Judicial Proceedings 13
- Tax Collection Procedures 14
- Sale of Tax Certificates 15

FUNDS AND ACCOUNTS 16
- Acquisition and Construction Fund 17
- 2020 Reserve Account 17
- Application of Prepayment Principal 18
- Tax Covenants and Rebate Accounts 18
- Establishment of 2020 Revenue Account in Revenue Fund; Application of 2020 Pledged Revenues and Investment Earnings 18

BONDHOLDERS' RISKS 20

THE DISTRICT 26
- General 26
- Governance 26
- Powers and Authority 27
- The District Manager 27
- Outstanding Debt of the District 28

ASSESSMENT METHODOLOGY 29

THE NORTHEAST SECTOR PROJECT 29

LAKEWOOD RANCH 30
General 30
Existing Development 31

NORTHEAST SECTOR 42
Overview 42
Land Use Plan 42
Development Agreement 43
Permitting 44
Environmental Matters 45
District Infrastructure/Finance Plan 45
District Infrastructure Status 46
Utilities 46
Land Sale/Contract Activity 47
The Assessment Areas 49
Schools 49
Marketing 49
Fees and Assessments 50
Competition 51

TAX MATTERS 51
General 51
Information Reporting and Backup Withholding 51
Other Tax Matters Relating to the 2020 Bonds 52
Tax Treatment of the Original Issue Discount 53
Tax Treatment of Bond Premium 53

AGREEMENT BY THE STATE 53

LEGALITY FOR INVESTMENT 53

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS 54

CONTINUING DISCLOSURE 54

FINANCIAL STATEMENTS 54

ENFORCEABILITY OF REMEDIES 54

LITIGATION 55

NO RATING OR CREDIT ENHANCEMENT 55

UNDERWRITING 55

DISCLOSURE OF MULTIPLE ROLES 55

EXPERTS 55

CONTINGENT FEES 55

LEGAL MATTERS 56

MUNICIPAL ADVISOR 56

VALIDATION 56

MISCELLANEOUS.....56

APPENDIX A – ENGINEER'S REPORT
APPENDIX B – INDENTURE
APPENDIX C – FORM OF OPINION OF BOND COUNSEL
APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT
APPENDIX E – ASSESSMENT REPORTS
APPENDIX F – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE YEAR ENDED SEPTEMBER 30, 2019
APPENDIX G – NORTHEAST SECTOR PARCEL MAP

SUMMARY STATEMENT

This Summary Statement is part of this Limited Offering Memorandum and is subject in all respects to the more complete information and definitions contained in or incorporated in this Limited Offering Memorandum. This Summary Statement should not be considered to be a complete statement of the facts material to making an investment decision. The offer by the Lakewood Ranch Stewardship District (the "District") of its Special Assessment Revenue Bonds, Series 2020 (Northeast Sector Project - Phase 2B) (the "2020 Bonds") is made only by means of this entire Limited Offering Memorandum. No person is authorized to detach this Summary Statement from this Limited Offering Memorandum or to otherwise use it without this entire Limited Offering Memorandum. Unless otherwise defined, all capitalized terms in this Summary Statement shall be as defined herein, in the Indenture (herein defined) or in the text of this Limited Offering Memorandum.

Bond Owners' Risks; Limited Offering

NO APPLICATION HAS BEEN MADE FOR A RATING WITH RESPECT TO THE 2020 BONDS. INVESTMENT IN THE 2020 BONDS POSES CERTAIN RISKS AND THE 2020 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL POTENTIAL INVESTORS. SEE "INTRODUCTION", "BONDHOLDERS' RISKS" AND "SUITABILITY FOR INVESTMENT" HEREIN. POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE 2020 BONDS.

The District

The District is a local unit of special-purpose government of the State of Florida (the "State") created pursuant to the Lakewood Ranch Stewardship District Act, Chapter 2005-338, Laws of Florida as amended (the "Act"). The District consists of approximately 25,605 acres located within both Manatee and Sarasota Counties. For more complete information about the District, see "THE DISTRICT" herein.

The 2020 Bonds

The 2020 Bonds are being issued pursuant to the Act and a Master Trust Indenture dated as of September 1, 2005 (the “Master Indenture”) by and between the District and U.S. Bank National Association, as successor to Wachovia Bank, National Association, as trustee (the "Trustee"), as supplemented by a Thirty-First Supplemental Trust Indenture dated as of October 1, 2020 between the District and the Trustee (the "Supplemental Indenture" together with the Master Indenture, the "Indenture"). The Master Indenture and form of Supplemental Indenture is reproduced hereto as APPENDIX B. Capitalized terms not otherwise defined herein shall have the meaning assigned to them in the Indenture. The 2020 Bonds will be issued in fully registered form in denominations of $5,000 or any integral multiple thereof; provided that the 2020 Bonds will be deliverable to the initial purchasers in minimum principal amounts of $100,000 or integral multiples of $5,000 in excess of $100,000. The 2020 Bonds will bear interest at the fixed rates set forth on the cover page, calculated on the basis of a 360-day year comprised of twelve thirty-day months, payable on each May 1 and November 1 commencing on May 1, 2021. The 2020 Bonds are subject to extraordinary mandatory, optional and mandatory redemption prior to their stated dates of maturity, as provided herein. See "DESCRIPTION OF THE 2020 BONDS" herein.

Purpose of the 2020 Bonds

The 2020 Bonds are being issued in order to provide funds to (i) redeem all of the Outstanding principal amount of the District’s Bond Anticipation Note, Series 2017 (Northeast Sector Project), (ii) construct, acquire, equip and install the Northeast Sector Project - Phase 2B, (iii) fund the 2020 Reserve Account in an amount equal to the initial 2020 Reserve Account Requirement, (iv) pay costs of issuance of the 2020 Bonds, and (v) to capitalize the interest on the 2020 Bonds through May 1, 2021. See "ESTIMATED SOURCES AND USES OF PROCEEDS" herein.

Northeast Sector

The Northeast Sector portion of the District encompasses approximately 3,853 gross acres and is planned to include residential, commercial and educational uses as more fully described under the heading "NORTHEAST SECTOR". Pursuant to the Assessment Reports (as defined herein) as parcels of land in the Northeast Sector are sold by SMR Northeast, LLC (the "Landowner") the Series 2020 Assessments will be allocated to the first parcels sold within the 2020 Assessment Area (as defined herein) based upon the amount of development entitlements transferred. See "ASSESSMENT METHODOLOGY" herein and Appendix E hereto.

Security for the 2020 Bonds

The principal of and interest on the 2020 Bonds shall be payable solely from, and shall be secured solely by the revenues derived by the District from the Series 2020 Assessments (the "2020 Pledged Revenues") and the Funds and Accounts (except for the 2020 Rebate Account and 2020 Costs of Issuance Account) established by the Supplemental Indenture (the "2020 Pledged Funds"). The 2020 Pledged Revenues and the 2020 Pledged Funds collectively comprise the "2020 Trust Estate".

[END OF SUMMARY STATEMENT]

[THIS PAGE INTENTIONALLY LEFT BLANK]

$17,755,000
LAKEWOOD RANCH STEWARDSHIP DISTRICT
Special Assessment Revenue Bonds, Series 2020
(Northeast Sector Project - Phase 2B)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, summary statement and appendices hereto, is to provide certain information in connection with the issuance and sale by Lakewood Ranch Stewardship District (the "District") of its $17,755,000 Special Assessment Revenue Bonds, Series 2020 (Northeast Sector Project - Phase 2B) (the "2020 Bonds").

No person has been authorized by the District or the Underwriter (as defined herein) 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.

The District is a local unit of special purpose government of the State of Florida, created pursuant to Chapter 2005-338, Laws of Florida as amended (the "Act"). Among the purposes for which the District was established are financing the acquisition and construction of and the maintenance and operation of the infrastructure and other public facilities necessary for development of the lands within the District. The Act authorizes the District to issue bonds for purposes, among others, of financing the cost of acquisition and construction of assessable improvements including water management and control, water supply, wastewater management, reclamation and reuse, roadway improvements, landscaping, street lights, parks and other basic infrastructure projects within and, in accordance with the provisions of the Act, without the boundaries of the District. For more complete information about the District, its Board of Supervisors and the District Manager, see "THE DISTRICT" herein.

The boundaries of the District encompass approximately 25,605 acres of land located in Manatee and Sarasota Counties. The portion of the District being developed with certain proceeds of the 2020 Bonds is known as the Northeast Sector, an area of approximately 3,853 gross acres located in Manatee County, (the "County") in the northeastern portion of the District.

The current sole landowner of the acreage constituting the 2020 Assessment Area, an area totaling approximately 1,333 acres, is SMR Northeast, LLC (the "Landowner"), a Florida limited liability company and a wholly owned subsidiary of Schroeder - Manatee Ranch, Inc. ("SMR") a Delaware corporation or affiliated entities thereof. See "LAKEWOOD RANCH" and "NORTHEAST SECTOR" herein.

The 2020 Bonds are being issued pursuant to the Act and a Master Trust Indenture dated as of September 1, 2005 (the “Master Indenture”) by and between the District and U.S. Bank National Association as successor to Wachovia Bank, National Association, as trustee (the "Trustee") as supplemented by an Thirty-First Supplemental Trust Indenture dated as of October 1, 2020 between the District and the Trustee (the "Supplemental Indenture" together with the Master Indenture, the "Indenture"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture. The principal of and interest on the 2020 Bonds shall be payable solely from, and shall be secured solely by the revenues derived by the District from the Series 2020 Assessments (the "2020 Pledged Revenues") and the Funds and Accounts (except for the 2020 Rebate Account and 2020 Costs of Issuance Account) established by the Supplemental Indenture (the "2020 Pledged Funds"). The 2020 Pledged Revenues and the 2020 Pledged Funds collectively comprise the "2020 Trust Estate".

NEITHER THE 2020 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE STATE OF FLORIDA. THE 2020 BONDS AND THE INTEREST 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 2020 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE 2020 BONDS SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2020

TRUST ESTATE PLEDGED TO THE 2020 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

Proceeds of the 2020 Bonds will be used to (i) redeem, on the date of issuance of the 2020 Bonds all of the Outstanding principal amount of the District's Bond Anticipation Note, Series 2017 (Northeast Sector Project) (the "2017 Note"), (ii) acquire, construct, install and equip the Northeast Sector Project – Phase 2B, (iii) fund the 2020 Reserve Account in an amount equal to the initial 2020 Reserve Account Requirement, (iv) pay costs of issuance of the 2020 Bonds, and (v) capitalize interest on the 2020 Bonds through May 1, 2021. See "ESTIMATED SOURCES AND USES OF PROCEEDS" herein.

INVESTMENT IN THE 2020 BONDS POSES CERTAIN RISKS AND THE 2020 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL POTENTIAL INVESTORS. SEE "BONDHOLDERS' RISKS" AND "SUITABILITY FOR INVESTMENT" HEREIN.

THE 2020 BONDS ARE NOT CREDIT ENHANCED AND ARE NOT RATED. PROSPECTIVE INVESTORS IN THE 2020 BONDS ARE INVITED TO VISIT THE DISTRICT AND TO REQUEST FROM THE DISTRICT DOCUMENTS, INSTRUMENTS AND INFORMATION WHICH MAY NOT NECESSARILY BE REFERRED TO, SUMMARIZED OR DESCRIBED HEREIN. THEREFORE, PROSPECTIVE INVESTORS SHOULD RELY UPON THE INFORMATION APPEARING IN THIS LIMITED OFFERING MEMORANDUM WITHIN THE CONTEXT OF THE AVAILABILITY OF SUCH ADDITIONAL INFORMATION AND THE SOURCES THEREOF. PROSPECTIVE INVESTORS MAY REQUEST SUCH ADDITIONAL INFORMATION AND ARRANGE TO VISIT THE DISTRICT AS DESCRIBED HEREIN UNDER THE CAPTION "SUITABILITY FOR INVESTMENT."

There follows in this Limited Offering Memorandum a brief description of the District, the Northeast Sector Project, Lakewood Ranch, the Northeast Sector, a description of the terms of the 2020 Bonds and summaries of certain terms of the Indenture and certain provisions of the Act and other sections of Florida Statutes. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents and statutes, and all references to the 2020 Bonds are qualified by reference to the form thereof and the information with respect thereto contained in the Indenture. A copy of the Master Indenture and the proposed form of the Supplemental Indenture appear in APPENDIX B hereto.

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

SUITABILITY FOR INVESTMENT

While the 2020 Bonds are not subject to registration under the Securities Act of 1933, as amended (the "Securities Act"), MBS Capital Markets, LLC (the "Underwriter") will, as required by Chapter 189, Florida Statutes, offer the 2020 Bonds only to "accredited investors," within the meaning of Chapter 517, Florida Statutes, and the rules promulgated thereunder. However, the limitation of the initial offering to Accredited Investors does not denote restrictions on transfers in any secondary market for the 2020 Bonds. Prospective investors in the 2020 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the 2020 Bonds and should have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

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

Brett Sealy
MBS Capital Markets, LLC
152 Lincoln Avenue
Winter Park, Florida 32789
Ph: (407) 808-0685

DESCRIPTION OF THE 2020 BONDS

General

The 2020 Bonds are issuable only in fully-registered form, in denominations of $5,000 or any integral multiple thereof; provided that the 2020 Bonds will be deliverable to the initial purchasers in minimum principal amounts of $100,000 or integral multiples of $5,000 in excess thereof. The 2020 Bonds will be dated as of the date of delivery thereof, will bear interest from that date at the rates per annum and, subject to the redemption provisions set forth below, will mature on the dates set forth on the cover page of this Limited Offering Memorandum. Each 2020 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such 2020 Bond has been paid, in which event such 2020 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the 2020 Bonds, in which event such 2020 Bond shall bear interest from its date. Interest on the 2020 Bonds will be computed on the basis of a 360-day year based on twelve 30-day months and will be payable on each May 1 and November 1, commencing May 1, 2021.

The 2020 Bonds shall be initially issued in the form of a separate single certificated fully registered 2020 Bond for each maturity thereof. Upon initial issuance, the ownership of each such 2020 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), the initial Bond Depository. Except as provided in the Indenture, all of the Outstanding 2020 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC. See "DESCRIPTION OF THE 2020 BONDS - Book-Entry Only System" herein.

Redemption Provisions

Optional Redemption. The 2020 Bonds are subject to redemption at the option of the District prior to maturity in whole or in part at any time on or after May 1, 2030 (less than all 2020 Bonds to be selected by lot), at the Redemption Price of the principal amount of the 2020 Bonds or portions thereof to be redeemed together with accrued interest to the redemption date.

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

May 1 of the Year	Amortization Installment
2022	$365,000
2023	375,000
2024	385,000
2025*	395,000

* Maturity

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

May 1 of the Year	Amortization Installment
2026	$405,000
2027	420,000
2028	435,000
2029	445,000

May 1 of the Year	Amortization Installment
2030*	460,000

* Maturity

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

May 1 of the Year	Amortization Installment
2031	$475,000
2032	495,000
2033	515,000
2034	535,000
2035	555,000
2036	575,000
2037	600,000
2038	620,000
2039	645,000
2040*	670,000

* Maturity

The 2020 Bond maturing on May 1, 2050 is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2020 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment
2041	$695,000
2042	725,000
2043	755,000
2044	785,000
2045	815,000
2046	850,000
2047	885,000
2048	920,000
2049	960,000
2050*	995,000

* Maturity

Upon redemption or purchase of the 2020 Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that Debt Service on such 2020 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of such 2020 Bonds (the annual principal amounts so determined referred to as the "Aggregate Amortization Installments"). The Amortization Installments as so recalculated shall not result in an increase in Aggregate Amortization Installments in any year.

Extraordinary Mandatory Redemption. The 2020 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Quarterly Redemption Date, and if in part on a pro rata basis as calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the 2020 Bonds treating for such purposes each Amortization Installment as a maturity divided by the aggregate principal amount of Outstanding 2020 Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(i) On or after the Date of Completion of the Northeast Sector Project - Phase 2B, by application of moneys transferred from the 2020 Acquisition and Construction Account to the 2020 Prepayment Subaccount of the 2020 Redemption Account in accordance with the terms of the Indenture; or

(ii) Amounts are deposited into the 2020 Prepayment Subaccount of the 2020 Redemption Account from the prepayment of Series 2020 Assessments and from amounts deposited into the 2020 Prepayment Subaccount from the 2020 Reserve Account; or

(iii) When the amount on deposit in the 2020 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all 2020 Bonds then Outstanding as provided in the Supplemental Indenture.

Except as otherwise provided in the Indenture, if less than all of the 2020 Bonds subject to redemption shall be called for redemption, the particular maturities of such 2020 Bonds or portions of particular maturities of such 2020 Bonds to be redeemed shall be selected by the Bond Registrar on a pro rata basis as determined by the ratio of the Outstanding principal amount of each maturity of the 2020 Bonds divided by the aggregate principal amount of Outstanding 2020 Bonds and as otherwise provided in the Indenture and then by lot within each maturity, as determined by Cede & Co.

Notice and Effect of Redemption

Notice of each redemption of 2020 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each Registered Owner of 2020 Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Bond Registrar. Notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the 2020 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such 2020 Bonds or such portions thereof on such date, interest on such 2020 Bonds or such portions thereof so called for redemption shall cease to accrue, such 2020 Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such 2020 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice or any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC and neither the District nor the Underwriter make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

The Depository Trust Company ("DTC") will act as securities depository for the 2020 Bonds. The 2020 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 2020 Bond certificate will be issued for each maturity of the 2020 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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 U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants". DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its DTC Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com.

Purchases of 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2020 Bond (each a "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 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2020 Bonds, except in the event that use of the book-entry system for the 2020 Bonds is discontinued.

To facilitate subsequent transfers, all 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2020 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2020 Bond documents. For example, Beneficial Owners of 2020 Bonds may wish to ascertain that the nominee holding the 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

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

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

Principal and interest payments on the 2020 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's

receipt of funds and corresponding detail information from the District or the Paying Agent on a payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC 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 DTC Participant and not of DTC nor its nominee, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the 2020 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2020 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2020 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC upon compliance with any applicable DTC rules and procedures. In that event, 2020 Bond certificates will be printed and delivered at the expense of the District.

So long as Cede & Co. is the registered owner of the 2020 Bonds, as nominee of DTC, reference herein to the Bondholders or Registered Owners of the 2020 Bonds will mean Cede & Co., as aforesaid, and will not mean the Beneficial Owners of the 2020 Bonds.

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 OR THE BENEFICIAL OWNERS OF THE 2020 BONDS. THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE 2020 BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM.

ESTIMATED SOURCES AND USES OF PROCEEDS

Proceeds from the issuance and delivery of the 2020 Bonds and amounts held by the Trustee in the 2017 Reserve Account securing the 2017 Note are expected to be applied as follows:

SOURCES		
Par Amount of 2020 Bonds	$	17,755,000.00
Plus Net Original Issue Premium		28,962.80
Amounts on deposit in the 2017 Reserve Account		1,364,948.04
TOTAL SOURCES:	$	19,148,910.84
USES		
Redemption of the 2017 Note	$	15,164,857.74
Deposit to 2020 Acquisition and Construction Account		2,590,044.08
Deposit to 2020 Reserve Account		509,753.75
Deposit to 2020 Costs of Issuance Account (including Underwriter's Discount)		525,350.00
Deposit to 2020 Capitalized Interest Account*		358,905.27
TOTAL USES:	$	19,148,910.84

*Interest is being capitalized on the 2020 Bonds through May 1, 2021.

[Remainder of page intentionally left blank]

DEBT SERVICE REQUIREMENTS FOR 2020 BONDS

Year Ending November 1	Principal	Interest	Total
2020	-	-	-
2021	-	$686,839.02	686,839.02
2022	$365,000	651,305.00	1,016,305.00
2023	375,000	642,055.00	1,017,055.00
2024	385,000	632,555.00	1,017,555.00
2025	395,000	622,805.00	1,017,805.00
2026	405,000	611,387.50	1,016,387.50
2027	420,000	598,187.50	1,018,187.50
2028	435,000	584,507.50	1,019,507.50
2029	445,000	570,427.50	1,015,427.50
2030	460,000	555,947.50	1,015,947.50
2031	475,000	539,681.25	1,014,681.25
2032	495,000	521,493.75	1,016,493,75
2033	515,000	502,556.25	1,017,556.25
2034	535,000	482,868.75	1,017,868.75
2035	555,000	462,431.25	1,017,431.25
2036	575,000	441,243.75	1,016,243.75
2037	600,000	419,212.50	1,019,212.50
2038	620,000	396,337.50	1,016,337.50
2039	645,000	372,618.75	1,017,618.75
2040	670,000	347,962.50	1,017,962.50
2041	695,000	321,500.00	1,016,500.00
2042	725,000	293,100.00	1,018,100.00
2043	755,000	263,500.00	1,018,500.00
2044	785,000	232,700.00	1,017,700.00
2045	815,000	200,700.00	1,015,700.00
2046	850,000	167,400.00	1,017,400.00
2047	885,000	132,700.00	1,017,700.00
2048	920,000	96,600.00	1,016,600.00
2049	960,000	59,000.00	1,019,000.00
2050*	995,000	19,900.00	1,014,900.00
TOTALS	**$17,755,000**	**$12,429,522.77**	**$30,184,522.77**

*Final Maturity May 1, 2050.

SECURITY FOR AND SOURCE OF PAYMENT OF THE 2020 BONDS

General

The primary source of payment for the 2020 Bonds are the revenues derived by the District from the Series 2020 Assessments imposed, pursuant to the Assessment Proceedings, as provided in the Assessment Reports (as defined herein) attached hereto as APPENDIX E. The principal of, premium, if any, and interest on the 2020 Bonds are equally and ratably secured under the Indenture by a first lien upon and pledge of revenues derived by the District from the Series

2020 Assessments collected by or on behalf of the District (the "Series 2020 Assessments" or the "2020 Pledged Revenues"). Please refer to "ASSESSMENT METHODOLOGY" herein.

The Indenture provides that the pledge of the 2020 Pledged Revenues shall be valid and binding from and after the date of delivery of the 2020 Bonds, and the proceeds of the 2020 Bonds (excluding amounts deposited into the 2020 Costs of Issuance Account) and Series 2020 Assessments, respectively, shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien against the 2020 Trust Estate (as defined in the Indenture) shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District irrespective of whether such parties have notice thereof.

Delinquent Series 2020 Assessments consist of any installment of any Series 2020 Assessment which is deposited with the Trustee after the date on which such installment is due and payable. The Series 2020 Assessments will be levied upon land within the District specially benefited by the Northeast Sector Project – Phase 2B. See "ASSESSMENT METHODOLOGY", and "THE NORTHEAST SECTOR PROJECT" herein and "APPENDIX A – ENGINEER'S REPORT" and "APPENDIX E – ASSESSMENT REPORTS" attached hereto for a brief summary of such improvements.

Non-ad valorem assessments are not based on millage and can become a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. Series 2020 Assessments also consist of amounts received from any foreclosure or other court proceeding for the enforcement of collection of the Series 2020 Assessments or from the issuance and sale of tax certificates with respect to such Series 2020 Assessments, less the fees and costs of collection thereof payable to the Tax Collector or other collection agent and less certain administrative costs payable to the Manatee County Property Appraiser (the "Property Appraiser"). The Indenture provides that the District shall not be required to collect Series 2020 Assessments using the Uniform Collection Method provided for in Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended (the "Uniform Method") until such time as the property subject to such Series 2020 Assessments has been platted and assigned a distinct ad valorem property tax identification number by the Property Appraiser. In addition, the District is not required to use the Uniform Collection Method when the property is owned by a government or includes structures owned by a government. Pursuant to the Indenture, all Series 2020 Assessments that are collected directly by the District and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date. Pursuant to the Indenture, upon the occurrence of an Event of Default, the collection of Series 2020 Assessments shall be in the manner directed by the Majority Owners. See also "COLLECTION OF SERIES 2020 ASSESSMENTS" herein.

The District has covenanted in the Indenture that if the owner of any lot or parcel of land shall be delinquent in the payment of any Series 2020 Assessment, then such Series 2020 Assessment shall be enforced in accordance with Section 6 of the Act or collected pursuant to the provisions of Chapters 170 and 197, Florida Statutes including but not limited to the sale of tax certificates and tax deeds as regards such Delinquent Assessment. If the provisions of Chapter 197, Florida Statutes, are inapplicable, then upon the delinquency of any Series 2020 Assessment, the District either on its own behalf, or through the actions of the Trustee, may, but is not obligated to, declare the entire unpaid balance of such Assessment to be in default, at its own expense and cause such delinquent property to be foreclosed in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, Florida Statutes, Section 6 of the Act and Chapter 170, Florida Statutes, or otherwise as provided by law.

The District has additionally covenanted that, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, and the provision for the foreclosure of liens of Delinquent 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. However, the 2020 Bonds may not be accelerated except to the extent the Series 2020 Assessments have been accelerated.

In the Supplemental Indenture, the District has covenanted that if any property shall be offered for sale for the nonpayment of any Series 2020 Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2020 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount greater than or equal to the balance due on the Series 2020 Assessments for such property (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special-purpose entity title to the property for the benefit of the Owners of the 2020 Bonds; provided that the Trustee shall have the right, acting at the direction of the Majority Holders, but shall not be obligated, to direct the District with respect to any action to be so taken. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the

power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the 2020 Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the 2020 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners. The Trustee may, upon direction from the Majority Owners, pay costs associated with any such actions taken by the District from any moneys legally available for such purpose held under the Indenture.

If any Series 2020 Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or the District shall be satisfied that any such Series 2020 Assessment is so irregular or defective that it cannot be enforced or collected, or if the District shall have omitted to make such Series 2020 Assessment when it might have done so, the District has covenanted to either: (i) take all necessary steps to cause a new Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement; or (ii) in its sole discretion, make up the amount of such Assessment from legally available moneys, which moneys shall be deposited into the 2020 Revenue Account. In case any such subsequent Assessment shall also be annulled, the District shall obtain and make other Assessments until a valid Assessment shall be made.

The 2020 Bonds are limited obligations of the District issued under the provisions of the Act and the Indenture and do not constitute an indebtedness of the State, or any political subdivision thereof and are payable solely from proceeds of the 2020 Pledged Revenues and the 2020 Pledged Funds, and the District is not obligated to pay the 2020 Bonds except from such funds. The issuance of the 2020 Bonds shall not directly, indirectly or contingently obligate the District to levy or pledge any other funds whatsoever therefor or to make any appropriation for its payment except from such funds. The 2020 Bonds are not obligations or indebtedness of the State or any agency, authority, district or political subdivision of the State, other than the District.

Landowner Prepayment Waiver

Pursuant to the terms of the Act and the Assessment Proceedings, the owner of property subject to Series 2020 Assessments may pay the entire balance of the Series 2020 Assessments used to finance the improvements remaining due within thirty (30) days after the improvements have been completed and the Board has adopted a resolution accepting the improvements, without interest. The Landowner will waive this right in writing prior to closing which waiver will run with the land.

Indenture Provisions Relating to Bankruptcy or Insolvency of Landowner

The Supplemental Indenture contains the following provisions which, pursuant to the terms of the Supplemental Indenture, shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least three percent (3%) of the then Outstanding Series 2020 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 2020 Bonds remain Outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, the Trustee, the 2020 Bonds or the Series 2020 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 2020 Bonds or for as long as any of the 2020 Bonds remain Outstanding, in any proceeding involving the District, any Insolvent Taxpayer, the 2020 Bonds or the Series 2020 Assessments or the Trustee. The District 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 District acknowledges and agrees that, although the 2020 Bonds were issued by the District, the Owners of the 2020 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 Series 2020 Assessments, the 2020 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 Series 2020 Assessments, the 2020 Bonds or any rights of the Trustee under the Indenture that are inconsistent with any direction from the Trustee; (c) the Trustee shall have the right, but is not obligated to, (i) file and

vote in any such Proceeding any and all claims of the District, and seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Series 2020 Assessments, would have the right to pursue, and, 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 and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Series 2020 Assessments, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code and (d) the District shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the District's claim and rights with respect to the Series 2020 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 Series 2020 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, the Supplemental Indenture does not 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 Series 2020 Assessments whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (c) of the paragraph above.

No Parity Bonds; Limitation on Additional Bonds

Other than Refunding Bonds issued to refund the Outstanding 2020 Bonds, the District shall not, while any 2020 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the 2020 Trust Estate. The District further covenants and agrees that so long as the 2020 Bonds are Outstanding, it will not impose debt service Assessments for capital projects on any lands then subject to the Series 2020 Assessments without the written consent of the Majority Owners; provided, however, that such consent shall not be required if (i) such Assessments do not exceed the Maximum Assessment Levels (as listed in "NORTHEAST SECTOR – Fees and Assessments – *District Special Assessment*" herein) or (ii) the Series 2020 Assessments have been Substantially Absorbed. Notwithstanding the above limitations, the District may impose capital Assessments on property then subject to the Series 2020 Assessments which are necessary for health, safety or welfare reasons, or to remediate a natural disaster or to effect repairs to or replacement of property, facilities or equipment of the District. See, "NORTHEAST SECTOR – Fees and Assessments – *District Special Assessments*" herein.

Substantially Absorbed means the date on which the principal amount of the Series 2020 Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the 2020 Bonds are levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon.

Events of Default and Remedies

Events of Default. Each of the following events is an Event of Default with respect to the 2020 Bonds:

(a) Any payment of Debt Service on the 2020 Bonds is not made when due;

(b) The District shall for any reason be rendered incapable of fulfilling its obligations under the Master Indenture or under the Supplemental Indenture relating to the 2020 Bonds;

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

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

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

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

(g) The District shall default in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the 2020 Bonds or in the Master Indenture or in the Supplemental Indenture on the part of the District to be performed (other than a default in the payment of Debt Service on the 2020 Bonds when due, which is an Event of Default under subsection (a) above) and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the District by the Trustee or, if the Trustee is unwilling or unable to act, by Owners of not less than ten per centum (10%) in aggregate principal amount of the 2020 Bonds then Outstanding;

(h) More than twenty percent (20%) of the operation and maintenance assessments levied by the District are not paid by the date such are due and payable.

(i) The Trustee is authorized to withdraw funds from the 2020 Reserve Account in an amount greater than twenty-five percent (25%) of the 2020 Reserve Account Requirement to pay debt service on the 2020 Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners, actually withdraw such funds from the 2020 Reserve Account to pay debt service on the 2020 Bonds) and any such amount withdrawn is not replenished within ninety (90) days of the date of such withdrawal.

(j) Material breach by the District of any material covenant made by it in the Indenture, whether or not notice of such breach has been given.

Remedies. Pursuant to the Supplemental Indenture, the District covenants and agrees that it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, and the provisions for the foreclosure of liens of Delinquent Assessments. The District acknowledges and agrees that (i) upon failure of any property owner to pay Series 2020 Assessments collected directly by the District when due, that the entire Series 2020 Assessments on the delinquent property, with interest and penalties thereon, shall immediately become due and payable and the District shall promptly cause to be commenced the necessary legal proceedings for the foreclosure of liens of delinquent Series 2020 Assessments, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings.

Agreement for Assignment of Development Rights

Contemporaneously with the issuance of the 2020 Bonds, the Landowner and the District will enter into a Collateral Assignment and Assumption of Development and Contract Rights (the "Assignment Agreement"). The Assignment Agreement provides, among other things, that in the event the Landowner defaults in the payment of Series 2020 Assessments levied on lands owned by the Landowner, the District may exercise its remedial rights thereunder. Pursuant to the Assignment Agreement, the Landowner agrees subject to the provisions of the Assignment Agreement, to collaterally assign to the District all of its development rights and contract rights relating to lands benefited by the Northeast Sector Project – Phase 2B (the "Development and Contract Rights") as security for the Landowner's payment and performance and discharge of its obligation to pay the Series 2020 Assessments levied against the lands within the Northeast Sector. Such Development and Contract Rights specifically exclude any such portion of the Development and Contract Rights which relate solely to any property which has been conveyed to a landowner resulting from the sale of land in the ordinary course of business, the County, the District, any applicable homeowner's association or other governing entity or association as may be required by applicable permits, approvals, plats, entitlements or regulations affecting the Northeast Sector, if any.

Completion Agreement

The District and the Landowner have previously entered into an agreement (the "Completion Agreement") pursuant to which the Landowner agreed to provide funds to complete the Northeast Sector Project to the extent that proceeds of the 2020 Bonds and any other debt of the District issued for the purpose of funding the Northeast Sector Project are insufficient therefor. Remedies for a default under the Completion Agreement include damages and/or specific performance.

True Up Agreement

In connection with the issuance of the 2020 Bonds, the District and Landowner will enter into an agreement pursuant to which the Landowner agrees to timely pay all Series 2020 Assessments on lands owned by the Landowner within the 2020 Assessment Area and to pay when requested by the District any amount of Series 2020 Assessments allocated to unplatted acres in excess of the allocation in place at the time of issuance of the 2020 Bonds.

COLLECTION OF SERIES 2020 ASSESSMENTS

As stated above, the Indenture provides that the District shall not be required to collect Series 2020 Assessments using the Uniform Method until such time as the property subject to such Assessments has been platted and assigned a distinct ad valorem property tax identification number by the Property Appraiser. The Indenture provides that in the case of an event of default, the Series 2020 Assessments shall be collected as directed by the Majority Owners.

The Indenture further provides that in addition, and not in limitation of, the covenants contained elsewhere in the Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2020 Assessments, as described in "APPENDIX E – ASSESSMENT REPORTS", and to levy the Series 2020 Assessments and any required true-up payments set forth in the Assessment Reports, in such manner as will generate funds sufficient to pay the principal of and interest on the 2020 Bonds, when due.

ENFORCEMENT OF ASSESSMENT COLLECTIONS

As stated herein, the primary prospective source of payment for the 2020 Bonds are the revenues derived by the District from the Series 2020 Assessments imposed on each parcel of benefited land within the District pursuant to the Assessment Proceedings. To the extent that landowners fail to pay such Series 2020 Assessments, delay payments, or are unable to pay the same, the successful pursuit of collection procedures available to the District is essential to continued payment of principal of and interest on the 2020 Bonds. The Act provides for various methods of collection of delinquent special assessments by reference to other provisions of the Florida Statutes. The following is a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes, but is qualified in its entirety by reference to such statutes.

Judicial Proceedings

In addition to the sale of tax certificates as a method of enforcing the payment of Series 2020 Assessments, Section 170.10, Florida Statutes, provides that upon the failure of any property owner to pay the principal of the Series 2020 Assessments or the interest thereon, when due, the governing body of the District is authorized to commence legal proceedings for the enforcement of the payment thereof, including commencement of an action in chancery, commencement of a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or commencement of an action under Chapter 173, Florida Statutes, relating to foreclosure of municipal tax and special assessment liens. Foreclosure proceedings under the provisions of Chapter 173, Florida Statutes, can be commenced after the expiration of one year from the date any special assessment or installment thereof becomes due. Section 170.10, Florida Statutes does not have the one year waiting period. Such a proceeding is in rem, meaning that it is brought against the land and not against the owner in the Circuit Court where the land is located.

Certain mortgage lenders have, in recent foreclosure suits brought under Chapter 170, Florida Statutes, plead a defense stating that a foreclosing district must abide by the same one year period as Chapter 173, Florida Statutes, in order to begin foreclosure proceedings. To the extent that any districts have taken a position on this, they have all asserted that the one year waiting period does not apply to Chapter 170, Florida Statutes, and at least one Circuit Court has agreed.

In general, after the District commences the suit, there is a period of notice to, and an opportunity for response by, affected persons. Ultimately a hearing will be held and if the court decides in favor of the District, a judgment will be

rendered in the amount of the delinquent special assessments and costs of the proceeding. The judgment would also direct sale of the land subject to the delinquent special assessments by public bid to the highest bidder, with proceeds of the sale being applied to payment of the delinquent special assessments. If no bidder bids at least the amount of the delinquent special assessments and applicable costs, the District may obtain title to the land.

Pursuant to the Indenture, if any property shall be offered for sale for the nonpayment of any Series 2020 Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2020 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount less than or equal to the balance due on the Series 2020 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special-purpose entity title to the property for the benefit of the Owners of the 2020 Bonds; provided that the Trustee shall have the right, acting at the direction of the Majority Holders, but shall not be obligated, to direct the District with respect to any action taken pursuant to the Indenture and as described in this paragraph. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the 2020 Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the 2020 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners. The Trustee may, upon direction from the Majority Owners, pay costs associated with any actions taken by District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture. The District has the right but not the obligation to credit bid the amount of any delinquent Series 2020 Assessments but absent such credit bid, it should be noted that it is unlikely that the District will have sufficient funds to complete any purchases of property offered for sale for the nonpayment of Series 2020 Assessments.

Enforcement of the obligation to pay Series 2020 Assessments and the ability of the Tax Collector to sell tax certificates and ultimately tax deeds, or the ability to foreclose the lien created by the failure to pay Series 2020 Assessments, may not be readily available or may be limited as such enforcement is dependent upon judicial actions that are often subject to discretion and delay.

For a description of the Series 2020 Assessments and the methodology for their levy, please refer to "APPENDIX E – ASSESSMENT REPORTS" herein.

Unless the Series 2020 Assessments are collected using the Uniform Method, the only remedies available for enforcement of the Series 2020 Assessments would be those described in this Section.

Tax Collection Procedures

The Series 2020 Assessments will be payable in annual installments and will be certified for collection by the District each year. The determination, order, levy and collection of Series 2020 Assessments must be done in compliance with procedural requirements and guidelines provided by State law. Failure by the District or the Tax Collector or the Property Appraiser (in the case of Series 2020 Assessments being collected using the Uniform Method) to comply with such requirements could result in delays in the collection of, or the complete inability to collect, Series 2020 Assessments during any year. Such delays in the collection of, or complete inability to collect, Series 2020 Assessments could have a material adverse effect on the ability of the District to make full or punctual payment of Debt Service on the 2020 Bonds.

As stated herein, the primary source of payment for the 2020 Bonds are expected to be the revenues derived by the District from the Series 2020 Assessments imposed on benefited lands within the District pursuant to the Assessment Proceedings. To the extent that landowners fail to pay such Series 2020 Assessments, delay payments, or are unable to pay the same, the successful pursuit of collection procedures available to the District is essential to continued payment of principal of and interest on the 2020 Bonds. The Act provides for various methods of collection of delinquent special assessments by reference to other provisions of the Florida Statutes. The following is a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes, but is qualified in its entirety by reference to such statutes.

The Florida Statutes provide that, subject to certain conditions, assessments such as the Series 2020 Assessments may be collected in the same manner as ad valorem taxes. The statutes relating to enforcement of ad valorem taxes provide that ad valorem taxes become due and payable on November 1 of the year when assessed and constitute a lien upon the

land from January 1 of such year. The Series 2020 Assessments are a lien on the land against which they are assessed from the date the assessments are levied until paid or barred by operation of law. The lien of the Series 2020 Assessments is of equal dignity with the lien for ad valorem taxes upon land, and thus is a first lien, superior to all other liens, including mortgages (except for state and county taxes and other taxes which are of equal dignity). Such taxes and assessments (including the Series 2020 Assessments, if any, being collected by the Uniform Method) are to be billed, and landowners in the District, subject to next succeeding sentence, are required to pay all such taxes and assessments, without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2020 Assessments. If a landowner initiates legal proceedings contesting the levy or the amount of a particular ad valorem tax or possibly a non-ad valorem assessment which could include the Series 2020 Assessments, under certain circumstances, such landowner may be permitted to pay only that amount of ad valorem taxes and possibly non ad valorem assessments that the landowner, in good faith, admits to be owing. As described below, if a landowner should commence legal proceedings regarding the Series 2020 Assessments, this could result in the delay of certain remedial actions made available using the Uniform Method. If a significant number of landowners contest the levy or amount of Series 2020 Assessments, it is possible the District would not have sufficient revenues to timely pay debt service on the 2020 Bonds. Upon any receipt of moneys by the Tax Collector from the Series 2020 Assessments, such moneys will be delivered to the District, which will remit such moneys to the Trustee for deposit to the applicable accounts and subaccounts under the Indenture and applied in accordance therewith.

All city, county, school and special districts, including the District, ad valorem taxes, non-ad valorem special assessments and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, including the Series 2020 Assessments collected pursuant to the Uniform Method, are payable at one time. 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, except that if a taxpayer has commenced legal proceedings contesting the levy or amount of an ad valorem tax and possibly a non-ad valorem assessment, a tax collector may accept a partial payment of the ad valorem tax, and possibly, the non-ad valorem assessment. If a taxpayer disputes all or a portion of the Series 2020 Assessments, and pays the balance of ad valorem taxes and non-ad valorem assessments which the taxpayer in good faith admits to be owing, this could possibly cause a delay in the collection of the Series 2020 Assessments, 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 2020 Bonds. Under certain circumstances, the District may prospectively opt out of using the Uniform Method and utilize the foreclosure procedures described in the section above captioned "Judicial Proceedings".

If Series 2020 Assessments collected pursuant to the Uniform Method 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 become delinquent on April 1 of the year following assessment, and the Tax Collector is required to collect taxes prior to April 1 and after that date to institute statutory procedures upon delinquency to collect assessed taxes. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

Sale of Tax Certificates

The collection of delinquent 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 the payment of the special assessment due. The demand for such certificates is in turn dependent upon various factors, which include the interest that can be earned by ownership of such certificates and the 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 value of the land within the District may affect the demand for such certificates and the successful collection of the Series 2020 Assessments. See "BONDHOLDERS' RISKS" herein.

In the event of a delinquency in the payment of taxes on real property, the Tax Collector is required to attempt to sell tax certificates on such property to the person who pays the delinquent taxes and interest and certain costs and charges relating thereto, and who accepts the lowest interest rate per annum to be borne by the certificates (not to exceed 18%). Delinquent taxes may be paid by a taxpayer prior to the date of sale of a tax certificate by the payment of such taxes, together with interest and all costs and charges relating thereto. Generally, tax certificates are sold by public bid. If there are no bidders at the public sale of tax certificates, the certificate is issued to the county in which the assessed lands are located, at the maximum rate of interest allowed (currently 18%). During the pendency of any litigation arising from the context of a landowner's tax assessment collected through the Uniform Method, which may possibly include non-ad valorem special assessments such as the Series 2020 Assessments, it is possible that the tax collector will not sell tax certificates with respect to such property. The Tax Collector does not collect any money if tax certificates are issued to

the county. Proceeds from the sale of tax certificates are required to be used to pay taxes (including Series 2020 Assessments), interest, costs and charges on the real property described in the certificate.

County-held certificates may be purchased and any tax certificate may be redeemed, in whole or in part, by any person at any time before a tax deed is issued or the property is placed on the list of lands available for sale, at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, charges and omitted taxes due. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the certificate such proceeds less service charges, and the certificate is canceled. Any holder, other than the county, of a tax certificate that has not been redeemed has seven years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate.

After an initial period ending two years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates and before the expiration of seven years from the date of issuance, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector at the time of application all amounts required to redeem or purchase all other outstanding tax certificates covering the land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due. If the County holds a tax certificate on property valued at $5,000 or more and has not succeeded in selling it, the county must apply for a tax deed two years after April 1 of the year of issuance. 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, 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, redemption of other tax certificates on the land, and the amount paid by such holder in applying for the tax deed, plus interest thereon. In the case of homestead property, the bid is also deemed to include 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 towards the purchase price. If there are other bids, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate, and all other amounts paid by such person in applying for a tax deed, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholders 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 interests may appear.

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

If there are no bidders at the public sale, the County may at any time within ninety (90) days from the date of offering for public sale purchase the land without further notice or advertising for a statutorily prescribed opening bid. After ninety (90) days have passed, any person or governmental unit may purchase the land by paying the amount of the opening bid. Three years from the date of offering for public sale, unsold lands escheat to the County in which they are located and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the County Commissioners.

FUNDS AND ACCOUNTS

Pursuant to the Supplemental Indenture, the following Funds and Accounts will be held by the Trustee:

(a) within the Acquisition and Construction Fund, a 2020 Acquisition and Construction Account and a 2020 Costs of Issuance Account;

(b) within the Debt Service Fund, a 2020 Sinking Fund Account, a 2020 Interest Account, a 2020 Capitalized Interest Account; and a 2020 Redemption Account (and therein a 2020 Prepayment Subaccount);

(c) within the Reserve Fund, a 2020 Reserve Account;

(d) within the Revenue Fund, a 2020 Revenue Account; and

(e) within the Rebate Fund, a 2020 Rebate Account.

Acquisition and Construction Fund

2020 Acquisition and Construction Account. Amounts on deposit in the 2020 Acquisition and Construction Account shall be applied to pay the Costs of the Northeast Sector Project - Phase 2B upon compliance with the requirements of the requisition provisions set forth in the Master Indenture and/or as otherwise provided in the Supplemental Indenture.

Any balance remaining in the 2020 Acquisition and Construction Account after the Date of Completion of the Northeast Sector Project - Phase 2B and after retaining the amount, if any, of all remaining unpaid Costs of the Northeast Sector Project - Phase 2B set forth in the Engineers' Certificate establishing such Date of Completion, shall be transferred to and deposited in the 2020 Prepayment Subaccount in the 2020 Redemption Account and applied to the extraordinary mandatory redemption of the 2020 Bonds in the manner prescribed in the Supplemental Indenture.

Upon the occurrence of an Event of Default, moneys in the 2020 Acquisition and Construction Account and the 2020 Trust Estate may be used to pay the fees and the expenses and costs of litigation and other remedies of the Trustee incurred to pursue remedies under the Indenture.

2020 Costs of Issuance Account. Amounts deposited in the 2020 Costs of Issuance Account shall, at the written direction of an Authorized Officer of the District, be used to pay the costs of issuance relating to the 2020 Bonds. After February 1, 2021, amounts on deposit therein for which there is not pending with the Trustee, a requisition shall be transferred to the 2020 Reserve Account if there is any deficiency therein and the remainder to the 2020 Acquisition and Construction Account if the Date of Completion has not yet occurred and if the Date of Completion has already occurred to the 2020 Revenue Account and the 2020 Costs of Issuance Account shall be closed.

2020 Reserve Account

The 2020 Reserve Account will, at the time of delivery of the 2020 Bonds, be funded from a portion of the proceeds of the 2020 Bonds in an amount equal to the 2020 Reserve Account Requirement for the 2020 Bonds. Pursuant to the Indenture, the 2020 Reserve Account Requirement is as of any date of calculation 50% of the Maximum Annual Debt Service Requirement for the 2020 Bonds, initially $509,753.75. See "ESTIMATED SOURCES AND USES OF PROCEEDS" herein. Amounts on deposit in the 2020 Reserve Account, except as otherwise provided in the Supplemental Indenture, shall be used only for the purpose of making payments into the 2020 Interest Account and the 2020 Sinking Fund Account to pay the 2020 Bonds, without distinction as to 2020 Bonds and without privilege or priority of one 2020 Bond over another, when due when the moneys on deposit in such Accounts and available therefor are insufficient.

The Trustee, on or before the forty-fifth day (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Quarterly Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2020 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in such account, from the first legally available sources of the District. Any excess monies in the 2020 Reserve Account (other than excess from investment earnings) shall be deposited in the 2020 Acquisition and Construction Account until the Date of Completion of the Northeast Sector Project - Phase 2B and on and after the Date of Completion of the Northeast Sector Project - Phase 2B shall be deposited into the 2020 Prepayment Subaccount.

All earnings on investments in the 2020 Reserve Account, provided no deficiency exists in the 2020 Reserve Account, shall, until the Date of Completion, be deposited to the 2020 Acquisition and Construction Account and on and after the Date of Completion, shall be deposited to the 2020 Revenue Account. To the extent a deficiency exists in the 2020 Reserve Account, investment earnings in such account shall remain in that account. Such account shall consist only of cash and 2020 Investment Obligations.

Notwithstanding the foregoing, on the earliest date on which there is on deposit in the 2020 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding 2020 Bonds, together with accrued interest, if any, on such 2020 Bonds to the earliest date of redemption, then the Trustee shall

use the amount on deposit in the 2020 Reserve Account to pay and redeem all of the Outstanding 2020 Bonds on the earliest possible date.

The District may provide that the difference between the amounts on deposit in the 2020 Reserve Account and the 2020 Reserve Account Requirement shall be an amount covered by obtaining bond insurance or a surety bond issued by a municipal bond insurer, rated in one of the two highest categories (at least AA by Fitch, and/or S&P and/or at least Aa by Moody's without reference to gradations) by two nationally recognized rating agencies, (the "Reserve Account Credit Instrument"). At any time after the issuance of the 2020 Bonds, the District may withdraw any or all of the amount of money on deposit in the 2020 Reserve Account and substitute in its place a Reserve Account Credit Instrument as described above in the face amount of such withdrawal and such withdrawn moneys shall, after payment of the premium for such Reserve Account Credit Instrument, be (a) until the Date of Completion, transferred to the Series 2020 Acquisition and Construction Account to be used to pay Costs of the Northeast Sector Project – Phase 2B, (b) after the Date of Completion, transferred to the 2020 Prepayment Subaccount and used to redeem 2020 Bonds, or (c) upon receipt of an opinion of Bond Counsel, transferred to the District to be used for any lawful purpose of the District.

Application of Prepayment Principal

All Prepayment Principal shall upon receipt by the Trustee be deposited to the 2020 Prepayment Subaccount of the 2020 Redemption Account. At the time the District deposits Prepayment Principal with the Trustee it shall notify the Trustee in writing as to the amount of Prepayment Principal. Amounts on deposit in the 2020 Prepayment Subaccount shall be applied to the redemption of the 2020 Bonds in the manner provided in the Indenture.

Tax Covenants and Rebate Accounts

In the Supplemental Indenture the District has covenanted to comply with the Tax Regulatory Covenants (including deposits to and payments from the 2020 Rebate Account) included as part of the closing transcript for the 2020 Bonds, as amended and supplemented from time to time in accordance with their terms.

Establishment of 2020 Revenue Account in Revenue Fund; Application of 2020 Pledged Revenues and Investment Earnings

The Trustee shall except as provided below or otherwise provided in the Supplemental Indenture deposit the 2020 Pledged Revenues to the 2020 Revenue Account and any other amounts or payments specifically designated by the District pursuant to a written direction for said purpose. The 2020 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. Amounts on deposit in the 2020 Revenue Account, 2020 Interest Account, 2020 Capitalized Interest Account, 2020 Sinking Fund Account, 2020 Redemption Account and 2020 Reserve Account shall be used as provided in the Master Indenture except as otherwise provided in the Supplemental Indenture.

Immediately upon receipt the District shall deposit the 2020 Pledged Revenues with the Trustee together with a written accounting setting forth the amounts of such 2020 Pledged Revenues in the following categories which shall be deposited by the Trustee into the Funds and Accounts established under the Supplemental Indenture as follows:

(i) Assessment Interest, which shall be deposited into the 2020 Interest Account;

(ii) Assessment Principal, which shall be deposited into the 2020 Sinking Fund Account;

(iii) Prepayment Principal, which shall be deposited into the 2020 Prepayment Subaccount of the 2020 Redemption Account;

(iv) Delinquent Assessment Principal shall first be applied to restore the amount of any withdrawal from the 2020 Reserve Account to pay the principal of 2020 Bonds to the extent that less than the 2020 Reserve Account Requirement is on deposit in the 2020 Reserve Account, and, the balance, if any, shall be deposited into the 2020 Sinking Fund Account.

(v) Delinquent Assessment Interest shall first be applied to restore the amount of any withdrawal from the 2020 Reserve Account to pay the interest on 2020 Bonds to the extent that less than the Reserve Account Requirement is on deposit in the 2020 Reserve Account, and, the balance, if any, deposited into the 2020 Interest Account; and

(vi) the balance shall remain in the 2020 Revenue Account.

On the forty-fifth day which precedes each Quarterly Redemption Date (or if such forty-fifth day is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2020 Prepayment Subaccount of the 2020 Redemption Account, and if the balance therein is greater than zero, shall transfer, but only after determining that following such transfer sufficient amounts will remain on deposit in the 2020 Revenue Account to make the transfers required in the following paragraph, from the 2020 Revenue Account for deposit into such 2020 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to the next integral multiple of $5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of 2020 Bonds on the next succeeding Quarterly Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in such 2020 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of 2020 Bonds. Interest due in regard to such extraordinary mandatory redemption shall be paid from the 2020 Interest Account.

No later than each May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such date), the Trustee shall transfer from amounts on deposit in the 2020 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority and apply such amounts as provided in the Indenture:

FIRST, to the 2020 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all 2020 Bonds then Outstanding on such May 1 or November 1, less any amount already on deposit in the 2020 Interest Account not previously credited. On May 1, 2021 the Trustee shall transfer from the 2020 Capitalized Interest Account to the 2020 Interest Account an amount equal to the lesser of the amount of interest due on the 2020 Bonds on such date or the amount on deposit in the 2020 Capitalized Interest Account. After May 1, 2021, any amounts in the Capitalized Interest Account shall be transferred to the 2020 Reserve Account if there is any deficiency therein and the remainder to the 2020 Acquisition and Construction Account if the Date of Completion has not yet occurred and if the Date of Completion has already occurred, to the 2020 Revenue Account;

SECOND, on each May 1, commencing May 1, 2022, to the 2020 Sinking Fund Account, an amount equal to the Amortization Installments or principal of 2020 Bonds due on such May 1, less any amounts already on deposit in such Account not previously credited;

THIRD, to the 2020 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the then 2020 Reserve Account Requirement; and

FOURTH, the balance shall be retained in the 2020 Revenue Account.

On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer from the 2020 Revenue Account to the 2020 Rebate Account established for the 2020 Bonds in the Rebate Fund in accordance with the Master Indenture and the Tax Regulatory Covenants, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants. To the extent insufficient moneys are on deposit in the 2020 Revenue Account to make the transfer provided for in the immediately preceding sentence the District shall deposit with the Trustee from available moneys of the District the amount of any such insufficiency.

On or after November 2, beginning November 2, 2021 the balance on deposit in the 2020 Revenue Account on such November 2 shall (i) before the Date of Completion, be transferred into the 2020 Acquisition and Construction Account, and (ii) on and after the Date of Completion, shall be paid over to the District at the written direction of an Authorized Officer and used for any lawful purpose of the District; provided, however, that on the date of such proposed transfer the amount on deposit in the 2020 Reserve Account shall be equal to the 2020 Reserve Account Requirement, and, provided further, that the Trustee shall not have actual knowledge of an Event of Default under the Indenture relating to the 2020 Bonds, including payment of Trustee's fees and expenses then due.

Anything in the Indenture to the contrary notwithstanding, earnings on investments in all of the Funds and Accounts held as security for the 2020 Bonds shall be invested only in 2020 Investment Obligations, and further, earnings on investments in the 2020 Acquisition and Construction Account, 2020 Costs of Issuance Account, the 2020 Capitalized Interest Account and 2020 Revenue Account shall be retained as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the 2020 Sinking Fund Account, 2020 Interest Account and the 2020

Redemption Account including any subaccounts therein shall be deposited, as realized, to the credit of the 2020 Revenue Account and used for the purpose of such Account. Earnings on investments in the 2020 Reserve Account shall be applied as provided under "2020 Reserve Account" above.

BONDHOLDERS' RISKS

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other sections of this Limited Offering Memorandum. Certain additional risks are associated with the 2020 Bonds offered hereby and are set forth below. Investment in the 2020 Bonds poses certain economic risks. Prospective investors in the 2020 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the 2020 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. This section does not purport to summarize all risks that may be associated with purchasing or owning the 2020 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the 2020 Bonds.

(1) As of the date hereof, the Landowner owns all of the lands in the District subject to the Series 2020 Assessments securing the 2020 Bonds. Payment of the Series 2020 Assessments is primarily dependent upon their timely payment by the Landowner and subsequent landowners in the District. See "NORTHEAST SECTOR – Land Sale/Contract Activity" herein. Non-payment of the Series 2020 Assessments by the Landowner or any subsequent significant landowner would have a substantial adverse impact upon the District's ability to pay debt service on the 2020 Bonds.

(2) In the event of the institution of bankruptcy or similar proceedings with respect to the Landowner or any other owner of benefited property, delays could occur in the payment of debt service on the 2020 Bonds as such bankruptcy could negatively impact the ability of: (i) the Landowner and any other landowner being able to pay the Series 2020 Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2020 Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Series 2020 Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the 2020 Bonds under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, state and local law and in the Indenture and the 2020 Bonds, including, without limitation, enforcement of the obligation to pay Series 2020 Assessments and the ability of the District to foreclose the lien of the Series 2020 Assessments if not being collected pursuant to the Uniform Method, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2020 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to the 2020 Bonds could have a material adverse impact on the interest of the Owners thereof.

In addition to the general bankruptcy and similar proceedings risks discussed above, a 2011 bankruptcy court decision in Florida held that the governing body of a community development district, which is a special purpose government similar to the District, and not the bondholders or indenture trustee, was the creditor of the landowner/debtors in bankruptcy with respect to claims for special assessments, and thus only the district could vote to approve or disapprove a reorganization plan submitted by the debtors in the case. The Indenture provides for the delegation of certain rights from the District to the Trustee in the event of a bankruptcy or similar proceeding with respect to an Insolvent Taxpayer. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2020 BONDS – Indenture Provisions Relating to Bankruptcy or Insolvency of Landowner." The District cannot express any view whether such delegation would be enforceable and none of the legal opinions provided in connection with the issuance of the 2020 Bonds will opine to the enforceability of such provision.

(3) The principal security for the payment of the principal of and interest on the 2020 Bonds is the timely collection of the Series 2020 Assessments. The Series 2020 Assessments do not constitute a personal indebtedness of the owners of the land subject thereto, but are secured only by a lien on such land. There is no assurance that the current and subsequent owners of this land will be able to pay the Series 2020 Assessments or that they will pay such Series 2020 Assessments even though financially able to do so. Beyond legal delays that could result from bankruptcy, the ability of the County to sell tax certificates (to the extent that any portion of the Series 2020 Assessments are being collected by the

Uniform Method of Collection) 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. The determination of the benefits to be received by the land within the District as a result of implementation and development of the Northeast Sector Project – Phase 2B Project is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. In other words, the value of the land could potentially be ultimately less than the debt secured by the Series 2020 Assessments associated with it. To the extent that the realizable or market value of the land is lower than the assessment of benefits, the ability of the County to sell tax certificates relating to such land may be adversely affected (to the extent that any portion of the Series 2020 Assessments are being collected by the Uniform Method of Collection). Such adverse effect could render the District unable to collect delinquent Series 2020 Assessments, if any, and could negatively impact the ability of the District to make the full or punctual payment of Debt Service on the 2020 Bonds. The payment of the Series 2020 Assessments and the ability of the Tax Collector to sell tax certificates or the District to foreclose the lien of the unpaid taxes, including the Series 2020 Assessments, may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to court foreclosure. Bankruptcy of a property owner will most likely also result in a delay by the Tax Collector or the District in prosecuting court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of and interest on the 2020 Bonds.

(4) The District is required to comply with statutory procedures in levying the Series 2020 Assessments. Failure of the District to follow these procedures could result in the Series 2020 Assessments not being levied or potential future challenges to such levy. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

(5) The District has not granted, and may not grant under Florida law, a mortgage or security interest in the Northeast Sector Project - Phase 2B. Furthermore, the District has not pledged the revenues, if any, from the operation of the Northeast Sector Project - Phase 2B as security for, or a source of payment of, the 2020 Bonds. Neither has the District covenanted to establish rates, fees and charges for the Northeast Sector Project - Phase 2B at any specified levels. The 2020 Bonds are payable primarily from, and secured by, the Series 2020 Assessments. The Landowner and any other landowner's obligation to pay the Series 2020 Assessments is limited solely to the obligation of any landowner to pay Series 2020 Assessments levied against its land. Neither the Landowner nor any other landowner is a guarantor of payment on any Series 2020 Assessments and the recourse for the Landowner's or any other landowner's failure to pay the Series 2020 Assessments is limited to its ownership interest in the assessed land.

(6) In addition to legal delays that could result from bankruptcy, the ability of the District to enforce collection of delinquent Series 2020 Assessments will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the Series 2020 Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. If the District has difficulty in collecting the Series 2020 Assessments, the 2020 Reserve Account could be rapidly depleted and the ability of the District to pay Debt Service could be materially adversely affected. It is possible that the District will not have sufficient funds to fund the cost of any judicial proceeding and will be compelled to request the 2020 Bondholders to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Code, there are limitations on the amounts of 2020 Bond proceeds that can be used for such purpose.

(7) Owners should note that several mortgage lenders have, in the past, raised legal challenges to the primacy of the liens similar to those of the Series 2020 Assessments in relation to the liens of mortgages burdening the same real property.

(8) Some of the risk factors described herein, which, if materialized, would result in a delay in the collection of the Series 2020 Assessments, but may not affect the timely payment of debt service on the 2020 Bonds because of the 2020 Reserve Account established by the District for the 2020 Bonds. The ability of the 2020 Reserve Account to fund deficiencies caused by delinquent Series 2020 Assessments is dependent upon the amount, duration and frequency of such deficiencies. Moneys on deposit in the 2020 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 2020 Reserve Account to make up deficiencies.

(9) Prospective Bondholders should note that although the Indenture contains a 2020 Reserve Account Requirement for the 2020 Reserve Account, and a corresponding obligation on the part of the District to replenish the 2020 Reserve Account to the 2020 Reserve Account Requirement, if in fact that account is accessed for any purpose, the District does not have a designated revenue source for replenishing that fund other than from the collection of delinquent

Series 2020 Assessments. Moreover, the District will not be permitted to assess real property burdened by the Series 2020 Assessments for the purpose of replenishing the 2020 Reserve Account.

(10) The willingness and/or ability of an owner of land within the District to pay the Series 2020 Assessments could be affected by the existence of other taxes and assessments imposed upon the land by the District or by the County, or by other public entities, which may be affected by the value of the land subjected to such taxation and assessment. Under the Uniform Method of Collection, municipal, school, special district taxes and assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, including the Series 2020 Assessments if collected pursuant to the Uniform Method, are generally payable at one time. If a taxpayer does not make complete payment, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. In such case, the Tax Collector does not accept such partial payment; provided, however, that if a taxpayer has commenced legal proceedings contesting the levy or amount of an ad valorem tax and possibly a non-ad valorem assessment, a tax collector may accept a partial payment of the ad valorem tax, and possibly, the non-ad valorem assessment as described under "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein. If a taxpayer disputes all or a portion of the Series 2020 Assessments, and pays the balance of ad valorem taxes and non-ad valorem assessments which the taxpayer in good faith admits to be owing, this could possibly cause a delay in the collection of the Series 2020 Assessments, 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 2020 Bonds. Public entities whose boundaries overlap those of the District, such as the County and the County school district, could, without the consent of the owners of the land within the District, impose additional taxes or assessments on the property within the District. The District has no control over the amount of taxes or assessments levied by governmental entities other than the District. The lien of the Series 2020 Assessments is, however, of equal dignity with such other public entities' taxes and assessments. In regard to any Series 2020 Assessments collected directly by the District rather than using the Uniform Method, the sale of tax certificates as described herein would not be an available remedy. In addition, the District has imposed or may also impose additional assessments, including for its operation, maintenance and administrative expenses, which will encumber the property burdened by the Series 2020 Assessments.

(11) The development of the Northeast Sector including the 2020 Assessment Area may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of any landowner developing property in the Northeast Sector including the 2020 Assessment Area. Although the property is anticipated to be developed as described herein, there can be no assurance that such development will occur or be realized in the manner or schedule currently anticipated. In addition, the proposed development within the Northeast Sector including the 2020 Assessment Area 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 required improvements, both public and private, and construction of the Northeast Sector Project in accordance with applicable zoning, land use and environmental regulations for the Northeast Sector including the 2020 Assessment Area. The schedule of development as described herein will be affected by the ability to obtain any such approvals in a timely manner, which may negatively impact any landowner's desire or ability to develop the Northeast Sector as contemplated. See "APPENDIX "A" –ENGINEER'S REPORT attached hereto for a discussion of permits and approvals.

(12) Proceeds of the 2020 Bonds will only fund a portion of the Northeast Sector Project. Pursuant to an existing Completion Agreement with the District, the Landowner has agreed to fund the remaining costs of the Northeast Sector Project to the extent that proceeds of the 2020 Bonds and any future series of Bonds issued by the District to fund the Northeast Sector Project are not sufficient to do so (by providing funds to the District to enable it to complete that portion of the Northeast Sector Project or by completing such portion of the Northeast Sector Project and conveying it to the District); provided, however, such obligations are unsecured.

(13) The District may have incomplete information concerning the Northeast Sector and the Landowner. For example, the District has limited information concerning the condition of the land in the Northeast Sector, its suitability for future development or its value. Furthermore, except to the extent described in this Limited Offering Memorandum under the caption "NORTHEAST SECTOR", the District has not been provided information regarding the Landowner and the Northeast Sector and has not undertaken to independently verify or confirm any such information.

(14) Failure to complete development or substantial delays in the completion of the development of the lands subject to the Series 2020 Assessments due to litigation or other causes may reduce the value of lands in the Northeast Sector and increase the length of time during which Series 2020 Assessments will be payable from undeveloped property and may affect the willingness and ability of the owners of such property to pay the Series 2020 Assessments when due.

(15) The interest rates borne by the 2020 Bonds are in general, higher than interest rates borne by other bonds of more established political subdivisions with varied revenue sources that do not involve the same degree of risk as investment in the 2020 Bonds. These higher interest rates are intended to compensate investors in the 2020 Bonds for the risk inherent in a purchase of the 2020 Bonds. However, such higher interest rates, in and of themselves, increase the amount of Series 2020 Assessments that the District must levy in order to provide for payments of debt service on the 2020 Bonds, and, in turn, may increase the burden upon owners of lands within the District, thereby possibly increasing the likelihood of non-payment or delinquency in payment of such Series 2020 Assessments.

(16) There is no assurance that a liquid secondary market will exist for the 2020 Bonds in the event a Beneficial Owner thereof determines to solicit purchasers of the 2020 Bonds. Even if a liquid secondary market exists, as with any marketable securities, there can be no assurance as to the price for which the 2020 Bonds may be sold. Such price may be lower than that paid by the current Beneficial Owner of the 2020 Bonds, depending on the progress of the Northeast Sector, existing real estate and financial market conditions. See Item No. 17 below for other matters that may adversely impact the availability of a liquid secondary market for the 2020 Bonds and the value of the 2020 Bonds. See BONDHOLDERS' RISKS—Item No. 17", and "SUITABILITY FOR INVESTMENT" herein.

(17) The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. The IRS has concluded its lengthy examination of certain issues of bonds (for purposes of this subsection, the "Audited Bonds") issued by Village Center Community Development District (the "Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015 which granted relief to Village Center CDD from retroactive application of the IRS's conclusion as to a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements were closed without change to the tax exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in the Village Center CDD) was closed on July 14, 2016 without the IRS making a final determination that interest on the Audited Bonds should be included in gross income. However, the IRS letter to the Village Center CDD with respect to this second set of Audited Bonds noted that the agency found that the Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption.

Although the TAMs and the letters to the Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other special purpose districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to the Village Center CDD.

It has been reported that the IRS has recently closed audits of other community development districts in Florida with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within five years of the issuance of tax-exempt bonds or their bonds may be determined to be taxable retroactive to the date of issuance. Currently, all members of the Board of the District were elected by affiliates of the Landowner and other landowners within the District and none were elected by qualified electors.

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

Owners of 2020 Bonds be required to pay income taxes on the interest received on such 2020 Bonds and related penalties, but because the interest rate on such 2020 Bonds will not be adequate to compensate Owners of the 2020 Bonds for the income taxes due on such interest, the value of the 2020 Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATE ON THE 2020 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE 2020 BONDS. PROSPECTIVE PURCHASERS OF THE 2020 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE 2020 BONDS IN THE EVENT THAT THE INTEREST ON THE 2020 BONDS BECOMES TAXABLE AND/OR THE DISTRICT IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

(18) Since the 2020 Bonds have not been and will not be registered under the Securities Act of 1933, as amended, or any state securities laws, if the District is ever deemed, by the IRS, judicially or otherwise, not to be a political subdivision for purposes of the Code, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of the federal and state securities laws. Accordingly, the District and purchasers of 2020 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 2020 Bonds would need to ensure that subsequent transfers of the 2020 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

(19) Various proposals are mentioned from time to time by members of the Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the Service may, in the future, issue rulings that have the effect of changing the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the 2020 Bonds, by eliminating or changing the tax-exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the 2020 Bonds, cannot be predicted. However, it is possible that any such law or interpretation could have a material and adverse effect upon the availability of a liquid secondary market and/or the value of the 2020 Bonds. See also "TAX MATTERS."

(20) It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or special districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. On October 31, 2014, the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for special district bonds. This report renews requests made by the Auditor General in 2011 that led to the then Governor of Florida issuing an Executive Order on January 11, 2012 (the "Executive Order") directing the Office of Policy and Budget in the Executive Office of the Governor ("OPB") to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the 2020 Bonds. It should be noted that Section 10(p) of the Act provides in pertinent part that "The state pledges to the holders of any bonds issued under this act that it will not limit or alter the rights of the district … to levy and collect the … assessments … and to fulfill the terms of any agreement made with the holders of such bonds … and that it will not in any way impair the rights or remedies of such holders."

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

(22) The value of the land and successful development of the Northeast Sector and the likelihood of timely payment of principal and interest on the 2020 Bonds could be affected by environmental factors with respect to such land. 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. The value of the lands subject to the Series 2020 Assessments could also be adversely impacted by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near

the District, such catastrophic events could potentially render the lands in the 2020 Assessment Area unable to support future development. The occurrence of any such events could materially adversely impact the District's ability to pay principal and interest on the 2020 Bonds. The 2020 Bonds are not insured, and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

(23) If the District should commence a foreclosure action against a landowner for nonpayment of Series 2020 Special Assessments and if the Series 2020 Assessments are not being collected pursuant to the Uniform Method, such landowners may raise affirmative defenses to such foreclosure action. Even if such affirmative defenses were proven to be without merit, such affirmative defenses could result in delays in completing the foreclosure action. In addition, the District is required under the Indenture to fund the costs of such foreclosure. It is possible that the District will not have sufficient funds and will be compelled to request the Series 2020 Bondholders to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Code, there are limitations on the amounts of Series 2020 Bond proceeds that can be used for such purpose.

(24) Under Florida 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 Series 2020 Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to the Series 2020 Assessments even though the landowner is not contesting the amount of such Series 2020 Special Assessment.

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

(26) In addition to the general economic conditions discussed above, the timely and successful completion of the development of the 2020 Assessment Area, the purchase of lots therein by builders and the construction and sale to end users of residential units may be adversely impacted by the continued spread of the novel strain of coronavirus called COVID-19 or by other highly contagious or epidemic or pandemic diseases. The United States, the State of Florida and Manatee County have all imposed certain health and public safety restrictions in response to COVID-19. The District cannot predict the duration of these restrictions or whether additional or new actions may be taken by government authorities including the State and/or Manatee County, to contain or otherwise address the impact of the COVID-19 or similar outbreak.

To date, the outbreak has resulted in severe impacts on global financial markets, unemployment levels and commerce generally. The District and the Landowner cannot predict the duration of the current COVID-19 outbreak, and the ultimate impact the COVID-19 outbreak may be have on the development of the 2020 Assessment Area is unknown. It is possible that delays in lot purchases by builders, construction delays, delays in the receipt of permits or other government approvals, delays in sales to end users or other delays could occur, or continue to occur, as applicable, as a result of the COVID-19 outbreak or other highly contagious or epidemic or pandemic diseases that adversely impact the 2020 Assessment Area.

(27) The District relies on a technological environment to conduct its operations. The District, its agents and other third parties the District does business with or otherwise relies upon are subject to cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to such parities' digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. No assurances can be given that any such attack(s) will not materially impact the operations or finances of the District, which could impact the timely payment of debt service on the 2020 Bonds.

(28) In addition to being subject to optional and mandatory sinking fund redemptions, the 2020 Bonds are subject to extraordinary mandatory redemption as a result of prepayments of the Series 2020 Assessments. Any such redemptions of the 2020 Bonds would be at the principal amount of such 2020 Bonds being redeemed plus accrued interest to the date of redemption. In such event, owners of the 2020 Bonds may not realize their anticipated rate of return on the 2020 Bonds, and owners of any Premium Bonds (as defined herein), if any, may receive less than the price they paid for the 2020 Bonds. See "DESCRIPTION OF THE 2020 BONDS – Redemption Provisions" herein for more information.

This section does not purport to summarize all risks that may be associated with purchasing or owning the 2020 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety (inclusive of Appendices) for a more complete description of investment considerations relating to the 2020 Bonds.

THE DISTRICT

General

The District is an independent local unit of special-purpose government of the State and an independent special district created pursuant to the Act, a special act of the Florida legislature.

Governance

The Act provides that a five-member Board of Supervisors (the "Board") serves as the governing body of the District. Members of the Board (the "Supervisors") must be residents of the State and citizens of the United States. The Act provides that within 90 days after formation of the District, an election must be held pursuant to which Supervisors were elected on an at-large basis by the owners of the property within the District. Such election was held in accordance with the Act. Ownership of land within the District entitles the owner to one vote per acre (with fractions thereof rounded upward to the nearest whole number).

The Act provides that there shall be an election by landowners for the District every 2 years on the first Tuesday after the first Monday in November. Each supervisor elected on or after November 2006 shall serve a 4-year term. Supervisors shall begin being elected by qualified electors of the District as the District becomes populated with qualified electors. The transition shall occur such that the composition of the Board, after the first general election following a trigger of the qualified elector population thresholds set forth below, shall be as follows:

(i) Once 10,000 qualified electors reside within the District, one governing board member shall be a person who was elected by the qualified electors and four governing board members shall be persons who were elected by the landowners.

(ii) Once 20,000 qualified electors reside within the District, two governing board members shall be persons who were elected by the qualified electors and three governing board members shall be persons elected by the landowners.

(iii) Once 30,000 qualified electors reside within the District, three governing board members shall be persons who were elected by the qualified electors and two governing board members shall be persons who were elected by the landowners.

(iv) Once 40,000 qualified electors reside within the District, four governing board members shall be persons who were elected by the qualified electors and one governing board member shall be a person who was elected by the landowners.

(v) Once 45,000 qualified electors reside within the District, all five governing board members shall be persons who were elected by the qualified electors.

All Supervisors elected by qualified electors shall be elected at large. Supervisors are subject to ethics and conflict of interest laws of the state that apply to all local public officers. They shall hold office for the terms for which they were elected or appointed and until their successors are chosen and qualified. If, during the term of office, a vacancy occurs, the remaining members of the board shall fill each vacancy by an appointment for the remainder of the unexpired term.

Notwithstanding the foregoing, if at any time the Board proposes to exercise its ad valorem taxing power, prior to the exercise of such power, all Supervisors shall be elected by qualified electors in the District and the Supervisors so selected must be qualified electors.

Any elected member of the Board of Supervisors may be removed by the Governor for malfeasance, misfeasance, dishonesty, incompetence or failure to perform the duties imposed upon him or her by the Act, and any vacancies that may occur in such office for such reasons shall be filled by the Governor as soon as practicable.

A majority of the members of the Board constitutes a quorum for the purposes of conducting its business and exercising its powers and for all other purposes. Action taken by the District shall be upon a vote of a majority of the members present unless general law or a rule of the District requires a greater number.

The current members of the Board and the expiration of their terms are set forth below:

Name	Title	Expiration of Term
Rex Jensen	Chair	November, 2020
Tony Chiofalo	Vice Chair/ Assistant Secretary	November, 2020
J. Scott Almand	Treasurer	November, 2022
Jim Schier	Assistant Secretary	November, 2022
Ed Hunzeker	Assistant Secretary	November, 2022

All of the current Board members are employees of SMR other than Mr. Schier and Mr. Hunzeker. See "LAKEWOOD RANCH" herein.

Powers and Authority

As a special district, the District has only those powers specifically delegated to it by the Act or necessarily implied from powers specifically delegated to it. In addition to the power to issue the 2020 Bonds to finance a portion of the costs of the Northeast Sector Project, among other provisions, the Act gives the District the power (i) to lease as lessor or lessee to or from any person, firm, corporation, association, or body, public or private, any projects of the type that the District is authorized to undertake and facilities or property of any nature for the use of the District to carry out the purposes authorized by the Act; (ii) to borrow money and issue bonds, certificates, warrants, notes or other evidence of indebtedness as provided in the Act, to levy such taxes and assessments as may be authorized and to charge, collect and enforce fees and other user charges; (iii) to raise, by user charges or fees authorized by resolution of the Board of Supervisors, amounts of money which are necessary for the conduct of the District activities and services and to enforce their receipt and collection in the manner prescribed by resolution not inconsistent with law; (iv) to exercise within the District, or beyond the District with prior approval by vote of a resolution of the governing body of the county if the taking will occur in an unincorporated area in that county, the right and power of eminent domain over any property within the state, except municipal, county, state, and federal property, for the uses and purpose of the District relating solely to water, sewer, District roads and water management, specifically including, without limitation, the power for the taking of easements for the drainage of the land of one person over and through the land of another; (v) to cooperate with, or contract with, other governmental agencies as may be necessary, convenient, incidental, or proper in connection with any of the powers, duties or purposes authorized by the Act; (vi) to assess and to impose upon lands in the District ad valorem taxes as provided by the Act; (vii) to determine, order, levy, impose, collect and enforce assessments pursuant to the Act and Chapter 170, Florida Statutes, as amended from time to time, pursuant to authority granted in Section 197.3631, Florida Statutes or pursuant to other provisions of general law now or hereinafter enacted; and (viii) to exercise all of the powers necessary, convenient, incidental or proper in connection with any other powers or duties or the special purpose 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 performed by the general purpose local government, acting through its governing body and its departments of government.

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

The District Manager

The Act requires the Board to hire a district manager. 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 provision 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. The Act further provides that it shall not be a conflict of interest under Chapter 112, Florida Statutes, for a Supervisor, the district manager, or another employee of the District to be a stockholder, officer or employee of a landowner.

PFM Group Consulting LLC serves as the District Manager.

Outstanding Debt of the District

The District has issued multiple series of special assessment bonds which are currently outstanding and listed below. None of such series of bonds has a lien on the 2020 Trust Estate nor are secured by special assessments levied on the same lands as the Series 2020 Assessments.

- $5,720,000 Special Assessment Revenue Bonds, Series 2010A (Central Park Project) issued on July 12, 2010 and currently outstanding in the amount of $2,740,000.

- $1,765,000 Special Assessment Revenue Bonds, Series 2011 (Belle Isle Project) issued on May 13, 2011 and currently outstanding in the amount of $1,455,000.

- $8,500,000 Special Assessment Revenue Bonds, Series 2013A (Country Club East Project) issued on July 26, 2013 and currently outstanding in the amount of $7,610,000.

- $7,535,000 Special Assessment Revenue Bonds, Series 2013A (Central Park Project) issued on August 5, 2013 and currently outstanding in the amount of $6,450,000.

- $12,145,000 Special Assessment Revenue Bonds, Series 2014A (Country Club East Project) issued on October 14, 2014 and currently outstanding in the amount of $10,965,000.

- $37,360,000 Special Assessment Revenue Bonds, Series 2015 (Lakewood Center North Project) issued on February 9, 2015 and currently outstanding in the amount of $31,280,000.

- $79,505,000 Special Assessment Revenue Bonds, Series 2016 (Villages of Lakewood Ranch South Project) issued on February 8, 2016 and currently outstanding in the amount of $66,445,000.

- $49,480,000 Special Assessment Revenue Bonds, Series 2017 (Lakewood National and Polo Run Projects) issued on February 21, 2017 and currently outstanding in the amount of $47,125,000.

- $14,805,000 Special Assessment Revenue Bonds, Series 2017 (Del Webb Project) issued on May 8, 2017 and currently outstanding in the amount of $13,995,000.

- $33,000,000 (Not to Exceed) Bond Anticipation Note, Series 2017 (Northeast Sector Project) issued on September 8, 2017 and currently outstanding in the amount of $15,014,428.32.

- $14,548,000 Special Assessment Revenue Refunding Bonds, Series 2017 (Lake Club Project) issued on September 29, 2017 and currently outstanding in the amount of $11,562,000.

- $14,925,000 Special Assessment Revenue Bonds, Series 2018 (Northeast Sector Project —Phase l A) issued on August 30, 2018 and currently outstanding in the amount of $14,675,000.

- $36,185,000 Special Assessment Revenue Bonds, Series 2018 (Northeast Sector Project — Phase 1 B) issued on December 10, 2018 and currently outstanding in the amount of $35,610,000.

- $11,790,000 Special Assessment Revenue Bonds, Series 2018 (Lakewood Centre and NW Sector Projects) issued on December 10, 2018 and currently outstanding in the amount of $11,070,000.

- $7,580,000 Special Assessment Revenue Bonds, Series 2019 (The Isles at Lakewood Ranch Project – Phase I) issued on April 8, 2019 and currently outstanding in the amount of $7,450,000.

- $9,125,000 Special Assessment Revenue Bonds, Series 2019 (Lake Club Phase 4 Project) issued on May 20, 2019 is currently outstanding in the approximate principal amount of $8,820,000.

- $5,005,000 Special Assessment Revenue Bonds, Series 2019 (Cresswind Project) issued on May 20, 2019 is currently outstanding in the principal amount of $4,920,000.

- $4,775,000 Special Assessment Revenue Bonds, Series 2019 (Indigo Expansion Area Project) issued on September 9, 2019 and currently outstanding in the amount of $4,685,000.

- $5,585,000 Special Assessment Revenue Bonds, Series 2019 (Northeast Sector Project — Phase 2A) issued on November 4, 2019 and currently outstanding in the amount of $5,585,000.

- $12,670,000 Special Assessment Revenue Bonds, Series 2019 (Azario Project) issued on December 9, 2019 and currently outstanding in the amount of $12,670,000.

- $19,195,000 Special Assessment Revenue Refunding Bonds, Series 2020 (Country Club East Project) issued on July 15, 2020 and currently outstanding in the amount of $19,195,000.

- $29,100,000 Special Assessment Revenue Refunding Bonds, Series 2020A (Lakewood Centre and NW Sector Projects) issued on September 10, 2020 and currently outstanding in the amount of $29,100,000.

- $6,655,000 Special Assessment Revenue Bonds, Series 2020 (Azario Project) issued on September 16, 2020 and currently outstanding in the amount of $6,655,000.

- $10,655,000 Special Assessment Revenue Bonds, Series 2020 (Lorraine Lakes Project) issued on September 29, 2020 and currently outstanding in the amount of $10,655,000.

ASSESSMENT METHODOLOGY

The District's Methodology Consultant has prepared the Master Assessment Methodology Report (the "Master Report") and the Supplemental Assessment Methodology Report (the "Supplemental Report", and together with the Master Report, the "Assessment Reports") attached hereto as APPENDIX E. The Assessments Reports provide a methodology to allocate the total benefit derived from the Northeast Sector Project (hereinafter defined) to each of the land uses planned in the Northeast Sector on a fully financed basis. Initially, the special assessments are allocated on an equal acreage basis to the specific assessment area. As parcels of land are sold by the Landowner with specific entitlements assigned thereto, the special assessments are then allocated to such parcel or parcels based upon the amount of transferred entitlements. While the special assessment calculations are benefit driven, the actual amounts to be assessed to a particular parcel may be less due to contractual arrangements that the Landowner may enter into with one or more buyers thereby resulting in the prepayment or contribution of infrastructure to satisfy the special assessments allocated to a particular parcel in its entirety or partially. The table below illustrates the maximum principal allocation per unit or square foot for the various land uses and product types planned within the Northeast Sector and the gross annual special assessment debt service per unit or square foot for such land uses and product types.

Land Use/Product Type	Maximum Principal Per Unit/Square Foot	Gross Annual Debt Service Per Unit/Square Foot
Single-Family	$11,837	$925
Age-Restricted	$10,653	$832
Apartment	$7,102	$555
Commercial	$12	$0.92

THE NORTHEAST SECTOR PROJECT

The District Engineer has prepared the Engineer's Report (the "Engineer's Report") attached hereto as APPENDIX A describing the capital improvement program for the Northeast Sector (the "Northeast Sector Project") which is estimated to cost approximately $84.7 million. The Northeast Sector Project includes roads, water, sewer, water

management, landscape/hardscape, related professional services and contingency. Enumeration of the costs of the Northeast Sector Project are provided in the table below.

Cost Category	Estimated Cost
Land Planning	$450,000
Engineering, Surveying & Consultants	6,047,900
Uihlein Road - Additional Landscaping	225,000
Uihlein Road - Lennar to 44th	10,689,697
Uihlein Road - 44th to SR 64	7,870,011
Uihlein Road & SR 64 intersection	1,261,528
44th Avenue - Lorraine to Bourneside	20,565,311
Bourneside Blvd - Lennar to 44th	5,839,598
Bourneside Blvd - 44th to SR 64	6,130,414
Rangeland Parkway - Lorraine to Uihlein	10,913,478
Rangeland Parkway - Uihlein to Bourneside	9,027,156
Post Road - North to Rangeland	3,471,800
Bourneside Blvd - Additional 2 Lanes	340,000
Master Contingency - 3.5%	1,848,588
TOTAL	**$84,680,481**

As more fully discussed under the heading "NORTHEAST SECTOR – District Infrastructure/Finance Plan", it is the intent of the District to issue multiple series of Bonds to fund a portion of the Northeast Sector Project to support the continuous construction of the District's infrastructure improvements included as part of the Northeast Sector Project. Proceeds of the District's 2017 Note, the 2018 Phase 1A Bonds (hereinafter defined), the 2018 Phase 1B Bonds (hereinafter defined) and the 2019 Phase 2A Bonds (hereinafter defined) funded a portion of the Northeast Sector Project in the estimated amount of $62.4 million all of which has been expended to date. Proceeds of the 2020 Bonds will be used to retire the entire outstanding balance of the 2017 Note, as discussed further herein, and fund additional portions of the Northeast Sector Project in the estimated amount of $2.6 million, such funded portion being referred to herein as the "Northeast Sector Project – Phase 2B".

LAKEWOOD RANCH

The information included under this heading has been furnished by SMR for the purpose of describing a brief history of Lakewood Ranch. Information regarding the land to be encumbered by the Series 2020 Assessments as well as information regarding the Development can be found under the heading "NORTHEAST SECTOR." Although believed to be reliable, such information has not been independently verified by the District or its counsel, the Underwriter or its counsel, or Bond Counsel, and no person other than SMR, subject to certain qualifications and limitations, makes any representation or warranty as to the accuracy or completeness of such information. At the time of the issuance of the 2020 Bonds, SMR will represent in writing that the information herein under the captions "LAKEWOOD RANCH," and "NORTHEAST SECTOR" do not contain any untrue statement of a material fact and does not omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading.

General

Lakewood Ranch is an age-diverse, mixed use planned community located in Manatee and Sarasota counties east of Interstate 75 and is accessible from four Interstate 75 interchanges at Fruitville Road, University Parkway, State Road 70 and State Road 64. Downtown Sarasota is located approximately ten (10) miles southwest of Lakewood Ranch, downtown Bradenton is located approximately twelve (12) miles to the northwest and the Sarasota/Bradenton International Airport is located approximately six (6) miles to the west.

The approximately fifty (50) square mile core area of Lakewood Ranch was originally purchased by the Uihlein family in 1922 from the family of John Schroeder, who assembled the property in the early 1900's as a timber plantation. The planned community has since expanded in all directions and now includes approximately fifty-five (55) square miles. The unsold/undeveloped portions of Lakewood Ranch are owned by Schroeder-Manatee Ranch, Inc. ("SMR"), a Delaware corporation or affiliated entities that are owned directly or beneficially by the various branches of the Uihlein family of Milwaukee, Wisconsin, founders of the Joseph Schlitz Brewing Company.

SMR, through its subsidiaries, conducts or oversees a diversified base of activities at Lakewood Ranch including real estate sales, country club operations, commercial investment and development; raising beef cattle; turf farming and nursery operations. SMR also previously conducted a significant shell and aggregate mining operation that produced materials for road building and, as a by-product, created large lakes that serve as major amenities for the community. SMR's 33,000 square foot headquarters building is situated in Lakewood Ranch on Covenant Way just east of Lorraine Road and north of University Parkway.

Existing Development

Since development activities commenced in 1994, a significant amount of residential, commercial, office, retail, civic and institutional development has occurred at Lakewood Ranch in both Manatee and Sarasota counties, spanning more than 10,000 acres. Development activities in Manatee County (north of University Parkway) initially were governed by two (2) Developments of Regional Impact (DRIs) known as Cypress Banks and University Lakes, which are generally situated east of Interstate 75, south of State Road 70 and North of University Parkway (which generally is the Manatee and Sarasota County line). Five (5) community development districts have been established for the purpose of acquiring, constructing and maintaining a portion of the public infrastructure necessary to serve the lands within these two (2) DRIs. Until 2017, development activities in Sarasota County (south of University Parkway) were predominantly commercial and office oriented and have been governed by the Lakewood Ranch Corporate Park DRI. However, the approval of the Villages of Lakewood Ranch South Development of Regional Impact provided for the development of residential land uses in portions of Lakewood Ranch located in Sarasota County where a new community known as "Waterside" is being developed that is approved for 5,144 residential entitlement units with transportation concurrency for all of the residential units as well as for two (2) retail village centers.

SMR has undertaken extensive long-term planning of its remaining undeveloped acreage serving to enhance the value of its land holdings. As part of that effort, SMR facilitated the establishment of the District, the boundaries of which include all 25,000+ acres of Lakewood Ranch land that was undeveloped at the time of establishment. Since the establishment of the District, a significant amount of entitlement and development activity has occurred including the approval of (i) a comprehensive plan amendment, providing for flexible land uses and densities for approximately 7,500 acres located north of State Road 70 and east of Lorraine Road in Manatee County, and (ii) two (2) developments of regional impact known as the Lakewood Centre DRI and Northwest Sector DRI that have been expanded to include additional land north of State Road 70 and west of Lorraine Road.

Sales activity at Lakewood Ranch commenced in 1994. Today, Lakewood Ranch is home to more than 14,300 households with an estimated population in excess of 30,000 based upon various Census reports and marketing study estimates. In 2015, 534 new homes were sold in Lakewood Ranch, ranking it eighth in new home sales for master planned communities in the United States by RCLCO. In 2016, 778 new homes were sold in Lakewood Ranch, ranking it fourth in new home sales for master planned communities in the United States by RCLCO. In 2017, 1,206 new homes were sold in Lakewood Ranch, ranking it third in new home sales for master planned communities in the United States by RCLCO. In 2018, 1,482 new homes were sold in Lakewood Ranch, ranking it second in new home sales for master planned communities in the United States by RCLCO. In 2019, 1,648 new homes were sold in Lakewood Ranch, ranking it second in new home sales for master planned communities in the United States by RCLCO. From January 1, 2020 through June 30, 2020, approximately 838 new homes were sold in Lakewood Ranch. In each of the last three (3) years, approximately 28,000 people passed through the information centers and model homes within Lakewood Ranch. In addition to the residential activity described above, approximately 4.5 million square feet of nonresidential mixed-use space has been constructed of which an estimated 4.3 million square feet is occupied. Based upon information obtained by SMR from the Economic Development Council, Lakewood Ranch as a whole is currently exhibiting a rate of occupancy 10% greater than that of the Sarasota/Manatee County area as whole.

The following information is a description of certain of the aforementioned development and sales activity that has occurred through June 30, 2020.

Lakewood Ranch Community Development District 1: Summerfield/Riverwalk

Development activities in Summerfield commenced in 1994 and sales of finished lots to builders started shortly thereafter. Summerfield, together with Riverwalk, comprise approximately 980 acres of residential and commercial properties. These villages are bounded on the north by State Road 70, on the east by the Braden River and Country Club Village and on the south and west by the River Club development (an adjacent community which is not part of Lakewood Ranch). The residential component includes approximately 1,782 homesites situated within eighteen (18) neighborhoods. Development of the homesites is complete and all of the lots were sold to builders at an average sales pace of approximately 225 per year. The builders in turn constructed and sold homes to retail buyers that originally ranged in size from 1,100 to 2,500 square feet and in price from the high $90,000's to $375,000 +. These villages are characterized by many lakes and a community park that contains ball fields for soccer and baseball/softball, basketball courts, tennis courts, a playground and tot lot. In addition, the Braden River Nature Trail forms a community park connecting two (2) large lakes with the 110-acre Herons Nest Nature Park. The buyer profile in Summerfield and Riverwalk included mostly first-time home buyers with some retirees and move-up buyers.

Adjacent to State Road 70 is an approximately nine- (9) acre retail/commercial site which contains, amongst other owners/tenants, M&I Bank, and approximately ten (10) retail tenants including Subway and Kids 'R' Kids Child Care Center that provides child care for infants through school age children in a structured educational environment.

Lakewood Ranch Community Development District 2: Edgewater Village/Country Club South

Development activities in Country Club South and Edgewater Village commenced in 1996 and sales of finished lots to builders started shortly thereafter. Country Club South together with Edgewater Village contain approximately 1,374 acres of residential and commercial property and are bounded on the south by University Parkway, on the east by Lorraine Road, on the north by Country Club North and on the west by Lakewood Ranch Boulevard. These two (2) villages include 1,033 single-family units and 728 condominium units nestled around Lake Uihlein and Main Street (hereinafter described). Since sales commenced, all of the single-family homesites and substantially all of the condominium units have been sold to builders. The builders have in turn sold all of the single-family homes and 656 condominium units to retail buyers.

Edgewater Village includes neighborhoods with homes built around Lake Uihlein, a 160-acre lake, and is in close proximity to the Lakewood Ranch Town Center and the Athletic Club (discussed herein). Also located within Edgewater Village is The Wharf Park which includes places to fish, launch a boat or enjoy the sunsets and expansive views on the lake. Custom single-family homes in Edgewater Village were originally offered at prices ranging from the mid $100,000's to $400,000 and in size from 1,100 to over 3,000 square feet.

Country Club South includes neighborhoods built around the Arnold Palmer designed Legacy Golf Course, a daily fee course open to the public. Single-family homes range from full maintenance condos to detached villas with maintenance-free lawn service to grand scale estate residences. Home sizes range from 1,350 to over 4,000 square feet and in price from the mid $100,000's to $2 million +. Miles of sidewalks and trails offer easy access to the 10,000 square foot Legacy Clubhouse, the Athletic Club and all of Lakewood Ranch.

Located adjacent to the villages of Edgewater and Country Club South is the Athletic Club at Lakewood Ranch (the "Athletic Club") which opened its first phase tennis facility in the spring of 1998. Since then this facility has added more courts, a fitness center and aquatics club. Such facilities are part of the LWR G&CC (defined herein) and include the following:

Tennis Center

- Twenty (20) Har-Tru Clay tennis courts with eighteen (18) lighted, including a stadium court, featuring an underground Hydro Grid watering system
- Host to several Porfessional & Collegiate Tournaments, Group Clinics and more than 80 leagues.
- 12 newly installed pickleball courts, with leagues, lessons and clinics offered.
- A full-service pro shop
- Men's and women's locker rooms

Fitness Center

- The 24-hour access Fitness Center has over sixty (60) pieces of the latest cardio equipment and state-of-the-art equipment. This facility is over 18,000 square feet and has four (4) full size fitness

class studios. Other amenities include four fitness class studios, massage therapy, locker rooms and personal training.

Aquatic Center

- Heated Jr. Olympic eight (8) lane pool
- Heated resort style pool
- Swim programs/teams & Aquatic Classes

Adjacent to the villages of Country Club South and Edgewater Village is Main Street (described in more detail herein), a downtown mixed-use development area featuring specialty shops, outdoor restaurants, cafes, and condominiums. SMR and former joint venture partner Casto Lifestyle Properties developed Main Street. SMR is now the sole owner and manager of the mixed-use development.

Lakewood Ranch Community Development District 4: Greenbrook and Greenbrook East (Greenbrook Village)

Development activities in Greenbrook Village commenced in 2000 and sales to builders followed shortly thereafter. Greenbrook Village encompasses approximately 748 acres of residential property that is bounded on the north by State Road 70, on the east and the south by the Braden River and on the west by Summerfield Village. This village includes 1,462 single-family residential lots, along with 226 condominiums. Also included within Greenbrook Village is a recreational complex called Adventure Park with fields for soccer and baseball/softball, an in-line skate/hockey rink, basketball courts, a tot lot and dog park. In addition to Adventure Park, which is owned by Lakewood Ranch Community Development District 4 with reciprocal agreements with the other community development districts in Lakewood Ranch to ensure this amenity is enjoyed by all residents of Lakewood Ranch, SMR donated fifteen (15) acres for a public county park located in the eastern portion of Greenbrook Village.

Greenbrook Village is a family-oriented community that has primarily attracted young families. Homes in Greenbrook Village were originally being offered at prices ranging from the mid $100,000's to $700,000 + and in size from 1,250 to 3,500 square feet. All 1,462 single-family homesites and land for 226 condominium units have been sold to builders and the builders in turn have sold all of the homes and condominiums to retail buyers.

Lakewood Ranch Community Development District 5: Lakewood Ranch Golf and Country Club (Country Club North)

Development activities in Country Club North commenced in 2001 and sales to builders followed shortly thereafter. Country Club North consists of approximately 1,173 acres of residential property that is bounded on the north by the Braden River, on the east by Lorraine Road, on the west by existing development within Lakewood Ranch and on the south by The Masters Avenue. Country Club North includes 942 single-family residential units and two (2) eighteen-hole private golf courses designed by the Palmer Course Design Co., along with a 42,000 square foot clubhouse.

Country Club North is an upscale country club community that has primarily attracted retirees and move-up buyers mostly consisting of professionals with families. Homes in Country Club North were originally being offered at prices ranging from the mid $200,000's to over $5 million and in size from 1,960 to 17,000 square feet. All 942 homes sites have been sold to builders who in turn have sold all 942 homes to retail buyers.

Located within the village of Country Club North is the Lakewood Ranch Golf and Country Club (LWR G&CC), a private membership club with over 2,000 active members that is owned and operated by Lakewood Ranch Golf Company, LLC, a wholly owned subsidiary of SMR. LWR G&CC includes:

- Thirty-six (36) holes of golf designed by Palmer Course Design Co.
- A practice range and a practice chipping and putting green
- A 42,000 square foot grand Italian villa style clubhouse
- A formal dining room, grill and lounge, banquet facilities and private dining rooms
- Men's and ladies' lounges
- Golf pro shop
- Locker rooms
- Cart storage and administrative facilities
- An extension of LWR G&CC facilities and amenities located in Country Club East (described herein) featuring an additional eighteen (18) holes of golf designed by Robbins & Associates International (Rick Robbins) and a practice range with a chipping & putting green.

- Also located within Country Club East, an additional 29,600 square foot clubhouse that includes dining facilities, a golf pro shop and locker rooms.

In addition to the above referenced facilities, depending on the level of membership, LWR G&CC members have access to the Tennis Center, Aquatics Center and Fitness Center. A complete list of the types of membership currently being offered at LWR G&CC can be found on the Lakewood Ranch website at www.lakewoodranchgolf.com.

Lakewood Ranch Community Development District 6: Country Club West

In 2005, Neal Communities of Southwest Florida, Inc. purchased 369 acres of undeveloped land and developed the community within Lakewood Ranch known as Country Club West. The property is bounded on the west by Lakewood Ranch Boulevard, on the north by the Riverwalk subdivision and on the east and south by the Country Club North and South. Country Club West consists of 443 single-family residences and is an upscale country club community that has primarily attracted retirees and move-up buyers consisting of mostly professionals with families. Nine (9) holes of the LWR G&CC run through Country Club West and many of the homesites front either the golf course, lakes or preservation areas. Homes range in size from 1,450 square feet up to 4,500 square feet and range in price from the $250,000's to over $3 million. The development is complete and over 440 homes have been sold to retail buyers.

Residents of Country Club West have access to the extensive amenities currently available to residents of Lakewood Ranch, including: (i) the LWR G&CC amenities via membership, (ii) Lakewood Ranch homeowner associations and various activities, (iii) scenic drive and walkways, (iv) treed conservation and water areas, and (v) extensive landscaping.

Residents of Country Club West have access to the extensive amenities currently available to residents of Lakewood Ranch, including: (i) the LWR G&CC amenities via membership, (ii) Lakewood Ranch homeowner associations and various activities, (iii) scenic drive and walkways, (iv) treed conservation and water areas, and (v) extensive landscaping.

Lakewood Ranch Stewardship District: The Lake Club

Development activities in the Lake Club commenced in 2005 and sales to builders followed shortly thereafter. The Lake Club comprises approximately 1,465 acres in Manatee County and is located within District, approximately four (4) miles east of Interstate 75. It is bounded on the south by University Parkway, on the east by The Isles at Lakewood Ranch (described in more detail below) and on the west by Lorraine Road and the sold-out village of Country Club North which contains the LWR G&CC and to the north by Country Club East, an extension of the existing Country Club village and the LWR G&CC.

The Lake Club is an upscale residential village within Lakewood Ranch that will be developed in four (4) phases and is planned to include approximately 708 single-family residential homesites ranging in size from one-third to one acre. The first two (2) phases of 328 single-family homesites are complete along with the 16,000 square foot clubhouse. Of the 328 single-family homesites, 327 have been sold to builders or directly to retail buyers. Approximately 279 homes have been sold to retail buyers ranging in price from slightly less than $1 million to over $5 million. Phase 3 and 4 of Lake Club planned for approximately sixty-eight (68) and 312 units, respectively, was purchased by an affiliate of Stock Development. Development activities in Phase 3 are complete with homebuilding activity underway and thirty-nine (39) homes have been sold to retail buyers. Development activities in Phase 4 are also underway with model homes recently completed and ninety-three (93) homes sold to retail buyers.

The Lake Club's target customer is the affluent, upscale buyer as the community has attracted retirees and move-up buyers comprised mostly of professionals with families. The Lake Club is a unique, upscale master planned gated community with an exclusive "non-golf' lifestyle distinctive to the community by including amenities such as series of lakes, natural green spaces, open spaces, a linear park system and a 16,000 square foot clubhouse. The community clubhouse includes two (2) large swimming facilities, tennis courts, fitness area, day spa, card room, multipurpose function room, concierge services and a catering kitchen.

In addition, residents of the Lake Club have access to the extensive amenities currently available to residents of Lakewood Ranch, including: (i) the LWR G&CC amenities via membership, (ii) Lakewood Ranch homeowner

associations and various activities, (iii) scenic drive and walkways, (iv) treed conservation and water areas, (v) and extensive landscaping.

In addition to the LWR G&CC, the Lake Club is also located near two (2) other high-end golf courses: The Ritz-Carlton and The Concession. The Ritz-Carlton is an eighteen (18) hole golf course designed by Tom Fazio that is located within Lakewood Ranch and north of the Lake Club and Country Club East developments. This golf course serves the downtown Sarasota Ritz Carlton and Ritz Carlton Beach Club owners and guests. The only residential component of this community will be golf cottages currently being planned for future development. The Concession is an eighteen (18) hole golf course immediately east of Lakewood Ranch designed by Jack Nicklaus. The Concession is planned to include 255 homes at prices ranging from slightly less than $1 million to over $5 million.

Lakewood Ranch Stewardship District: Country Club East

Country Club East ("CCE") comprises approximately 1,190 acres and is located within the District approximately four (4) miles east of Interstate 75. CCE is being developed by a joint venture consisting of an affiliate of SMR and Starwood Land Ventures and includes approximately 841 acres of land planned for 1,352 residential units and approximately 349 acres of land that includes a Rick Robbins designed eighteen (18) hole golf course, a practice range with a chipping & putting green as well as an additional 29,600 square foot clubhouse that includes dining facilities, a golf pro shop and locker rooms. CCE is bounded on the south by The Lake Club, on the North by the Ritz-Carlton golf course, on the east by the Del Webb community (described herein) and on the west by Lorraine Road and the sold-out village of Country Club North which contains the LWR G&CC. Due to the success of the LWR G&CC, CCE is an extension of the LWR G&CC and therefore all members enjoy all courses and amenities of both club locations. In addition, residents of CCE have access to many of the same extensive amenities currently available to residents of Lakewood Ranch, including: (i) Lakewood Ranch homeowner associations and various activities, (ii) scenic drive and walkways, (iii) treed conservation and water areas, (iv) and extensive landscaping. Further, CCE is also proximately located to two (2) other high-end golf courses, the Ritz-Carlton and The Concession described herein above.

CCE is an upscale residential village within Lakewood Ranch. A variety of products are being offered in CCE, including single-family residential homesites ranging in size from one-sixth to over one-half acre as well as low-rise condominiums. CCE's target customer is the affluent, upscale buyer. The community is attracting professionals with families, move-up buyers and retirees. All 1,352 homesites have been sold to builders and 1,249 homes have been sold to retail buyers at prices ranging from the $300,000's to over $1 million.

Lakewood Ranch Stewardship District: Central Park

In 2009, Neal Communities of Southwest Florida, Inc. ("Neal Communities") started the development of the Central Park community within Lakewood Ranch on 372 acres of land. Central Park is bounded on the west by Lakewood Ranch Boulevard, on the north by 44th Avenue East, on the east by the future construction/extension of White Eagle Boulevard (f/k/a Pope Road) and the south by Malachite Drive. Generally inspired by New York's Central Park, this development includes 826 single-family residential units situated in five (5) distinct communities, each with a distinctive Central Park — related theme (e.g., "Great Lawn", "Conservatory Garden", etc.) The community is designed to encourage foot traffic, employing meandering walkways, fountains and park areas. Central Park was primarily marketed to families but also attracted a broader demographic range of buyers. Homesite sizes are planned to range from forty-two (42) to seventy-six (76) feet in width. Homes in the Central Park range in size from 1,040 square feet up to over 3,000 square feet and were originally offered at prices ranging from $127,000 to $350,000. Features are a gated entry, pocket parks and the "Central Park" which includes such amenities as tennis courts, playgrounds, a splash park, a dog park, softball field and open area parks and pavilions. Development of all 826 single-family homesites is complete and all 826 units have been sold to retail buyers.

Lakewood Ranch Stewardship District: Esplanade Golf and Country Club (Lakewood Centre/NW Sector)

In August 2011 and December 2012, Taylor Morrison purchased approximately 600 acres of undeveloped land and started construction and home sales of their Esplanade community located at the northeast corner of Rangeland Parkway and White Eagle Boulevard (f/k/a Pope Road). Esplanade was initially planned as a 450-unit age targeted

community that was subsequently expanded and is currently being marketed as 1,250-unit active lifestyle community. Residents of Esplanade have full use of the community's eighteen (18) hole golf course and pro shop. Additional amenities include a clubhouse with fitness and aerobics center, grand ballroom, card and craft room, catering kitchen, billiard room and library. In addition, Esplanade includes a heated lagoon-style pool and spa, resistance pool, outdoor barbeque space, fire pit, tennis, pickle ball and bocce courts. Homes are currently being offered from 1,686 to over 3,000 square feet, with base prices ranging from $234,900 to $384,900. Through June 30, 2020, 1,202 homes have been sold to retail buyers. Both the homes and the amenities are designed to appeal to the senior, empty nester and seasonal resident. The entire community is planned to be maintenance free via the homeowner's association.

Lakewood Ranch Stewardship District: Bridgewater Community (Lakewood Centre/NW Sector)

In November 2012, Lennar Homes purchased approximately 172 acres of undeveloped land and started construction and home sales of their Bridgewater community located at the southeast corner of Rangeland Parkway and White Eagle Boulevard (f/k/a Pope Road). Bridgewater is a 275 single family home family community that includes a park and trail system. Homes were originally being offered from 1,677 to over 3,800 square feet, with base prices ranging from the low $300,000's to mid $400,000's. All 275 homes have been sold to retail buyers.

Lakewood Ranch Stewardship District: Harmony (Lakewood Centre/NW Sector)

In December 2013, Mattamy Homes purchased approximately 245 acres of undeveloped land located east of Lakewood Ranch Boulevard, south of Malachite Blvd and north of Rangeland Parkway. Mattamy is developing a community known as "Harmony" that is planned to include 677 homes consisting of 142 single-family homes and 535 townhomes and duplex homes. Single family homes are currently being offered from 1,626 to over 2,700 square feet, with base prices ranging from the mid $200,000's to the low $300,000's. The townhomes and duplex homes are currently being offered at base prices ranging from the high $100,000's to the mid $200,000's. Combined, approximately 677 homesites and townhomes have been developed, 511 of which have been sold and are occupied by retail buyers with another twelve (12) under contract with retail buyers.

Lakewood Ranch Stewardship District: Indigo (Lakewood Centre North)

In August 2014, an entity affiliated with Neal Communities purchased approximately 111 acres of undeveloped land located on the northwest corner of 44th avenue and White Eagle Boulevard (f/k/a Pope Road). Additional lands were later purchased by the same entity and the District subsequently expanded its boundaries to include approximately eight-seven (87) acres. A community known as "Indigo" is being developed that is planned to include 681 single family homes which are currently being offered from 1,400 to over 2,980 square feet, with base prices starting in the mid $200,000's. Out of the 681 single family homes, 359 are sold and occupied by retail buyers and another forty-six (46) are under contract with retail buyers.

Lakewood Ranch Stewardship District: Mallory Park (Lakewood Centre North)

In September 2015, DiVosta Homes purchased approximately 150 acres of undeveloped land located to the west of White Eagle Boulevard (f/k/a Pope Road) and south of State Road 64. DiVosta is developing a residential community call "Mallory Park" on the site, consisting of 328 single family units and 108 multi-family units. Surrounded by thirty-six (36) acres of wetlands and lakes, walking trails throughout the community take you to the private clubhouse and other amenities. Home prices range from the high $200,000's to the mid $400,000's. Approximately 436 homesites have been developed with 259 homes sold and occupied by retail buyers and an additional seventy (70) homes are under contract with retail buyers.

Lakewood Ranch Stewardship District: Arbor Grande (Lakewood Centre North)

In December 2014, CalAtlantic Homes purchased approximately 100 acres of undeveloped land located on to the west of White Eagle Boulevard (f/k/a Pope Road) and south of State Road 64. CalAtlantic is developing a community known as "Arbor Grande" on the site, consisting of 183 single family units and 122 multi-family units. Home prices range from the mid $400,000's to the mid $600,000's. Approximately 305 homesites have been developed with 216 homes sold and closed to retail buyers and an additional thirty-nine (39) homes are under contract with retail buyers.

Lakewood Ranch Stewardship District: Savannah (Lakewood Centre North)

In December 2014, Meritage Homes of Florida, Inc. purchased approximately 304 acres of undeveloped land located to the west of Lorraine Road and south of State Road 64. Meritage Homes is developing a community known as

"Savannah" on the site, consisting of 475 single-family homes with prices ranging from the mid $300,000's to the high $400,000's. Approximately 475 homesites have been developed with 258 homes sold and closed to retail buyers and an additional seventeen (17) homes are under contract with retail buyers.

Lakewood Ranch Stewardship District: Del Webb Lakewood Ranch

In December 2014, Pulte Home Company purchased approximately 643 acres to be developed as a Del Webb branded 55+ community planned to include 1,300 residential units, a clubhouse and associated recreational facilities. Development activities commenced in January 2015 and 1,300 homesites have been developed. Further, construction of the recreational facilities including an approximately 21,000 square foot clubhouse is complete. Sales activity within the Del Webb Lakewood Ranch commenced in January 2016. To date, there have been 736 homes sold and closed to retail buyers and an additional eighty-seven (87) homes are under contract with retail buyers. Home prices range from $240,000 to $450,000.

Lakewood Ranch Stewardship District: Lakewood National/Polo Run

In December 2015, Lennar Homes, LLC ("Lennar") purchased approximately 1,390 acres of undeveloped land located on the north side of State Road 70 and east of Lorraine Road. Lennar is developing two (2) neighborhoods known as Lakewood National and Polo Run. Lakewood National is a bundled-golf community planned to include 1,576 residential units, two (2) eighteen (18) hole golf courses and associated recreational facilities. Polo Run is planned to include 423 residential units and associated recreational facilities. Development activities commenced in December 2015 with the first eighteen (18) holes of the golf course and 1,000 homesites in Lakewood National complete. Development of the initial 212 homesites in Polo Run is also complete. Homes sales commenced from an off-site sales center in May 2016. Home prices range from $175,000 to $500,000. To date, within Lakewood National there have been 817 homes sold and closed to retail buyers and an additional 153 homes are under contract with retail buyers. To date, within Polo Run there have been 238 homes sold and closed to retail buyers and an additional twenty-eight (28) homes are under contract with retail buyers.

Lakewood Ranch Stewardship District Palisades: (Lakewood Centre/NW Sector)

In December 2017, a land banking entity on behalf of D.R. Horton closed on undeveloped acreage located north of State Road 70, and east of Lorraine Road planned for 150-residential units. Model homes are currently open and home sales commenced in the fourth quarter of 2018. To date, within Palisades, fifty (50) homes have been sold and closed to retail buyers and an additional sixteen (16) homes are under contract with retail buyers.

Lakewood Ranch Stewardship District: The Isles of Lakewood Ranch

December 2017, Toll Brothers acquired approximately 339 acres of undeveloped land bound on the east by the future Bourneside Boulevard and on the south by the existing University Parkway serving as the primary access road to this development. The development is planned to include 450 single-family homes and is being marketed as "The Isles at Lakewood Ranch". Model homes are currently open and home sales commenced in the fourth quarter of 2018. To date, forty-seven (47) homes have been sold and closed to retail buyers and an additional thirty-three (33) homes are under contract with retail buyers.

Lakewood Ranch Stewardship District: Lakewood Ranch Waterside

Development activities commenced in the first quarter of 2018 on an approximately 3,518-acre development area in the southwestern portion of the District representing the first residential development in the Sarasota County portion of Lakewood Ranch. The lands within this area are known as "Waterside" and are intended to be developed into twelve (12) neighborhoods planned for approximately 5,144 residential units of varying product type. In addition, approximately 390,000 square feet of mixed-use space and 60,000 square feet of public/civic space is planned to be developed in two (2) village centers. Land sales commenced in the fourth quarter of 2016. To date, the following development activity has taken place within Waterside.

In December 2016, Homes by Towne purchased 291 acres of undeveloped land within the Waterside project. Homes by Towne is developing a residential community on the site called "Lakehouse Cove" to include sixty (60) multi-

family and 331 single-family units. Development activity commenced in early 2018 and to date, 128 homes have been sold and closed to retail buyers and an additional fifty-seven (57) homes are under contract with retail buyers.

In December 2016, Pulte Homes purchased 322 acres of undeveloped land within the Waterside project. Pulte is developing a residential community on the site called "Shoreview" to include 246 single-family units. Development activity commenced in early 2018 and to date 110 homes have been sold and closed to retail buyers and an additional twenty-five (25) homes are under contract with retail buyers.

In December 2016, Davis Development purchased twenty-five (25) acres of undeveloped land within the Waterside project, located on the western side of the development along Interstate-75. Davis Development has completed and opened a 290-unit apartment complex on the site.

In February 2018, Ryan Company purchased approximately five (5) acres of undeveloped land within the Waterside project on the South East corner of Lorraine Road and University Parkway. Ryan Company has completed development of a 172-unit assisted living facility on the site called Grand Living at LWR.

In December 2018, Davis Development purchased approximately fourteen (14) acres of undeveloped land within the Waterside project, specifically located within the Waterside Place development off of Deer Drive. This purchase is phase one of their Waterside Place projects and will include 320 apartment units. Davis Development is under contract to purchase three (3) additional phases over a three to four-year period, with these additional phases to include an additional 534 apartments and twenty-one (21) townhomes.

Waterside Place is an approximately 36-acre entertainment hub situated on an approximately 280-acre lake which is planned to include waterfront dining, plazas, a marina, retail and office space, children's exploration park, event pavilion and the Players Centre for Performing Arts theatre complex and 1,400 apartments. Development activities on Waterside Place commenced in October 2018 and are projected to be complete in April 2021.

Lakewood Ranch Stewardship District: Northeast Sector

The northeast quadrant of Lakewood Ranch consists of approximately 3,853 gross acres and is planned to be developed into multiple residential and commercial tracts. Five (5) tracts within the northeast quadrant have been sold to an affiliate of The Kolter Group, Taylor Morrison Homes, Lennar Homes, Pulte Home Company and a land bank entity on behalf of D.R. Horton.

The Kolter community is planned to include 648 residential units and is being marketed as a highly amenitized aged-restricted residential community known as "Cresswind Lakewood Ranch". Horizontal development activity within Cresswind Lakewood Ranch commenced in October 2018 and to date ten (10) homes have been sold and closed to retail buyers and an additional thirty-two (32) homes are under contract with retail buyers

The Taylor Morrison community is planned for 1,825 single family homes and is being marketed as "Azario". This neighborhood is an extension of their Esplanade development located within Lakewood Ranch just to the west and includes eighteen (18) holes of golf. Initial development activity commenced in January 2019 and to date no homes have been closed to retail buyers, however seventy-eight (78) homes are under contract with retail buyers and under construction.

The Lennar community is planned for 1,374 single family homes and will be known as "Lorraine Lakes". The approximately 545 acres for this community was purchased by Lennar in the second quarter of 2019 with development activities commencing immediately thereafter. Home pre-sale activities have commenced with a grand opening scheduled in September 2020.

The D.R. Horton community planned for 675 single-family residential units is being marketed as "Solera at Lakewood Ranch". Horizontal development activities in Solera at Lakewood Ranch commenced in December 2018 and the first retail contract with a homebuyer was signed in the second quarter of 2020.

The Pulte community is planned for 472 units and will be known as "Sapphire Point". Pulte purchased the approximately 181 acres for this community in the fourth quarter of 2019 with development activities commencing immediately thereafter. Home sales are scheduled to commence in December 2020.

An additional two (2) tracts of land within the northeast quadrant are under contract with Forestar Real Estate Group and M/I Homes. These two (2) developments are planned for 1,500 units and 500 units, respectively. Closing on the Forestar Real Estate Group development tract is set to occur in the fourth quarter of 2020 with closing on the M/I Homes development tract set to occur soon thereafter in the first quarter of 2021.

Sarasota Polo Club

Located in the southeastern portion of Lakewood Ranch is the Sarasota Polo Club. Facilities include nine (9) world-class polo fields, a regulation size arena, paddocks, stables and clubhouse. Five (5) to ten (10) acre parcels were sold directly to retail buyers for custom home and horse stable construction. More information on the Sarasota Polo Club and the events held there can be found by visiting www.sarasotapolo.com.

Main Street

Main Street is a mixed-use development offering shopping, dining and luxury housing and is currently home to 113,000 square feet of boutique-style shops, upscale restaurants, residential condominiums and 44,700 square feet of distinctive, class-A office space. Situated along Lake Uihlein, Main Street is reminiscent of Princeton's Palmer Square or Tampa's Hyde Park Village. Currently, occupancy is running approximately 99%.

Main Street includes a wide variety of retail stores such as Vanessa Fine Jewelry, Naples Soap Company and more. The Ana Molinari Day Spa offers complete salon and spa services, along with a clothing line. Respected national retail chains such as Starbucks add a familiar feel to the mix.

Dining choices at Main Street vary from very elegant to casual and include the recently opened "Grove", an elegant restaurant with banquet facilities that will be operated by the owner of the long-time favorite Pier 22 on the Bradenton Waterfront. Other dining options at Main Street include Paris Bistro, Main Street Trattoria featuring Italian cuisine and El Lago Ranchero featuring Mexican cuisine. Main Street offers casual dining options including Pinchers Crab Shack, Fast N Fresh, Station 400 (family-oriented breakfast and lunch eatery), Ed's Tavern (a family friendly sports restaurant), and the dessert shop Big Olaf Ice Creamery. Other tenants include The Fish Hole, an eighteen (18) hole miniature golf course; Premier Sotheby's International Realty and Knot Awl Beads.

The Lakewood Ranch Cinema, an extension of the Sarasota Film Society, is a six (6) screen movie theater at Main Street offering first run Hollywood, foreign language and American independent films. The cinema offers state of-the-art film projection with Dolby-digital sound and stadium seating.

Main Street also features a multi-million-dollar condominium complex with sixty-four (64) upscale units. Residents can choose among the existing Lofts on Main, with its downtown Main Street location or two (2) offerings of lakefront units (one existing and one planned) that will overlook Lake Uihlein.

Town Center

Town Center is a 470-acre commercial development that is bounded on the south by the Manatee and Sarasota County line, on the east by Lakewood Ranch Boulevard, on the north by the River Club development and on the west by Interstate 75. It is estimated that more than 2,500 people are currently employed in Town Center which currently includes a mix of multi-family residential, office, commercial, retail and institutional uses. Such uses include approximately 500,000 square feet of occupied commercial and retail space including a Publix grocery store anchored shopping center, service stations, banks, drug stores, restaurants and hotels; 525 apartments; approximately 925,000 square feet of office space with in excess of 92% occupancy; and medical and institutional uses including a 120-bed hospital, an eighty (80) unit assisted living facility and medical offices. A Marriot Fairfield Inn & Suites and a Hyatt Place are within the Town Center next to the Interstate-75 entrance.

Corporate Park

Located in the southwestern portion of Lakewood Ranch is the Lakewood Ranch Corporate Park which is situated in the Lakewood Ranch Corporate Park DRI encompassing approximately 1,375 acres that are situated east of Interstate 75, south of University Parkway, west of the Sarasota Polo and north of vacant land. It is estimated that more than 4,000 people are employed in the Corporate Park which includes a mix of office, commercial, retail, medical, religious and educational uses. Approximately 232 acres have been sold on which have been developed 1,450,000 square

feet of office space including a community college, medical offices, a church and private school. Currently, occupancy within Corporate Park is running over 90%.

Commerce Park

Located just south of the northern boundary of Lakewood Ranch is the Lakewood Ranch Commerce Park, which encompasses approximately 900 acres that are situated just south of State Road 64 on the east and west side of Lakewood Ranch Boulevard. Commerce Park includes the Lakewood Ranch Business Park and acreage zoned as light industrial. Within Commerce Park, approximately 150 acres have been sold which comprises 532,500 square feet of space with approximately 95% occupancy, and includes a grocery store anchored shopping center, local retail space, banks, service station and restaurants, as well as office and light industrial space. Site improvements are in place for an additional 225,000 square feet. Also, the Lakewood Ranch Business Park, located in the southwest corner of Commerce Park, has site improvements in place for an additional 940,000 square feet.

Based upon information obtained by SMR from the Economic Development Council, Lakewood Ranch as a whole is currently exhibiting a rate of occupancy 10% greater than that of the Sarasota/Manatee County area as whole. Such fact is primarily attributed to SMR's deliberate limitation of speculative sales in the various mixed-use areas located throughout Lakewood Ranch. A complete business directory for the Lakewood Ranch Town Center, Corporate Park and Commerce Park can be found on the Lakewood Ranch website by visiting www.lakewoodranch.com.

Educational and Religious Institutions

Lakewood Ranch offers, or is in close proximity to, educational facilities and religious institutions that include the following:

Pre School and Day Care

- Located within Lakewood Ranch is Kids 'R' Kids Child Care Center ("KRK"), Primrose School, The Goddard School, The Learning Experience day care and Kiddie Academy which offers childcare for infants through school age children in a structured educational environment. KRK offers full day care, before and after school care and school holiday care including summer camp.

Elementary and Middle Schools

- Located within Lakewood Ranch (adjacent to Summerfield/Riverwalk) are the Braden River Elementary School and Braden River Middle School, among the highest academically rated elementary and middle schools, respectively, in the Manatee and Sarasota two (2) county area. Located in Greenbrook East is McNeal Elementary School which opened in August 2003, and R. Dan Nolan Middle School which opened in 2004. Adjacent to Country Club East and The Lake Club is Willis Elementary School, which opened in late 2005. East of Lakewood Ranch Boulevard, between State Road 70 and State Road 64, is B. D. Gullett Elementary School which opened in 2007. Imagine School, a charter school with both elementary and middle school grade levels, opened in 2009 south of State Road 64 and west of Lakewood Ranch Boulevard. Further, a future middle school is planned next to B. D. Gullett Elementary School.

High School

- Located within Lakewood Ranch on Lakewood Ranch Boulevard between State Road 70 and State Road 64 is the Lakewood Ranch High School ("LRHS"), a state-of-the-art facility that opened in 1998. LRHS is Manatee County's first school designed and built specifically as a high school. Situated on 104 acres donated by SMR, the school's next-door neighbor is a regional county park. In addition, Manatee County purchased 150 acres from SMR in 2007 for a second Lakewood Ranch High School complex to be located north of State Road 64 and adjacent to the eastern boundary of Lakewood Ranch. Pursuant to a land exchange contract, that high school site will be relocated south to a site next to the Premier Sports Campus.

Private/Preparatory Schools

- The Out of Door Academy, a prestigious private school since 1924, opened its high school at Lakewood Ranch in 1997 and now also includes middle school classes. The academy provides a college preparatory curriculum, with a full range of academic courses, including honors and advanced placement classes. Pinnacle Academy which serves the educational needs of autistic children, is located near the southeast corner of State Road 70 and Lorraine Road.

Undergraduate/Graduate/Continuing Education

- Keiser University and Everglades University as well as a satellite campus for State College of Florida are located in Lakewood Ranch. The Lake Erie School of Osteopathic Medicine is also located in Lakewood Ranch and has expanded their campus to include dental and pharmacy schools. Located close by are other campuses for State College of Florida which are also expanding, University of South Florida/New College and other campuses in Tampa and St. Petersburg.

Religious Institutions

- Currently located within Lakewood Ranch are several places of worship including churches of the Lutheran, Episcopal, Catholic, Methodist, Jewish, Presbyterian and Baptist denominations.

Medical Facilities

Lakewood Ranch offers a myriad of medical facilities that include the following:

- 120-bed for-profit Lakewood Ranch hospital with emergency room with two adjacent medical office buildings with combined medical office space of more than 200,000 square feet.
- Extensive and multiple dental, general practice, pediatrician and specialist medical facilities.

Premier Sports Campus

The Premier Sports Campus ("PSC"), a Manatee County - owned and operated multi-purpose sports complex, is situated on approximately 145 acres located off State Road 70 East of Lorraine Road. Since opening in 2011, the PSC has hosted over 500,000 players, coaches and officials, hosting a variety of amateur, professional and world — class events including soccer, lacrosse, field hockey, rugby, archery, senior games, Ultimate Frisbee, Special Olympics, flag football, youth football and Frisbee golf. Features and events include:

- A $5 million complex with twenty-two (22) FIFA regulation full-sized soccer fields, mixed use fields, including eight (8) fully lighted for night play, a 4,000-seat stadium around the main field with scoreboard, concession stand, bathrooms, locker rooms and meeting rooms.
- Features Celebration grass and a state-of-the-art underground irrigation system.
- A three (3) year agreement with the United States Soccer Federation, hosting the US Soccer Winter Showcase and Nike International Friendlies. This is the Country's most prestigious Youth Soccer Event, attracting 25,000 people with an approximate economic impact of $11 million.
- Host the annual Labor Day Soccer Tournament with over 300 teams and an approximate economic impact of $15 million.
- Host the largest annual Preseason High School Lacrosse in America, with 250 teams.
- Various professional camps in both soccer and Lacrosse.
- Averaging twenty-five (25) events annually with seven (7) or more attracting over 7,000 people.
- Average 1,000 parents and players each night in a variety of league play.
- Five (5) full time tenants in soccer, football, and lacrosse.
- The Lakewood Ranch Chargers club league (soccer) and Lakewood Ranch Monster Lacrosse.

NORTHEAST SECTOR

Overview

The northeast quadrant of Lakewood Ranch consists of approximately 3,853 gross acres (the "Northeast Sector") and is planned to be developed into multiple residential and commercial tracts. The Northeast Sector is located entirely within Manatee County and the boundaries of the District and is bounded on the north by State Road 64, on the south by State Road 70, on the west by Lorraine Road and on the east by the future Bourneside Boulevard. The four (4) major roadways serving the Northeast Sector include State Road 70, State Road 64, Lorraine Road and Bourneside Boulevard. Additional access ways include Uihlein Road, Rangeland Parkway, 44th Avenue East and Post Road. The lands within the Northeast Sector are currently planned to include approximately 7,831 residential units, eighty-five (85) acres planned for approximately 627,000 square feet of commercial space, parks and 120 acres planned for a public K-8 school and high school.

The acreage constituting the Northeast Sector is a portion of the lands purchased in 1922 by the Uihlein family and are primarily owned by SMR Northeast, LLC, a Florida limited liability company (the "Landowner") and wholly owned subsidiary of SMR. There are currently no mortgages on the land within the Northeast Sector owned by the Landowner. It is the intent of the Landowner to sell undeveloped tracts of land to (i) developers/homebuilders for them to develop such tracts into finished lots for home construction thereon; (ii) apartment builders; (iii) developers of mixed-use properties for them to develop and sell finished parcels to commercial, retail or office end-users; and (iv) commercial, retail or office end-users. Such purchasers will then develop the on-site infrastructure required for each respective tract. As more fully described herein under the heading "Land Sale/Contract Activity", the Landowner has sold and closed on five (5) development tracts and has entered into a purchase and sale agreement with a developer for the sale of three (3) additional development tracts. Such tracts include Tracts A, B, D, E, F, G, H and I within the Northeast Sector, totaling in aggregate 3,452 acres planned for 6,931 units (herein referred to as the "Contracted Tracts"). Please refer to APPENDIX G – NORTHEAST SECTOR PARCEL MAP for a map depicting the referenced parcels.

Land Use Plan

The lands within the Northeast Sector are intended to be developed into nine (9) neighborhoods and various commercial tracts. The information appearing in the table below illustrates the current land use plan for the residential and commercial portions of the Northeast Sector, which information is subject to change. Further, please refer to APPENDIX G – NORTHEAST SECTOR PARCEL MAP for a map depicting the parcels referenced below.

Tract	Single-Family (attached and detached)	Age-Restricted (attached and detached	Apartments	Retail
Tract A	1,750	-	-	-
Tract B	1,374	-	-	-
Tract C	-	-	200	-
Tract D	472	-	-	-
Tract E	675	-	-	-
Tract F	-	648	-	-
Tract G	512	-	-	-
Tracts H & I	1,500	-	-	-
Tract J	-	-	700	-
Commercial C1	-	-	-	183,563
Commercial C2	-	-	-	91,782
Commercial C3	-	-	-	110,138
Commercial C4	-	-	-	150,000
Commercial C5	-	-	-	91,782
High School	-	-	-	-
K-8 School	-	-	-	-
Total	**6,283**	**648**	**900**	**627,265**

Development Agreement

The Landowner and the County entered into a Local Development Agreement (the "Development Agreement"), on March 6, 2018 that governs the entire Northeast Sector. The Northeast Sector has a Manatee County Comprehensive Plan designation of MU-C which allows for it to be developed with a variety of land uses and densities. As previously discussed, the Landowner intends on dividing the Northeast Sector into various development tracts for sale to developers and/or homebuilders. However, the County has established traffic concurrency requirements for the entire Northeast Sector.

Per the Development Agreement, the Landowner is required to complete certain transportation improvements prior to or in conjunction with the development of the Northeast Sector to meet County concurrency requirements. The Development Agreement does allow for a proportionate share contribution to be made by the Landowner in lieu of such transportation improvements. However, it is the current intent that the Landowner will construct and dedicate the following roadways identified as thoroughfares and the right of way of each to the County (the "Mitigation Improvements") to mitigate the transportation impacts of the proposed development within the Northeast Sector:

1) Construct Uihlein Road from its current northern terminus at the north end of the Lakewood National development to State Road 64 as a four-lane divided roadway within a 120-foot right of way.

2) Construct 44th Avenue East Extension from Lorraine Road to Bourneside Boulevard as a four-lane divided roadway within a 120-foot right of way.

3) Dedicate 120 feet of right of way for Bourneside Boulevard from the northern entrance of Lakewood National to State Road 64 to accommodate build-out as a four-lane divided roadway within a 120-foot right of way. The construction of Bourneside Boulevard as a two-lane road shall not be considered a Mitigation Improvement because it serves as site-related access for the Northeast Sector.

The total Mitigation Improvements costs excluding dedicated road right of way as identified in the Development Agreement are estimated at $48.6 million. Such costs are included within the scope of the Northeast Sector Project and include the construction of storm water ponds. The dedicated right of way value is estimated at $6.6 million and is not included as part of the Northeast Sector Project.

Additional roadway improvements (the "Initiated Improvements" and together with the "Mitigation Improvements", the "Northeast Sector Improvements") required under the Development Agreement to be initiated by the Landowner to enhance the development value of the Northeast Sector rather than mitigate against transportation impacts are identified below. The costs of such roadways, which are to be dedicated to the County, are included within the scope of the Northeast Sector Project.

1) Rangeland Parkway from Lorraine Road to Bourneside Boulevard as a four-lane divided roadway within a 120-foot right of way.

2) Bourneside Boulevard as a two-lane roadway within the right of way.

3) Post Road, as a four-lane facility with a 120-foot right of way, from its current terminus at 59th Avenue East to Rangeland Parkway.

Construction of the aforementioned Northeast Sector Improvements have a required completion date of three (3) years from receiving County approval for zoning of the first development tract, subject to extensions. As further described herein, Tract F obtained rezoning approval from the County on April 5, 2018 thus the proposed completion date is April 2021. Failure to meet the completion date will result in a suspension of the certificate level of service ("CLOS") for all development tracts until completion of such improvements.

A CLOS for transportation, recreational/open space, solid waste, and storm water is provided upon approval of final site plan for each development tract or a portion thereof and has an expiration date on the earlier of (i) December 31, 2032 or (ii) ten (10) years from the date of issuance of the CLOS for each respective development tract.

In addition, if an increase in the proposed development use occurs within a development tract or to the overall projected development use and approval is granted by the County for such increase, a separate traffic or impact analysis may be required which may result in additional concurrency requirements to mitigate transportation impacts by the

proposed increase and thus delay the issuance of a CLOS. While the lands within the Northeast Sector have a Manatee County Comprehensive Plan designation of MU-C, each of the various tracts must undergo approval through the County's normal zoning and site plan approval process. As more fully described herein under the heading "Land Sale/Contract Activity" and as summarized in the chart below, the contract purchasers for the Contracted Tracts have received rezoning approval.

Tract	Rezoning Approval Date	# Approved Units
Tract A[(1)]	October 2018	1,750
Tract B	October 2018	1,500
Tract D	August 1, 2019	475
Tract E	June 2018	675
Tract F	April 2018	651
Tract G	July 2020	512
Tracts H & I	June 2020	1,500

(1) The Tract A developer is currently under negotiations with the Landowner to purchase an additional nineteen (19) acres which will extend the eastern boundary of Tract A to Uihlein Road. Pending consummation of the purchase of such lands, Tract A will include 1,011 acres planned for 1,825 single family units. A modification to the zoning ordinance has been submitted to the County to allow for at a minimum of 1,825 single-family residential units planned within the expanded Tract A boundaries.

Certain of the Northeast Sector Improvements identified above are subject to transportation impact fee credits in an amount not to exceed $42,500,000. The Development Agreement provides for transportation impact fee credits for dedications and improvements to the thoroughfare network related to the Northeast Sector Improvements including the dedication of storm water facilities constructed with easements related to such roadway improvements. The Landowner can initially only use the impact fee credits as proportionate share contributions to obtain a further extension of the CLOS for development tracts inside the Northeast Sector or an extension or mitigation of the CLOS for other developments outside of the Northeast Sector but within the impact fee district. Upon reaching certain building permit thresholds, the transportation impact fee credits can also be applied towards offsetting impact fees owed and refunding impact fees paid for development tracts within the Northeast Sector.

SMR North 70, LLC, an affiliate of the Landowner, previously possessed other transportation impact fee credits pursuant to the Northwest Sector/Lakewood Centre Local Development Agreement that provides the right to use such surplus credits for the purpose of extending the CLOS in the development tracts within the Northeast Sector or assign such surplus credits to the landowner/developer of such development tracts. Currently, $7,438,900 of surplus credits has been assigned to the Landowner who has in turn, pursuant to the Development Agreement, transferred back such credits to the County so that the County can use the impact fees that such credits would otherwise offset towards other improvements needed to the thoroughfare network within the same impact fee benefit district.

Permitting

In efforts to sell undeveloped tracts of land to developers/homebuilders and meet County concurrency requirements governed by the Development Agreement, the Landowner has undertaken a separate initiative to obtain permitting for site construction of the Northeast Sector Project which includes all or a portion of the construction and/or

extension of Rangeland Parkway, Post Road, 44th Avenue, Uihlein Road and Bourneside Boulevard. The Engineer's Report attached hereto as Appendix A provides a detail of the permits that have been obtained and those that are pending.

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

In addition to the permits required for the Northeast Sector Project, permits for the development of the infrastructure for each of the tracts are required to be obtained. Each of the contract purchasers of the Contracted Tracts have obtained permits or are in the process of obtaining permits to provide for the development of each of their respective tracts.

Environmental Matters

The Landowner has owned the acreage in the Northeast Sector since the 1920's and therefore is aware of the utilization of the land from that time to present day. Accordingly, the Landowner has not commissioned an environmental site assessment for the acreage within the Northeast Sector. However, each entity that has purchased or is currently under contract to purchase the property within the Northeast Sector commissioned an environmental site assessment during the inspection periods provided for in their respective purchase and sale contracts. None of the contract purchasers have conveyed to the Landowner any findings of environmentally recognized conditions.

District Infrastructure/Finance Plan

The District Engineer has prepared the Engineer's Report attached hereto as APPENDIX A describing the Northeast Sector Project which is estimated to cost approximately $84.7 million. The Northeast Sector Project includes the expansion and construction of certain roadways within the Northeast Sector, namely, Uihlein Road, Rangeland Parkway, Bourneside Boulevard, 44th Avenue and Post Road, as required by the Development Agreement. The roadway costs identified include roads, drainage, utilities, lighting, landscaping and entry features. While the Northeast Sector Project includes multiple roadway segments and associated improvements, it is currently intended to be constructed continuously until fully completed rather than in phases with completion expected by April 2021, as required by the Development Agreement. To facilitate this, the District intends to issue multiple series of Bonds throughout the construction process for the Northeast Sector Project.

In September 2017 and during the engineering, design and permitting stages of the Northeast Sector Project, the District obtained interim financing for the Northeast Sector Project in the form of a revolving line of credit facility provided by Florida Community Bank, N.A. in the initial amount of not to exceed $45 million which has since been reduced to $33 million. The line of credit is secured by the 2017 Note. The 2017 Note accrues interest at 4.25% and matures on September 8, 2022. Currently, the net outstanding balance of the 2017 Note is approximately $13.6 million. As described further herein, a portion of the proceeds of the 2020 Bonds will be used to pay down the entire outstanding balance of the 2017 Note. Upon issuance of the 2020 Bonds, the 2017 Note will be secured by special assessments levied on all lands within the Northeast Sector with the exception of the Contracted Tracts.

The District previously issued its $14,985,000 Special Assessment Revenue Bonds, Series 2018 (Northeast Sector Project – Phase 1A) (the "2018 Phase 1A Bonds") on August 21, 2018 to repay, together with amounts on deposit in the 2017 Revenue Account securing the 2017 Note. $9.7 million outstanding under the 2017 Note that previously funded a portion of the Northeast Sector Project and to construct additional portions of the Northeast Sector Project in the approximate amount of $5.0 million (the "Northeast Sector Project – Phase 1A"). Upon issuance of the 2018 Phase 1A Bonds and subsequent repayment of the outstanding principal balance of the 2017 Note, the lien of the 2017 Note was extinguished on the lands on which the Special Assessments securing the 2018 Phase 1A Bonds were initially levied. Such tracts included Tracts A, B, E and F, totaling 2,065 acres, all of which were under contract with various landowners at the time of issuance of the 2018 Phase 1A Bonds. The District subsequently issued its $36,185,000 Special Assessment Revenue Bonds, Series 2018 (Northeast Sector Project – Phase 1B) (the "2018 Phase 1B Bonds") on December 10, 2018 to fund additional portions of the Northeast Sector Project in the approximate amount of $33.3 million (the "Northeast Sector Project – Phase 1B"). As described further herein under the heading "The Assessment Areas", the 2018 Phase 1A Bonds were sized to correspond with the amount of special assessments allocable to Tracts E and F and the 2018 Phase 1B Bonds were sized to correspond with the amount of special assessments allocable to Tracts A and B.

Further, the District issued its $5,585,000 Special Assessment Revenue Bonds, Series 2019 (Northeast Sector Project – Phase 2A) (the "2019 Phase 2A Bonds") to construct additional portions of the Northeast Sector Project in the approximate amount of $5.1 million. The 2019 Phase 2A Bonds are secured by special assessments levied on Tract D within the Northeast Sector which was sold to Pulte Homes and is planned for the development of 472 residential lots. In accordance with the terms of the 2017 Note, upon sale of Tract D to Pulte Homes, the lien of the 2017 Note was released on Tract D.

As previously noted, a portion of the proceeds of the 2020 Bonds will be used to retire the entire Outstanding balance of the 2017 Note and fund additional portions of the Northeast Sector Project in the estimated amount of $2.6 million. That portion of the Northeast Sector Project previously funded with proceeds of the 2017 Note and to be funded with proceeds of the 2020 Bonds is referred to herein as the "Northeast Sector Project – Phase 2B". As described further herein under the heading "The Assessment Areas", the 2020 Bonds will ultimately be secured by the Series 2020 Assessments levied on Tracts H and I within the Northeast Sector which is under contract with Forestar (defined further herein) and planned for the development of 1,500 residential lots. Upon issuance of the 2020 Bonds, the lien of the 2017 Note will be extinguished on the lands on which the Series 2020 Assessments securing the 2020 Bonds will be levied.

As previously stated herein, the District intends to issue one (1) additional series of Bonds to fund additional portions of the Northeast Sector Project. Such future series of Bonds are anticipated to be issued to correspond with the anticipated bulk land sale of Tract G which is under contract to M/I Homes and is the last single-family residential tract in the Northeast Sector. Prior to such occurrence, the District intends to utilize the 2017 Note to fund the Northeast Sector Project to the extent it has fully expended proceeds of previously issued Bonds and until the final series of Bonds is issued with respect to the Northeast Sector Project.

In addition, the Landowner and the District have previously entered into a Completion Agreement whereby the Landowner agreed to complete any portion of the Northeast Sector Project not funded with proceeds of the 2020 Bonds or any future series of Bonds issued by the District with respect to the Northeast Sector Project.

District Infrastructure Status

As discussed above, through funding via the 2017 Note, the 2018 Phase 1A Bonds, the 2018 Phase 1B Bonds, and the 2019 Phase 2A Bonds, the District has contracted for and undertaken certain engineering, permitting, design and construction activities for certain portions of the Northeast Sector Project. The narrative below provides a summary of such activity as well as a projected construction schedule for the roadways segments included in the Northeast Sector Project.

44th Avenue East (Lorraine Road to Bourneside Blvd.) – Construction commenced in June 2018 and was completed in September 2020.

Bourneside Blvd N (Lakewood National to State Road 64) – Bid advertising occurred in June 2018 and a contract was awarded in July 2018. Construction commenced in August 2018 with a completion date of July 2020.

Rangeland Parkway (Lorraine Road to Uihlein Road) & Post Rd. – A contract was awarded in November 2018. Construction commenced in December 2018 and is expected to be completed in December 2020.

Uihlein Road (44th Ave East to State Road 64) – Bid advertising occurred in August 2019. Construction commenced in November 2019 and is expected to be complete by November 2020.

Uihlein Road (Lakewood National to 44th Avenue East) and Rangeland Parkway (Uihlein Road to Bourneside Road) – Construction commenced in April 2018 and was completed in July 2019.

Utilities

Water and sewer for the Northeast Sector will be provided by the County. Further, re-use will be provided by Braden River Utilities which is owned by an affiliate of SMR. Electric power will be provided by Peace River Electric Company and gas service will be provided by Tampa Electric Company.

Land Sale/Contract Activity

As previously discussed herein, it is the intent of the Landowner to sell undeveloped tracts of land to developers/homebuilders for them to develop such tracts into finished lots for home construction thereon, in the case of the residential parcels. To date, the Landowner has sold and closed on five (5) residential tracts totaling 2,294 acres planned for 4,919 residential units. Further, the Landowner has entered into a contract for the sale of three (3) additional residential tract totaling 1,158 acres planned for 2,012 residential units. The table below illustrates certain information pertaining to the aforementioned land sales and contract activity to date.

Tract	Purchaser	Est. Acres	Land Use	Est. Units
Pending Contracts				
Tract H & I	Forestar (USA) Real Estate Group, Inc	898	Single-Family	1,500
Tract G	M/I Homes	260	Single-Family	512
Subtotal		*1,158*		*2,012*
Closed Contracts				
Tract A (1)	Taylor Morrison of Florida, Inc.	992	Single-Family	1,750
Tract B	Lennar Homes, LLC	545	Single-Family	1,374
Tract D	Pulte Home Company	229	Single-Family	472
Tract E	Solera Landco, LLC	278	Single-Family	675
Tract F	KH Lakewood Ranch, LLC	250	Single-Family	648
Subtotal		*2,294*		*4,919*
Total		**3,452**		**6,931**

(1) The Tract A developer is currently under negotiations with the Landowner to purchase an additional nineteen (19) acres which will extend the eastern boundary of Tract A to Uihlein Road. Pending consummation of the purchase of such lands, Tract A will include 1,011 acres planned for 1,825 single family units. A modification to the zoning ordinance has been submitted to the County to allow for at a minimum of 1,825 single-family residential units planned within the expanded Tract A boundaries.

The narrative below provides a summary of the contract activity specific to Tracts H and I within the Northeast Sector as well as the biography of the contract purchaser which information has been obtained from their website. While the terms of the purchase and sale contract is subject to change until closing, the Landowner does not anticipate any changes to the terms of the sales contract that will significantly impact the sale of such land.

Forestar (USA) Real Estate Group Inc., a Delaware corporation, ("Forestar") has entered into a purchase and sale contract with the Landowner for the purchase of approximately 898 acres comprising Tracts H and I of the Northeast Sector (the "Forestar Contract"). The total fixed purchase price is $25,125,000 calculated as 5% of the average retail sales price times the total number of developed housing units which is estimated to be 1,500 residential units. However, if Forestar's conceptual plan provides for fewer lots then the purchase price will be reduced proportionally. An initial deposit of $25,000 was made at the execution of the Forestar Contract followed by $250,000 within ten (10) days of the end of the inspection period, all of which will be credited to the fixed purchase price at closing. At closing, Forestar will deliver half of the purchase price to the Landowner and the remaining balance will be delivered via a purchase money promissory note (the "Promissory Note"). The Promissory Note will be secured by a mortgage for a portion of the lands comprising Tracts H and I, as described further herein. Additional consideration will be paid to the Landowner in the amount of 10.5% of sales price of a completed home less a credit calculated using the purchase price less the aggregate of all applied credits divided unsold homes. The Promissory Note will provide for $12,562,500 plus accrued interest to the Landowner and will be secured by a Mortgage and Security Agreement collateralized by a portion of the lands within Tracts H and I sufficient to comprise 1,150 developable lots. The unpaid principal balance shall accrue interest at 4.0% and has a term of three (3) years from the execution of the Promissory Note. The accrued interest shall be paid on the second anniversary of the date of the Promissory Note which shall include a prepayment of the interest for the final year of the Promissory Note.

The Forestar Contract stipulates that Forestar will actively seek to obtain entitlements during a ten (10) month period following the inspection period which ended on June 18, 2020. Additionally, the Forestar Contract sets forth certain conditions to be met prior to the closing date including, without limitation, obtaining any offsite easements necessary to

support the development of Tracts H and I including those for roadway and utility systems and related appurtenances as well as obtaining any necessary permits and authorizations required to commence construction on off-site utilities, roads and related appurtenances to be constructed by Forestar, including signage, landscaping, utility facilities and systems and stormwater management systems. Additionally, the Landowner shall make reasonable efforts to cause the District to construct before closing all roadways, utilities lines and related facilities to the planned western entrance of the development. If the conditions of closing are not met, Forestar can elect to terminate the Forestar Contract and receive a full refund of the deposit. Based on timing and closing conditions set forth in the Forestar Contract, the Landowner anticipates closing will occur no later than October 31, 2020.

If Forestar intends to sell all or a portion of the land within Tracts H and I to other developers/homebuilders, the Forestar Contract identifies certain approved buyers for such purchase which include Anchor Builders of SW Florida, Arthur Rutenberg Homes, Ashton Woods, CC Homes, Del Webb, Divosta, D.R. Horton, GL Homes, Homes by Towne, Homes by West Bay, John Cannon Homes, Kolter Homes, Lee Wetherington Homes, Lennar Homes, M/I Homes, Moranda, Neal Communities, Neal Signature Homes, Pulte Homes, Sam Rodgers, Shea Homes-Trilogy, Stock Signature Homes, Taylor Morrison, Toll Brothers and WCI.

On June 24, 2020, Forestar received rezoning and preliminary site plan approval from the County for Tracts H and I for up to 1,500 residential units (single-family attached and detached, single-family demi-attached and multi-family). The marketing name for Tracts H and I is “Star Farms”. The zoning ordinance sets forth certain stipulations pertaining to design and land use, storm water, environmental and utilities. Below is a description of certain of those stipulations.

Design and Land Use –

- Provide notice to prospective buyers of the planned thoroughfares adjacent to the project and potential noise associated with the planned roadways.
- Provide notice to prospective buyers of certain internal streets within the subdivision that will be privately owned and maintained by the Homeowner’s Association.
- Provide notice to prospective buyers of active agriculture operations in the area and their potential impacts
- All applicable state and federal permits must be obtained prior to commencing development.

Utilities –

- Mandatory connection to the County water and wastewater system. The cost of connection, including design, permitting and construction of off-site extensions of lines, shall be responsibility of the landowner.

Environmental –

- All other applicable state and federal permits must be obtained prior to commencing development.
- Provide for a formal gopher tortoise burrow survey prior to construction in accordance with Fish and Wildlife guidelines.
- No lots shall be platted through post-development wetlands, wetland buffers or upland preservation areas.

Forestar Group Inc. is a residential lot development company with operations in fifty-one (51) markets in twenty-two (22) states and is a majority-owned subsidiary of D.R. Horton, Inc., the largest homebuilder by volume in the United States since 2002. Forestar is primarily focused on developing single-family residential communities for entry-level, first-time and first-time move-up homebuyers, the largest segments of the new home market. Forestar trades on the New York Stock Exchange under the symbol FOR. As a publicly traded company on the New York Stock Exchange, Forestar is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended (the "SEC Act"), and in accordance therewith files reports, proxy statements, and other information with the Securities

and Exchange Commission (the "SEC"). The registration statement and these other SEC filings are available at the SEC's website at https://www.sec.gov and at the SEC's Public Reference Room at the SEC's Headquarters, located at 100 F Street, NE, Washington, D.C. 20549. All documents subsequently filed by Forestar pursuant to the requirements of the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

The Assessment Areas

The District previously issued its $14,985,000 2018 Phase 1A Bonds to repay the District's then Outstanding balance under the 2017 Note as well as to fund additional portions of the Northeast Sector Project. The 2018 Phase 1A Bonds were sized to correspond with the amount of special assessments allocable to Tracts E and F per the allocation set forth in the Assessment Reports which prescribe the assignment of special assessments from a per acre amount to a per unit amount upon the sale of property with specific entitlements transferred thereto or platting. Tracts E and F have since sold and closed to Solera Landco, LLC, the land banking entity for D.R Horton, and Kolter, respectively, and the special assessments securing the 2018 Phase 1A Bonds have subsequently been allocated on a per unit basis to Tracts E and F.

The District subsequently issued its $36,185,000 2018 Phase 1B Bonds to fund additional portions of the Northeast Sector Project in the approximate amount of $33.3 million. The 2018 Phase 1B Bonds were levied on an equal per acre basis on the approximately 1,537 acres that constitute Tracts A and B. The 2018 Phase 1B Bonds were sized to correspond with the amount of special assessments allocable to Tracts A and B per the allocation set forth in the Assessment Reports which prescribe the assignment of special assessments from a per acre amount to a per unit amount upon the sale of property with specific entitlements transferred thereto or platting. Tracts A and B have since sold and closed to Taylor Morrison and Lennar, respectively, and the special assessments securing the 2018 Phase 1B Bonds have been allocated to such tracts on a per unit basis accordingly.

Additional portions of the Northeast Sector Project were funded with proceeds of the District's $5,585,000 2019 Phase 2A Bonds in the approximate amount of $5.1. The 2019 Phase 2A Bonds were initially levied on an equal per acre basis on all of the unsold and unplatted properties within the Northeast Sector totaling 1,696 acres. The 2019 Phase 2A Bonds were sized to correspond with the amount of special assessments allocable to Tract D planned for 472 single-family residential units per the allocation set forth in the Assessment Reports which prescribe the assignment of special assessments from a per acre amount to a per unit amount upon the sale of property with specific entitlements transferred thereto or platting. Tract D has since sold and closed to Pulte Homes and the special assessments securing the 2019 Phase 2A Bonds have been allocated in their entirety to Tract D.

Initially, the Series 2020 Assessments securing the 2020 Bonds will be levied on an equal per acre basis on all of the unsold and unplatted properties within the Northeast Sector totaling 1,333 acres (the "2020 Assessment Area"). The 2020 Bonds have been sized to correspond with the amount of special assessments allocable to Tracts H and I planned for 1,500 single-family residential units per the allocation set forth in the Assessment Reports which prescribe the assignment of special assessments from a per acre amount to a per unit amount upon the sale of property with specific entitlements transferred thereto or platting. Accordingly, upon consummation of the sale of Tracts H and I with Forestar, as previously discussed in more detail herein under the heading "Land Sale/Contract Activity", the Series 2020 Special Assessments will be assigned in their entirety to Tracts H and I.

Schools

Based upon current school zoning, children residing in the Northeast Sector would generally attend B.D. Gullett Elementary School, R. Dan Nolan Middle School and Lakewood Ranch High School all 'A' rated schools for 2019 according to the Florida Department of Education.

Marketing

SMR and its affiliates undertake a comprehensive marketing effort for Lakewood Ranch in its entirety and estimate that their calendar year 2020 marketing expenditures will be approximately $9.0 million. Such expenditures are primarily funded with a 3% marketing fee each developer/homebuilder, inclusive of those that will purchase lands within the Northeast Sector, is required to pay upon the closing of the sale of a new home in Lakewood Ranch. Further, it is

anticipated that each of the tract developers in the Northeast Sector will employ their own marketing efforts to market their respective neighborhoods.

Fees and Assessments

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

Property Taxes:

The 2019 millage rate for the area of the County where the Development is located is approximately 15.6694 mills. Accordingly, by way of example, the annual property taxes for a $350,000 taxable value home would be $5,484.

Homeowner's Association Fee:

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

District Special Assessments:

All homeowners residing in the 2020 Assessment Area will be subject to the Series 2020 Assessments levied in connection with the 2020 Bonds. In addition to the Series 2020 Assessments, all homeowners will be subject to annual operations and maintenance assessments levied by the District which are derived from the District's annual budget and are subject to change each year. The table below illustrates the Series 2020 Assessments and FY21 O&M Assessment that will be levied by the District.

Unit Type	# of Planned Units	Annual Series 2020 Assessment Per Unit (Gross)	Annual FY21 O&M Assessment Per Unit (Gross)*
Tract H and I			
Single-Family	1,500	$731	$302

* O&M Assessments are initially levied on a per acre basis until lots are platted. The estimated annual FY21 O&M Assessments per undeveloped acre is $76.

At this time, Forestar has conveyed to the Landowner that it intends to request the District to issue additional Bonds for public infrastructure within Tracts H and I. To the extent that additional Bonds are issued, such Bonds will be secured by special assessments levied on such tracts and therefore will overlap with the Series 2020 Assessments. The information appearing in the chart below provides the maximum permitted assessment levels when taking into account the Series 2020 Assessments and future special assessments that may be levied in conjunction with an additional Series of Bonds (see "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2020 BONDS – No Parity Bonds").

Product-Type	Maximum Gross Annual Assessment Levels
TH	$1,480
Villas	$1,830
40' - 49'	$1,830
50' - 59'	$2,080
60' - 69'	$2,330
70' - 79'	$2,680
80' - 89'	$2,930
90' - 99'	$2,930

Competition

Lakewood Ranch is its own submarket and as such it is anticipated primary competitors for the tracts located within the Northeast Sector and thus the Series 2020 Assessment Area therein will include actively selling neighborhoods within the Manatee County portion of Lakewood Ranch. Please see "LAKEWOOD RANCH", for a description of such active neighborhoods.

TAX MATTERS

General

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

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the 2020 Bonds (including any original issue discount properly allocable to the owner thereof) is excluded from gross income for purposes of federal income taxation. Interest on the 2020 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

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

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

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE 2020 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDOWNERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDOWNERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the 2020 Bonds is subject to information reporting to the Internal Revenue Service Interest paid on tax-exempt bonds such as the 2020 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the 2020 Bonds from gross income for federal income tax purposes. However, in

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

Other Tax Matters Relating to the 2020 Bonds

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

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

In 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 (including community development districts such as the District) for purposes of the rules for tax-exempt bonds. Although the Proposed Regulations were later withdrawn in 2017, the Secretary of the Treasury advised 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.

Beginning in 2013, the IRS conducted a lengthy examination challenging the tax-exempt status of bonds issued by the Village Center CDD, a Florida special district established under Chapter 190, Florida Statutes. The IRS concluded in a technical advice memorandum (the "Villages TAM") that 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 state or local governmental body."

Although the IRS closed the examination of the Village Center CDD with no change to the tax-exempt status of the bonds, the Villages TAM and the Proposed Regulations 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.

Like the board of the Village Center CDD, the Board of Supervisors of the District is elected by the landowners in the District. However, the District 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. 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. On the basis of the Act and certain representations by the District as to its reasonable expectations of transition to a resident-elected Board of Supervisors, 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 C: FORM OF OPINION OF BOND COUNSEL."

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

Tax Treatment of the Original Issue Discount

Under the Code, the difference between the maturity amount of the 2020 Bonds maturing on May 1, 2025, (a "Discount Bond"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bond was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bond at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bond in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bond, and will increase his or her adjusted basis in the Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bond. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bond which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondowners of the Discount Bond should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bond and with respect to the state and local tax consequences of owning and disposing of the Discount Bond.

Tax Treatment of Bond Premium

The difference between the principal amount of the 2020 Bonds maturing on May 1, 2050 (the “Premium Bond”), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bond was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Premium Bond, which ends on the earlier of the maturity or call date for the Premium Bond which minimizes the yield on such Premium Bond to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bond. Bondholders of the Premium Bond are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bond.

AGREEMENT BY THE STATE

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

LEGALITY FOR INVESTMENT

The Act provides that the 2020 Bonds are legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State, and constitute securities which may be deposited by banks or trust companies as security for deposits of state, county, municipal or other public funds, or by insurance companies as required for voluntary statutory deposits.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Rule 69W-400.003, Rules of Government Securities under Section 517.051(1), Florida Statutes, promulgated by the Florida Department of Financial Services, Office of Financial Regulation, Division of Securities and Finance ("Rule 69W-400.003"), requires the District to disclose each and every default as to the payment of principal and interest with respect to obligations issued or guaranteed by the District after December 31, 1975. Rule 69W-400.003 further provides, however, that if the District, in good faith, believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted. The District is not and has not since December 31, 1975 been in default as to principal and interest on its bonds or other debt obligations.

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 Landowner and PFM Group Consulting LLC, as dissemination agent (the "Dissemination Agent") will enter into a Continuing Disclosure Agreement (the "District/Landowner Disclosure Agreement"), the form of which is attached hereto as APPENDIX D. Pursuant to the District/Landowner Disclosure Agreement, the District has covenanted for the benefit of Bondholders to provide to the Dissemination Agent certain financial information and operating data relating to the District and the 2020 Bonds in each year (the "District Annual Report"), and to provide notices of the occurrence of certain enumerated material events. Such covenant by the District shall only apply so long as the 2020 Bonds remain outstanding under the Indenture.

Pursuant to the District/Landowner Disclosure Agreement, the Landowner has covenanted for the benefit of Bondholders to provide to the District and the Dissemination Agent certain financial information and operating data relating to the Landowner and Northeast Sector and the properties subject to the Series 2020 Assessments (the "Landowner Report"). Such covenant by the Landowner will apply only until the earlier to occur of (x) the payment and redemption of the 2020 Bonds, or (y) the Landowner is no longer an Obligated Person.

The District Annual Report and the Landowner Report (together, the "Reports") will each be filed by the Dissemination Agent with the Municipal Securities Rulemaking Board's Electronic Municipal Markets Access ("EMMA") repository described in the form of the District/Landowner Disclosure Agreement attached hereto as APPENDIX D. The notices of material events will also be filed by the District with EMMA. The specific nature of the information to be contained in the Reports and the notices of material events are described in APPENDIX D. The District/Landowner Disclosure Agreement will be executed by the applicable parties at the time of issuance of the 2020 Bonds. The foregoing covenants have been made in order to assist the Underwriter in complying with the SEC Rule.

With respect to the 2020 Bonds, no parties other than the District or the Landowner are obligated to provide any continuing disclosure information with respect to the SEC Rule.

The District has previously entered into continuing disclosure undertakings as required by the SEC Rule with respect to other bond issuances. Over the past five years, the District failed to make timely filings of certain reports and/or notices as required by such continuing disclosure undertakings and some of such untimely filings were not separately reported as listed events.

The Landowner has entered into commitments subjecting it to the reporting requirements of the SEC Rule. The Landowner has materially complied with such reporting requirements.

FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the fiscal year ended September 30, 2019 are included as APPENDIX F hereto. Such audited financial statements, including the auditor's report thereon, have been included as APPENDIX F hereto as public documents and the consent of the auditors to include such document was not requested.

ENFORCEABILITY OF REMEDIES

The remedies available to the Owners of the 2020 Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the 2020 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2020 Bonds will be qualified, as to the enforceability of the remedies

provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

LITIGATION

The District. There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the 2020 Bonds, or in any way contesting or affecting the validity of the 2020 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the 2020 Bonds, or the existence or powers of the District.

The Landowner. There is no litigation pending, or to the knowledge of the Landowner, threatened against the Landowner that could in any way affect the development to be undertaken by the Landowner as described herein.

SMR. There is no litigation pending, or to the knowledge of SMR, threatened against SMR that could in any way affect the development of Lakewood Ranch as described herein.

NO RATING OR CREDIT ENHANCEMENT

The 2020 Bonds are neither rated nor credit enhanced. No application for a rating or credit enhancement with respect to the 2020 Bonds was made.

UNDERWRITING

The Underwriter has agreed, pursuant to a contract entered into with the District, subject to certain conditions, to purchase the 2020 Bonds from the District at an aggregate purchase price of $17,428,862.80 (representing the par amount of the 2020 Bonds of $17,755,000, and less an Underwriter's discount of $355,100.00 and plus net original issue premium of $28,962.80). See "ESTIMATED SOURCES AND USES OF PROCEEDS" herein. The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all the 2020 Bonds if any are purchased.

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

DISCLOSURE OF MULTIPLE ROLES

Bondholders should note that PFM Group Consulting LLC is acting in the capacities of District Manager responsible for the administrative operations of the District and is serving as Dissemination Agent for purposes of the SEC Rule. PFM Financial Advisors LLC is serving as the methodology consultant responsible for the Assessment Reports attached hereto as "APPENDIX E – ASSESSMENT REPORTS" and as the District's Municipal Advisor.

EXPERTS

The references herein to Stantec Consulting Services Inc., as the District Engineer and the inclusion of "APPENDIX A – ENGINEER'S REPORT" prepared by Stantec Consulting Services, Inc., attached hereto, have been approved by said firm. The Engineer's Report should be read in its entirety for complete information with respect to the subjects discussed therein. PFM Financial Advisors LLC has prepared the Assessment Reports set forth in APPENDIX E hereto and such appendix should be read in its entirety for complete information with respect to the subjects discussed therein.

CONTINGENT FEES

Bond Counsel, the Underwriter and Counsel to the Underwriter will receive fees for services rendered in connection with the issuance of the 2020 Bonds, which fees are contingent upon such issuance.

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the 2020 Bonds are subject to the approval of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel Akerman LLP, Orlando, Florida. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams, P.A., Tallahassee, Florida. Certain legal matters will be passed upon for the Trustee by Holland & Knight, LLP, Miami, Florida. Certain legal matters will be passed upon for the Landowner by its in-house Counsel.

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

MUNICIPAL ADVISOR

PFM Financial Advisors LLC is serving as the District's Independent Registered Municipal Advisor in connection with the issuance of the 2020 Bonds.

VALIDATION

On December 20, 2005, the Circuit Court in and for Manatee and Sarasota Counties, Florida validated the issuance by the District of not exceeding $4 billion in principal amount of its special assessment revenue bonds. The appeal period from such final judgment has expired with no appeal having been filed. The 2020 Bonds are included within the validated amount.

MISCELLANEOUS

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

The references herein to the 2020 Bonds and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions.

This Limited Offering Memorandum has been prepared in connection with the sale of the 2020 Bonds and may not be reproduced or used, as a whole or in part, for any purpose. This Limited Offering Memorandum is not to be construed as a contact with the purchaser or the Owner or Beneficial Owners of any of the 2020 Bonds.

This Limited Offering Memorandum has been duly authorized, executed and delivered by the District.

LAKEWOOD RANCH STEWARDSHIP DISTRICT

By: /s/ Rex Jensen
Chair, Board of Supervisors

APPENDIX A

ENGINEER'S REPORT

[THIS PAGE INTENTIONALLY LEFT BLANK]

LAKEWOOD RANCH STEWARDSHIP DISTRICT MASTER ENGINEER'S REPORT FOR NORTHEAST SECTOR AT LAKEWOOD RANCH INFRASTRUCTURE IMPROVEMENTS

Stantec

Prepared for:
Lakewood Ranch Stewardship District
14400 Covenant Way
Lakewood Ranch, FL 34240

Prepared by:
Stantec Consulting Services Inc.
6900 Professional Parkway East
Sarasota, FL 34240

September 16, 2020

Table of Contents

I. INTRODUCTION 1

II. GENERAL DESCRIPTION 1

III. LAND USES 2

IV. PERMITS 2

V. INFRASTRUCTURE IMPROVEMENTS 3

VI. SUMMARY AND CONCLUSION 4

LIST OF TABLES

Table 1 PROPOSED LAND USES 2

Table 2 PROPOSED IMPROVEMENT COSTS 5

Table 3 PERMITTING STATUS 6

EXHIBITS

EXHIBIT 1 NORTHEAST SECTOR AT LAKEWOOD RANCH – LOCATION MAP 8

LAKEWOOD RANCH STEWARDSHIP DISTRICT MASTER ENGINEER'S REPORT FOR NORTHEAST SECTOR AT LAKEWOOD RANCH INFRASTRUCTURE IMPROVEMENTS

September 16, 2020

I. INTRODUCTION

Lakewood Ranch is a master planned multi-use project located in Manatee and Sarasota Counties, Florida. Lakewood Ranch currently consists of six approved Developments of Regional Impact (DRI), namely Cypress Banks, University Lakes, University Place, Northwest Sector, Lakewood Centre, and the Villages of Lakewood Ranch South. Local Bill 1429 passed by the Florida State Legislature and signed by the Governor of the State of Florida on June 17, 2005 created the Lakewood Ranch Stewardship District (the "District"). The Northeast Sector (the "Project") is within the District and more specifically generally bounded by State Road 70, State Road 64, Lorraine Road, and Bourneside Boulevard. It is the purpose of this report to provide a description of the Project and the proposed capital improvements to serve it. Exhibit 1 delineates the boundaries of the Project, with an area consisting of approximately 3,853 acres.

II. GENERAL DESCRIPTION

The terrain within the District is gently rolling, with elevations within the Project ranging from elevation 35 feet to 68 feet NAVD. Soils generally consist of fine sands and shell typical for Manatee County. The primary soil type within the Project boundary is Myakka-Myakka, wet, fine sand (#30). Other soil types at the site include Floridana-Immokalee-Okeelanta Association (#26), Okligrore, Wabasso fine sand (#48), Canova, Anclote and Okeelanta soils (#7), Delray complex (#16), Cassia fine sand (#11), Ona fine sand (#35), Pinellas fine sand (#40), Delray-Pomona Complex (#18), Felda-Wabasso association (#24), Pomello fine sand (#42), Wabasso find sand (#48), and Wachula fine sand (#51). Groundwater generally is located one to two feet below natural grade during the rainy season. Annual fluctuations may reach three to four feet. A series of lakes and control structures are planned to control stormwater discharge. Southwest Florida Water Management District (SWFWMD) and Manatee County design criteria will be utilized for design of all water management facilities within the District.

The four major roadways serving the Project will be SR-70, SR-64, Lorraine Road, and Bourneside Boulevard. Within the Project, there are additional planned major access ways, namely Uihlein Road, Rangeland Parkway, 44th Avenue East, and Post Road.

Potable water and sanitary sewer service will be provided by Manatee County. Non-potable water will be provided by Braden River Utilities.

III. LAND USES

Land uses within the Project will include (but not be limited to):

a) Open space and preservation areas

b) Commercial and Mixed Use

c) Residential (single family and multiple family)

Table 1 summarizes proposed land uses.

TABLE 1
PROPOSED LAND USES

DESCRIPTION	APPROXIMATE AREA (AC)
Residential	3,648
Mixed Use (retail, office, etc.)	85
Open space, preserve, water management facility, lakes & drainage, rights-of-way, school, park, etc.	120
Total	**3,853**

Note: Acreages are approximate and will be determined at final platting.

IV. PERMITS

Permits for site construction are required prior to the start of infrastructure construction. These permits typically include the following:

- Local Zoning approval
- SWFWMD for Surface Water and Consumptive Use ("SWFWMD")
- Manatee County Final Site Plan ("FSP")
- Manatee County Construction Plans ("Const")
- Manatee County Health Department for Water Distribution ("FHD – Water")
- Florida Department of Environmental Protection for Sanitary Sewage Collection ("FDEP – WW")
- U.S. Army Corps of Engineers ("USACE")

Permits are summarized in Table 3.

V. INFRASTRUCTURE IMPROVEMENTS

A. Proposed Infrastructure Improvements

Proposed improvements for the Project will consist of roadways, a drainage system and stormwater management system (i.e. pipes, lakes, control structures, etc.), landscaping, lighting, recreation (i.e. parks, trails, etc.), decorative walls, fences, potable water systems, sanitary sewer systems, and irrigation facilities. Of these facilities, the District will own and operate/maintain the stormwater management system, irrigation system, and portions of the landscaping within the roadway system. Some roadway lighting may be owned and operated by the District. Portions of the internal roadways, commercial/office, mixed use and multi-family will be privately owned and, therefore, will not be funded by the District. Most of the potable water system and the sanitary sewer system will be owned and operated/ maintained by Manatee County, with lesser portions being owned and operated/ maintained by the District. District funded improvements are further described in the following sections.

1. Roadways

There are roadways that may require improvement in order to serve the Project. Improvements may include new roadways, street lighting, expansion of existing roadways, intersection improvements, etc. These improvements will be assigned to the Project on a pro-rata basis consistent with the benefit received.

2. Utilities

The District will construct the potable water, sanitary sewer and irrigation systems necessary to support the Project's residents and other activities. Potable water, sanitary sewer and irrigation will be constructed to Manatee County standards. Utilities may include offsite systems (i.e., off-site force main to a wastewater treatment plant) or onsite systems constructed as part of a major roadway or subdivision.

3. Water Management/ Drainage

The stormwater management system will be comprised of excavated stormwater management ponds as well as above ground and below-ground collection systems to transport the stormwater to the appropriate stormwater ponds for treatment and attenuation. Stormwater treatment will occur by the Biological Filtration Process. The filtration system consists of constructed littoral shelves in the appropriate stormwater ponds. These littoral shelves will be planted with wetland plants to create the filtration process.

Run-off attenuation also occurs in the stormwater ponds. SWFWMD requirements mandate that the pre-development peak rates of run-off be maintained during the post development phase. For areas within the Evers Reservoir Watershed, Manatee County requires an additional attenuation, 75% of the pre-development peak rates of runoff are allowed. The design storm event is the 25-year/ 24-hour storm.

Minimum residential finished floor elevations as well as minimum roadway elevations will be set per Manatee County requirements. These requirements are established to minimize road flooding during the critical storm event and to prevent flooding during the 100-year design storm.

Portions of the Project lie within the FEMA 100-year floodplain. As a result, there is the possibility of floodplain lakes within the Project to mitigate any impacts. All floodplain impact mitigation will be designed per SWFWMD and Manatee County criteria.

4. Landscaping and Entry Features

Landscaping and entry features will be an integral part of the Project's infrastructure. Development areas and various neighborhoods will have entry features and various hardscape features designed to provide a distinctive look to the community.

Table 2 summarizes improvement costs.

VI. SUMMARY AND CONCLUSION

The Project as outlined is necessary for the functional development of the Project. The Project is being designed in accordance with current governmental regulatory requirements. The Project will serve its intended function so long as the construction is in substantial compliance with the design. Items of construction for the Project are based upon current development plans.

It is our professional opinion that the infrastructure costs provided herein for the District improvements for the Project are reasonable to complete the construction of the infrastructure described herein and that these infrastructure improvements will benefit and add value to the District. These estimated costs are based upon prices currently being experienced for similar items of work in Southwest Florida and expected inflation in the future. Actual costs may vary based on final engineering, planning and approvals from regulatory agencies.

TABLE 2
SUMMARY OF PROPOSED MASTER IMPROVEMENT COSTS

ITEM	DESCRIPTION	PROPOSED CONSTRUCTION
1.	Roadways	$ 77,870,530
2.	Consultants/ Contingencies/ Other	$ 6,809,951
	TOTAL	$ 84,680,481

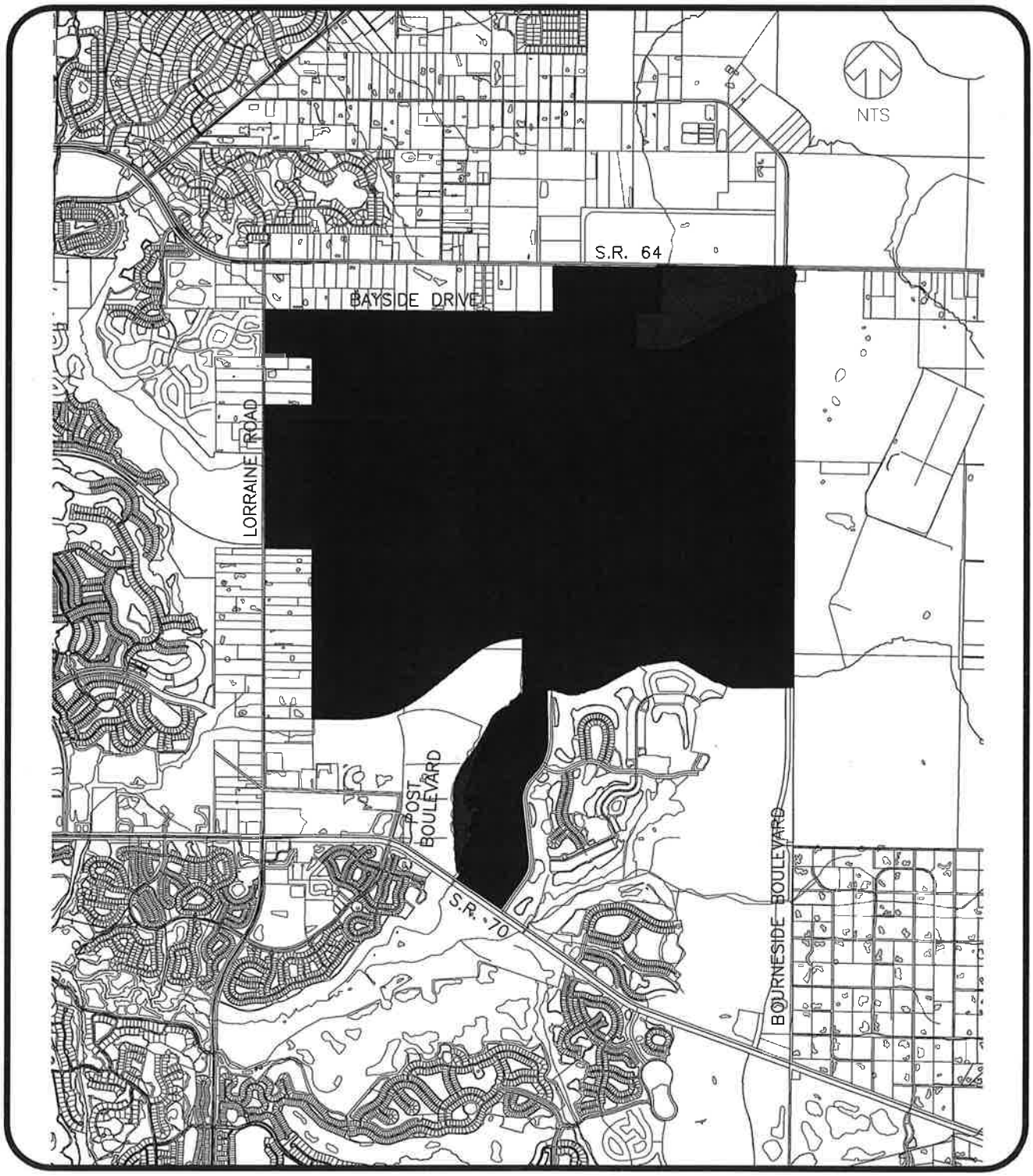
NOTE 1: All costs are approximate and are subject to change based upon actual bid prices. Roadway costs include roads, drainage, utilities, lighting, landscape, entry features, etc.

TABLE 3
PERMITTING STATUS

PERMIT	PERMIT NUMBER	DATE APPROVED
Rangeland Parkway West – Manatee County Construction Plans	PW#2198	6/25/18
Revised Rangeland Parkway West – Manatee County Construction Plans	PW#2230	5/24/19
Rangeland Parkway West – SWFWMD ERP	43003052.256	11/13/17
Revised Rangeland Parkway West – SWFWMD ERP	43003052.270	1/08/19
Rangeland Parkway West – USACE Permit	SAJ-2017-02544	9/28/18
Rangeland Parkway West – FDEP Wastewater NOI	CS41-0182518-567-DWC/CM	10/18/18
Rangeland Parkway West – FDEP Water NOI	133068-1291-DSGP/02	10/17/18
Post Road – Manatee County Construction Plans	Application PW#2203	Approved
Revised Post Road – Manatee County Construction Plans	PW#2203	09/26/19
Post Road – SWFWMD ERP	43029962.014	1/24/18
Revised Post Road – SWFWMD ERP	43029962.018	5/14/19
Post Road – FDEP Wastewater NOI	CS41-0182518-566-DWC/CM	10/26/18
Post Road – FDEP Water NOI	133068-1288-DSGP/02	10/26/18
44th Avenue Phase 5 – Manatee County Construction Plans	PW#2192	6/28/18
Revised 44th Avenue Phase 5 – Manatee County Construction Plans	Approved	5/14/19
44th Avenue Phase 5 – SWFWMD ERP	43003052.255	2/19/18
Revised 44th Avenue Phase 5 – SWFWMD ERP	43003052.271	3/28/19
44th Avenue Phase 5 – USACE Permit	SAJ-2017-02544	Approved
44th Avenue Phase 5 – FDEP Wastewater NOI	133068-1279-DSGP/02	8/13/18
44th Avenue Phase 5 – FDEP Water NOI	CS41-182518-556-DWC/CM	8/14/18
Bourneside Boulevard – Manatee County Construction Plans	PW#2190	Approved
Bourneside Boulevard – SWFWMD ERP	43003052.257	1/8/2018
Bourneside Boulevard – FDEP Water NOI	0133068-1289-DS/C	10/15/18
Bourneside Boulevard – FDOT Driveway Connection	Application #2018-A-194-004	Pending
Bourneside Boulevard – FDOT Drainage Access	Application #2018-D-194-005	Pending

PERMIT	PERMIT NUMBER	DATE APPROVED
Rangeland Parkway East, Uihlein Road South – Manatee County Construction Plans	PW #2189	3/30/18
Revised Rangeland Parkway East, Uihlein Road South Manatee County Construction Plans	Approved	5/02/19
Rangeland Parkway East, Uihlein Road South – SWFWMD ERP	43003052.254	2/27/18
Revised Rangeland Parkway East, Uihlein Road South – SWFWMD ERP	43003052.268	11/6/18
Rangeland Parkway East, Uihlein Road South – USACE Permit	SAJ-2017-02544	Approved
Rangeland Parkway East, Uihlein Road South – FDEP Wastewater NOI	CS41-0182518-552-DWC/CG	7/19/18
Rangeland Parkway East, Uihlein Road South – FDEP Water NOI	0133068-1275-DSGP02/02	7/11/18
Uihlein Road Phase III – Manatee County Construction Plans	Approved	12/31/19
Uihlein Road Phase III – SWFWMD ERP	Approved	11/22/19
Uihlein Road Phase III – USACE Permit	SAJ-2017-02544	Approved
Uihlein Road Phase III – FDEP Wastewater NOI	CS41-182518-556-DWC/CM	8/31/20
Uihlein Road Phase III – FDEP Water NOI	0133068-1279-DSGP/02	8/31/20
Academic Avenue & Lighterwood Trail – Manatee County Construction Plans	Approved	11/27/19
Academic Avenue & Lighterwood Trail – SWFWMD ERP	43003052.280	12/18/19
Academic Avenue & Lighterwood Trail – FDEP Wastewater NOI	CS41-0182518-616-DWC/CG	7/28/20
Academic Avenue & Lighterwood Trail – FDEP Water NOI	0133068-1366-DS/C	1/24/20

EXHIBIT 1



LOCATION MAP

APPENDIX B

INDENTURE

[THIS PAGE INTENTIONALLY LEFT BLANK]

MASTER TRUST INDENTURE

LAKEWOOD RANCH
STEWARDSHIP DISTRICT

TO

WACHOVIA BANK, NATIONAL ASSOCIATION,
AS TRUSTEE

Dated as of September 1, 2005

TABLE OF CONTENTS

This Table of Contents is incorporated herein for ease of reference only as shall not be deemed a part of the Master Trust Indenture.

ARTICLE I

DEFINITIONS

Section 101. Meaning of Words and Terms 3
Section 102. Rules of Construction 13

ARTICLE II

FORM, EXECUTION, DELIVERY AND DESIGNATION OF BONDS

Section 201. Issuance of Bonds 13
Section 202. Details of Bonds 14
Section 203. Execution and Form of Bonds 14
Section 204. Negotiability, Registration and Transfer of Bonds 15
Section 205. Ownership of Bonds 15
Section 206. Special Obligations 15
Section 207. Authorization of Bonds 16
Section 208. Temporary Bonds 17
Section 209. Mutilated, Destroyed or Lost Bonds 18
Section 210. Pari Passu Obligations Under Credit Agreements 18
Section 211. Bond Anticipation Notes 18
Section 212. Tax Status of Bonds 18

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption Generally 19
Section 302. Notice of Redemption; Procedure for Selection 20
Section 303. Effect of Calling for Redemption 21
Section 304. Cancellation 21

ARTICLE IV

ACQUISITION AND CONSTRUCTION FUND

Section 401. Acquisition and Construction Fund 21
Section 402. Payments From Acquisition and Construction Fund 22
Section 403. Cost of Project 22
Section 404. Disposition of Balances in Acquisition and Construction Fund 23

ARTICLE V

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 501. Lien 23
Section 502. Establishment of Funds and Accounts 23
Section 503. Acquisition and Construction Fund 24
Section 504. Revenue Fund and Series Revenue Accounts 26
Section 505. Debt Service Fund and Series Debt Service Accounts 26
Section 506. Optional Redemption and Purchase of Bonds 29
Section 507. Rebate Fund and Series Rebate Accounts 31
Section 508. Investment of Funds and Accounts 31
Section 509. Deficiencies and Surpluses in Funds 32
Section 510. Investment Income 33
Section 511. Cancellation of Bonds 33

ARTICLE VI

CONCERNING THE TRUSTEE

Section 601. Acceptance of Trust 34
Section 602. No Responsibility for Recitals 34
Section 603. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence 34
Section 604. Compensation and Indemnity 35
Section 605. No Duty to Renew Insurance 35
Section 606. Notice of Default; Right to Investigate 35
Section 607. Obligation to Act on Defaults 35
Section 608. Reliance by Trustee 36
Section 609. Trustee May Deal in Bonds 36
Section 610. Construction of Ambiguous Provisions 36
Section 611. Resignation of Trustee 36
Section 612. Removal of Trustee 36
Section 613. Appointment of Successor Trustee 37
Section 614. Qualification of Successor Trustee 37
Section 615. Instruments of Succession 37
Section 616. Merger of Trustee 37
Section 617. Resignation of Paying Agent or Bond Registrar 37
Section 618. Removal of Paying Agent or Bond Registrar 38
Section 619. Appointment of Successor Paying Agent or Bond Registrar 38
Section 620. Qualifications of Successor Paying Agent or Bond Registrar 38
Section 621. Acceptance of Duties by Successor Paying Agent or Bond Registrar 38
Section 622. Successor by Merger or Consolidation 39

ARTICLE VII

FUNDS CONSTITUTE TRUST FUNDS

Section 701. Trust Funds 39

ARTICLE VIII

COVENANTS AND AGREEMENTS OF THE DISTRICT

Section 801. Payment of Bonds 40
Section 802. Extension of Payment of Bonds 40
Section 803. Further Assurance 40
Section 804. Power to Issue Bonds and Create a Lien 40
Section 805. Power to Undertake Series Projects and to Collect Pledged Revenues 40
Section 806. Sale of All or a Portion of Series Projects 41
Section 807. Completion and Maintenance of Series Projects 41
Section 808. Accounts and Reports 41
Section 809. Arbitrage and Other Tax Covenants 42
Section 810. Enforcement of Payment of Assessments and Benefit Special Assessments 42
Section 811. Method of Collection of Assessments or Benefit Special Assessments 42
Section 812. Delinquent Assessments or Benefit Special Assessments 43
Section 813. Deposit of Proceeds from Sale of Tax Certificates 44
Section 814. Sale of Tax Deed or Foreclosure of Assessment or Benefit Special Assessment Liens 44
Section 815. Other Obligations Payable from Assessments or Benefit Special Assessments 44
Section 816. Re-Assessments 44
Section 817. Sale of Tax Deed or Foreclosure of Assessment Liens 45
Section 818. General 45

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 901. Extension of Interest Payment 45
Section 902. Events of Default 45
Section 903. Acceleration of Maturities of Bonds of a Series 46
Section 904. Enforcement of Remedies 47
Section 905. Pro Rata Application of Funds Among Owners of a Series of Bonds 47
Section 906. Effect of Discontinuance of Proceedings 49
Section 907. Restriction on Individual Owner Actions 49
Section 908. No Remedy Exclusive 49
Section 909. Delay Not a Waiver 49
Section 910. Right to Enforce Payment of Bonds 49
Section 911. No Cross Default Among Series 49
Section 912. Indemnification 49

ARTICLE X

EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF BONDS

Section 1001. Execution of Instruments by Owners and Proof of Ownership of Bonds . 50
Section 1002. Deposit of Bonds 50

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Without Owners' Consent 50
Section 1102. Supplemental Indentures With Owner Consent 51
Section 1103. Opinion of Bond Counsel With Respect to Supplemental Indenture 52
Section 1104. Supplemental Indenture Part of Indenture 52
Section 1105. Insurer or Issuer of a Credit or Liquidity Facility as Owner of Bonds 53

ARTICLE XII

DEFEASANCE

Section 1201. Defeasance and Discharge of the Lien of this Master Indenture and Supplemental Indentures 53
Section 1202. Moneys Held in Trust 56

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1301. Effect of Covenants 56
Section 1302. Manner of Giving Notice to the District and the Trustee 57
Section 1303. Manner of Giving Notice to the Owners 57
Section 1304. Successorship of District Officers 57
Section 1305. Inconsistent Provisions 57
Section 1306. Further Acts 58
Section 1307. Headings Not Part of Indenture 58
Section 1308. Effect of Partial Invalidity 58
Section 1309. Attorney's Fees 58
Section 1310. Payments Due or Actions Required on Non-Business Day 58
Section 1311. Effective Date 59

Exhibit A Form of Requisition

MASTER TRUST INDENTURE

THIS IS A MASTER TRUST INDENTURE, dated as of September 1, 2005, by and between **LAKEWOOD RANCH STEWARDSHIP DISTRICT**, a local unit of special-purpose government organized and existing under the laws of the State of Florida (the "District"), and **WACHOVIA BANK, NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association existing under the laws of the United States and having the authority to exercise corporate trust powers, with its principal corporate trust office located at 200 S. Biscayne Boulevard, 14th Floor, Miami, Florida 33131.

WHEREAS, the District is an independent special district duly organized and existing under the provisions of the Lakewood Ranch Stewardship District Act Chapter 2005-338, Laws of Florida (the "Act"), for the purpose, among other things, of financing and managing the acquisition, construction, maintenance, and operation of the major infrastructure within the boundaries of the District; and

WHEREAS, the District has the power and authority under the Act to issue general obligation bonds, assessment bonds, refunding bonds, revenue bonds, and other similar obligations as provided for in the Act and to use the proceeds thereof to finance the cost of acquiring and constructing assessable improvements (as defined in the Act) and, by virtue of Section 6 of the Act, to levy and collect special assessments therefor as provided in Chapter 170, Florida Statutes, as amended; and

WHEREAS, the District has found and determined and does hereby find and determine, that acquisition and construction of the Series Projects (hereafter defined) is and will be necessary and desirable in serving the District's goal of properly managing the acquisition, construction, and operation of portions of the infrastructure within the boundaries of the District;

NOW, THEREFORE, THIS MASTER TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

That the District, in consideration of the premises and acceptance by the Trustee of the trusts hereby created and the purchase and acceptance of the Bonds (hereafter defined) by the Owners (hereafter defined), and of the sum of ten dollars ($10.00), lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of this Master Indenture, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the Debt Service (hereafter defined) on the Bonds of a Series (hereafter defined) issued hereunder according to their tenor and effect and to secure the performance and observance by the District of all of the covenants expressed or implied herein, in the Supplemental Indenture authorizing the issuance of such Series of Bonds and in the Bonds of such Series, does hereby assign and grant a security interest in the following (herein called the "Trust Estate") to the Trustee to secure the performance of the obligations of the District herein set forth: (i) the Pledged Revenues (hereinafter defined) and Pledged Funds (hereinafter defined); and (ii) any and all property of every kind or description which may from time to time hereafter be sold, transferred,

conveyed, assigned, hypothecated, endorsed, deposited, pledged, mortgaged, granted or delivered to, or deposited with, the Trustee as security for any Series of Bonds issued pursuant to this Master Indenture by the District or anyone on its behalf or with its consent, or which pursuant to any of the provisions hereof or of the Supplemental Indenture securing such Series of Bonds may come into the possession or control of the Trustee or of a lawfully appointed receiver, as such additional security, and the Trustee is hereby authorized to receive any and all such property as and for security for the payment of such Series of Bonds and the interest and premium, if any, thereon, and to hold and apply all such property subject to the terms hereof, it being expressly understood and agreed that the portion of the Trust Estate established and held hereunder for Bonds of a Series shall be held separate and in trust solely for the benefit of the Owners of the Bonds of such Series and for no other Series;

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

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

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

ARTICLE I
DEFINITIONS

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

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

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

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

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

"**Act**" shall mean the Lakewood Ranch Stewardship District Act, Chapter 2005-338, Laws of Florida, as the same may be amended from time to time hereafter, or the corresponding provisions of subsequent laws.

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

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

"**Assessments**" shall mean all assessments levied and collected by or on behalf of the District pursuant to Section 6 of the Act and pursuant to the assessment roll referred to therein, together with the interest on such assessments specified by resolution of the Governing Body, and any applicable penalties collected by or on behalf of the District, together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Delinquent Assessments.

"**Authorized Denomination**" shall, except as provided in any Supplemental Indenture relating to a Series of Bonds, mean the denomination of $5,000 or any integral multiple thereof; provided, however, that, unless otherwise specified in a Supplemental Indenture, a Series of Bonds shall be delivered to the initial purchaser thereof only in principal amounts of $100,000 or integral multiples of $5,000 in excess of $100,000.

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

"**Benefit Special Assessments**" shall mean assessments levied and collected by or on behalf of the District pursuant to Section 6 of the Act together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Benefit Special Assessments which are not paid in full when due.

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

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

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

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

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

"**Capitalized Interest**" shall mean, with respect to the interest due or to be due on a Series of Bonds prior to, during and for a period not exceeding three years after the completion of a Series Project to be funded in whole or in part by such Series, all or part of such interest which will be paid, or is expected to be paid, from the proceeds of such Series, all as provided in a Supplemental Indenture relating to such Series.

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

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

"**Code**" shall mean the Internal Revenue Code of 1986, as the same may hereafter be amended from time to time, or the corresponding provisions of any subsequent law.

"**Collection Agreement**" shall mean the agreement referred to in Section 811 hereof.

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

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

"**Costs of Issuance Account**" shall mean the account so designated in, and created pursuant to, Section 502 below.

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

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

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

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

"**Delinquent Assessments**" shall mean, collectively, any and all installments of any Assessments which are not paid within thirty (30) days after the date on which such installments are due and payable.

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

"**District**" shall mean Lakewood Ranch Stewardship District, an independent special district created pursuant to the Act or any successor thereto which succeeds to the obligations of the District hereunder.

"**District Engineer**" **or** "**District Engineers**" shall mean the engineering firm or corporation employed from time to time by the District as the engineer for the District.

"**Engineers' Certificate**" shall mean a certificate of the District Engineer.

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

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

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

"**Governing Body**" shall mean the Board of Supervisors of the District or the board or body succeeding to its principal functions.

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

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

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

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

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

(i) Federal Securities;

(ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Government National Mortgage Association, Federal Land Banks,

Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, United States Postal Service, Farmers Home Administration, Export-Import Bank, Federal Financing Bank and Student Loan Marketing Association;

(iii) Bonds, debentures, notes or other evidences of indebtedness issued by the Federal National Mortgage Association to the extent such obligations are guaranteed by the Government National Mortgage Association;

(iv) Negotiable or non-negotiable certificates of deposit, time deposits or other similar banking arrangements issued by any bank, trust company or national banking association, including the Trustee or an affiliate thereof, which certificates of deposit, except in the case of certificates of deposit issued by a bank, trust company or national banking association having a capital stock and surplus of more than $50,000,000, will be continuously secured or collateralized by obligations described in subparagraphs (i), (ii), or (iii) of this definition, which will have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and will be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit;

(v) Repurchase agreements with any bank, trust company or national banking association, including the Trustee or an affiliate thereof, or government bond dealer reporting to the Federal Reserve Bank of New York continuously secured or collateralized by obligations described in subparagraph (i) of this definition, which securities will at all times (a) have a market value (inclusive of accrued interest) not less than the principal amount of the repurchase agreement, (b) be held free and clear of claims by third parties, (c) be subject to a perfected first security interest in the collateral in favor of the Trustee and (d) be delivered to the Trustee or its agent, as custodian;

(vi) Commercial paper, other than that issued by bank holding companies, (1) rated at the date of investment in one of the two highest rating categories issued by Moody's or S&P, or (2) issued by corporations which at the date of investment have an outstanding, unsecured, uninsured and unguaranteed debt issue rated in one of the three highest rating categories by Moody's or S&P;

(vii) Municipal bonds rated in one of the three highest rating categories by Moody's or S&P;

(viii) money market funds, including but not limited to Fidelity U.S. Treasury Income Portfolio; and

(xi) Other obligations permitted under the laws of the State which are legal investments for the funds of the District, but such term shall not include annuity or other guaranteed investment contracts, except as may be expressly set forth above.

"**Last Capitalized Interest Date**" shall have the meaning given to that term in Section 510 below.

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

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

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

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

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

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

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

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

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to this Master Indenture and the Supplemental Indenture with respect to Bonds of a Series; and

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

In addition, Bonds registered in the name of the District will not be deemed to be Outstanding for purposes of Article IX and Article XI of this Master Indenture.

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

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

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

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

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

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

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

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

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

"**Property Appraiser**" shall mean collectively the Property Appraisers of Manatee and Sarasota Counties, Florida, or the persons succeeding to his or her principal functions.

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

"**Rebate Analyst**" shall mean the person or firm selected by the District to calculate the Rebate Amount, which shall be a person or firm with expertise in the calculation of the Rebate Amount.

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

"**Record Date**" shall mean the fifteenth (15th) day of the calendar month next preceding any Debt Service payment date or, in the case of any proposed redemption of Bonds, the tenth (10th) day preceding the date of mailing of notice of such redemption, or if either of the foregoing days is not a Business Day, then the Business Day immediately succeeding such day.

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

"**Redemption Price**" shall mean the principal of, premium, if any, and interest accrued to the date fixed for redemption of any Bond called for redemption.

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

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

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

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

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

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

"**Series**" shall mean all of the Bonds authenticated and delivered on original issuance of a stipulated aggregate principal amount in a simultaneous transaction under and pursuant to the same Supplemental Indenture and any Bonds thereafter authenticated and delivered in lieu of or in substitution therefor pursuant to this Master Indenture and such Supplemental Indenture regardless of variations in maturity, interest rate or other provisions; provided, however, two or more Series of Bonds may be issued simultaneously under the same Supplemental Indenture if designated as separate Series of Bonds by the District upon original issuance. Two or more Series of Bonds may be issued simultaneously under separate Supplemental Indentures, but under this Master Indenture. In addition, if an issue of Bonds is followed by a second issue of Bonds closed within 45 days of the closing of the first issue and the proceeds of the second issue are to be used to pay the costs of issuance of the first issue, or to pay for certain costs of a Series Project being financed from the proceeds of

the first issue which costs cannot be financed with Tax Exempt Bonds, then the two issues of Bonds will be deemed a single Series for purposes of this Master Indenture, if so designated by the District.

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

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

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

"**Series Pledged Revenues**" shall mean the revenues designated as such by Supplemental Indenture and which shall constitute the security for and source of payment of Debt Service on a Series of Bonds and may consist of Assessments, Benefit Special Assessments, or other user fees or other revenues or combinations thereof derived or to be derived by the District in accordance with the Act.

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

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

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

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

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

Requirement for all Outstanding Bonds of such Series, (B) 125% of the average annual Debt Service for all Outstanding Bonds of such Series calculated on a Bond Year basis, or (C) 10% of the principal amount of the Bonds of such Series that remain Outstanding from time to time. In computing the Series Reserve Account Requirement in respect of any Series of Bonds that constitute Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be the greater of: (1) 110% of the daily average interest rate on such Variable Rate Bonds during the 12 months ending with the month preceding the date of calculation, or such shorter period of time that such Series of Bonds shall have been Outstanding, or (2) the actual rate of interest borne by the such Variable Rate Bonds on such date of calculation; provided, in no event shall the Series Reserve Account Requirement as adjusted on such date of calculation exceed the lesser of the amounts specified in the immediately preceding sentence.

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

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

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

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

"**Tax Collector**" shall mean the Tax Collector of Manatee and Sarasota County, Florida, or the person succeeding to his or her principal functions.

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

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

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

"**Term Bonds**" shall mean Bonds that mature on one date and that are subject to mandatory redemption from Amortization Installments.

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

"**Trust Estate**" shall have the meaning given to such term in the granting clauses hereof.

"**Trustee**" shall mean Wachovia Bank, National Association and any successor trustee appointed or serving pursuant to Article VI hereof.

"**Variable Rate Bonds**" shall mean Bonds which may be either Serial Bonds or Term Bonds, issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the entire term thereof at the date of issue.

Section 102. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond," "Owner," "person," "Paying Agent," "Bond Registrar" and any other word or phrase used herein and in any Supplemental Indenture shall include the plural as well as the singular number and the word "person" shall include any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof. References to sections or chapters of "Florida Statutes" shall constitute references to Florida Statutes (2004), as now or hereafter amended, or the corresponding provisions of subsequent laws.

ARTICLE II
FORM, EXECUTION, DELIVERY AND DESIGNATION OF BONDS

Section 201. Issuance of Bonds. For the purpose of providing funds for paying all or part of the Cost of a Series Project, Bonds of a Series, in an aggregate original principal amount not to exceed $4,000,000,000 (Four Billion Dollars) (exclusive of Refunding Bonds to the extent that the principal amount of such Refunding Bonds is not in excess of the principal amount of the Bonds being refunded) may be issued under this Master Indenture subject to the conditions hereinafter provided in Section 207 of this Article. Debt Service on each Series of Bonds shall be payable solely from the Pledged Revenues and Pledged Funds pledged to such Series of Bonds in the Supplemental Indenture authorizing the issuance of such Series of Bonds and, as may be provided in such Supplemental Indenture, all of the provisions of this Master Indenture shall be for the benefit and security of the present and future Owners of such Series of Bonds so issued, without preference, priority or distinction, as to lien or otherwise, of any one Bond of such Series over any other Bond of such Series. The District may also issue Completion Bonds and Refunding Bonds of a Series from

time to time under and pursuant to the terms of the Supplemental Indenture authorizing the issuance of such Series of Bonds.

Section 202. Details of Bonds. Bonds of a Series shall be in such denominations, numbered consecutively, shall bear interest from their date until their payment at rates not exceeding the maximum rate permitted by law, shall be dated, shall be stated to mature in such year or years in accordance with the Act, and shall be subject to redemption prior to their respective maturities, subject to the limitations hereinafter provided, as provided for in the Supplemental Indenture authorizing the issuance of such Series of Bonds. Bonds of a Series may be secured by a Credit and/or Liquidity Facility, all as shall be provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds. Bonds of a Series (or a part of a Series) may be in book-entry form at the option of the District.

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

Section 203. Execution and Form of Bonds. The Bonds shall be signed by, or bear the facsimile signature of, the Chairman, shall be attested and countersigned by, or bear the facsimile signature of, the Secretary or an Assistant Secretary and the certificate of authentication appearing on the face of the Bonds shall be signed by, or bear the facsimile signature of, the Trustee; provided, however, that each Bond shall be manually signed by one of the foregoing. The official seal of the District or a facsimile thereof shall be imprinted or impressed on the Bonds. In case any officer whose signature or a facsimile of whose signature appears on any Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid for all purposes the same as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond shall be proper officers to execute such Bond although at the date of such Bond such

persons may not have been such officers. The Bonds, and the provisions for registration and reconversion to be endorsed on such Bonds, shall be substantially in the form set forth in a Supplemental Indenture.

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

Section 205. Ownership of Bonds. The person in whose name any Bond shall be registered shall be deemed the absolute owner thereof for all purposes, and payment of Debt Service shall be made only to or upon the order of the registered owner thereof or his attorney or legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. The Trustee, the District, the Bond Registrar and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither the Trustee, the District, the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.

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

by, the Pledged Revenues and the Pledged Funds pledged to such Series of Bonds, all as provided herein and in such Supplemental Indenture.

Section 207. Authorization of Bonds. Bonds may be issued from time to time in Series, under and secured by this Master Indenture, subject to the limitation as to principal amount contained in Section 201 above, for the purposes of: (i) paying all or part of the Cost of a Project or Projects or refunding an Outstanding Series of Bonds or any portion thereof; (ii) depositing the Series Reserve Account Requirement to the Series Reserve Account for such Series of Bonds; (iii) paying all or a portion of the costs and expenses of issuing such Series of Bonds; or (iv) for any other purpose specified in a Supplemental Indenture and permitted under the laws of Florida.

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

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

(b) an executed and attested original or certified copy of the Supplemental Indenture relating to such Series of Bonds;

(c) an opinion of counsel for the District addressed to the District, the Trustee, and Bond Counsel stating that the District is a duly organized and existing independent special district under the laws of Florida, that all resolutions of the District relating to issuance of such Series of Bonds and to the levy and collection of the Pledged Revenues for such Series of Bonds have been duly and legally adopted by the Board, that this Master Indenture and the Supplemental Indenture relating to such Series of Bonds have been duly and validly authorized, approved, and adopted, that the issuance of such Series of Bonds has been duly authorized, and that this Master Indenture and the Supplemental Indenture constitute legal, valid, and binding obligations of the District, enforceable against the District in accordance with their terms except as enforcement thereof may be affected by bankruptcy and other similar laws relating to creditor's rights generally;

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

(e) such other opinions, certificates, agreements, and other documents as may be required by the Bond purchase contract between the District and the initial purchaser or purchasers of a Series of Bonds.

When the documents mentioned in subsections (a) through (e) above shall have been received, and when the Bonds of such Series shall have been executed and authenticated as required by this Master Indenture, such Series of Bonds shall be delivered to, or upon the order of, the

District, but only upon payment to the Trustee of the purchase price of such Series of Bonds, together with accrued interest, if any, thereon.

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

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

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

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

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

Section 209. Mutilated, Destroyed or Lost Bonds. If any Bonds become mutilated or destroyed or lost, the District may cause to be executed, and the District may cause to be delivered, a new Bond in substitution therefor and upon the cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond destroyed or lost, upon payment by the Owner of the reasonable expenses and charges of the District and the Trustee in connection therewith and, in the case of a Bond destroyed or lost, upon the Owner filing with the Trustee evidence satisfactory to it that such Bond was destroyed or lost, and of his or her ownership thereof, and furnishing the District and the Trustee with indemnity satisfactory to them.

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

Section 211. Bond Anticipation Notes. Whenever the District shall authorize the issuance of a Series of Bonds, or shall covenant by resolution to issue a Series of Bonds, the District may by resolution authorize the issuance of Bond Anticipation Notes in anticipation of the sale of such authorized Series of Bonds in a principal amount not exceeding the principal amount of such Series. The aggregate principal amount of Bonds of such Series and all other Bonds previously authenticated and delivered to pay the Cost of the Series Project or Projects for which the proceeds of the Bond Anticipation Notes will be applied shall not exceed such Cost. The interest on such Bond Anticipation Notes may be payable out of the related Series Interest Account to the extent provided in the resolution of the District authorizing such Bond Anticipation Notes or as provided in the applicable Supplemental Indenture. The principal of and interest on such Bond Anticipation Notes and renewals thereof shall be payable from any moneys of the District available therefor or from the proceeds of the sale of the Series of Bonds in anticipation of which such Bond Anticipation Notes are issued. The proceeds of sale of Bond Anticipation Notes shall be applied to the purposes for which the Bonds anticipated by such Bond Anticipation Notes are authorized and shall be deposited in the appropriate Fund or Account established by the Indenture for such purposes; provided, however, that the resolution or resolutions authorizing such Bond Anticipation Notes may provide for the payment of interest on such Bond Anticipation Notes from the proceeds of sale of such Bond Anticipation Notes and for the deposit, in the related Series Interest Account. In the event that the District adopts a resolution authorizing the issuance of Bond Anticipation Notes, the District will promptly furnish to the Trustee a copy of such resolution, certified by an Authorized Officer, together with such information with respect to such Bond Anticipation Notes as the Trustee may reasonably request, including, without limitation, information as to the paying agent or agents for such Bond Anticipation Notes. The Trustee shall have no duties or obligations to the holders of such Bond Anticipation Notes unless specifically so authorized by the resolution of the District authorizing the issuance of such Bond Anticipation Notes and acceptance by the Trustee.

Section 212. Tax Status of Bonds. Any Series of Bonds issued under this Master Indenture may be either Taxable Bonds or Tax Exempt Bonds.

ARTICLE III
REDEMPTION OF BONDS

Section 301. Redemption Generally. The Bonds of any Series shall be subject to redemption, in whole or in part on any date, and at such times, in the manner and at such prices, as may be provided by the Supplemental Indenture authorizing the issuance of such Series of Bonds. The District shall provide written notice to the Trustee of any optional redemption on or before the forty-fifth (45th) day next preceding the date to be fixed for such optional redemption.

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

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

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

Section 302. Notice of Redemption; Procedure for Selection. The District shall establish each redemption date, other than in the case of an extraordinary mandatory redemption as provided in Section 505(c) below, in which case the Trustee shall establish the redemption date, and the District or the Trustee, as the case may be, shall notify the Bond Registrar in writing of such redemption date on or before the forty fifth (45th) day immediately preceding the date fixed for redemption, which notice shall set forth the terms of the redemption and the aggregate principal amount of Bonds so to be redeemed. Except as provided below, notice of redemption shall be given by the Bond Registrar not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption by first-class mail, postage prepaid, to any Paying Agent for the Bonds to be redeemed and to the registered Owner of each Bond to be redeemed, at the address of such registered Owner shown as of the applicable Record Date on the registration books maintained by the Bond Registrar (and, for any Owner of $1,000,000 or more in principal amount of Bonds, to one additional address if written request therefor is provided to the Bond Registrar prior to the Record Date); and a second notice of redemption shall be sent at any time no earlier than 60 days and no later than 90 days after the redemption date by registered or certified mail at such address to any Owner who has not submitted his Bond to the Paying Agent for payment on or before the date sixty (60) days following the date fixed for redemption of such Bond (provided that failure to send such second notice shall not affect the validity of the call for redemption), in each case stating: (i) if less than all Bonds of a Series, or of a maturity within a Series, are to be redeemed, the numbers of the Bonds to be redeemed, by giving the individual certificate number of each Bond to be redeemed (or stating that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed), or if all Bonds of one or more maturities are to be redeemed, stating that all of the Bonds of such maturities have been called for redemption; (ii) the CUSIP numbers of all Bonds being redeemed; (iii) in the case of a partial redemption of Bonds, the principal amount of each Bond being redeemed, (iv) the date of issue of each Bond as originally issued and the complete official name of the Bonds including the series designation; (v) the rate or rates of interest borne by each Bond being redeemed; (vi) the maturity date of each Bond being redeemed; (vii) the place or places where amounts due upon such redemption will be payable; (viii) the notice date, redemption date, and Redemption Price; and (ix) the name, address, telephone number and contact person at the office of the Paying Agent with respect to such redemption. The notice shall require that such Bonds be surrendered at the designated corporate trust office of the Paying Agent for redemption at the Redemption Price and shall state that further interest on such Bonds will not accrue from and after the redemption date. CUSIP number identification with appropriate dollar amounts for each CUSIP number also shall accompany all payments of the Redemption Price.

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

Securities Depositories include: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4164 or 4190, Attention: Call Notification; Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax-(312) 663-2959 or 2960; Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax-(215) 496-5058; or, in accordance with the then-current guidelines of the Securities and Exchange Commission, to such other addresses and/or such other securities depositories or any such other depositories as the District may designate in writing to the Bond Registrar.

Information Services include: Financial Information, Inc., 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Called Bond Service Editor; Kenny Information Systems, Inc., 65 Broadway, 16th Floor, New York, New York 10006, Attention: Called Bond Department; Moody's Investors Service, 99 Church Street, New York, New York 10007, Attention: Called Bond Department; and Standard and Poor's Corporation 25 Broadway, New York, New York 10004, Attention: Called Bond Department; or, in accordance with the then-current guidelines of the Securities and Exchange Commission, to such other addresses and/or such other services providing information with respect to called bonds, or any other such services as the District may designate in writing to the Bond Registrar.

Failure to give notice by mailing to the Owner of any Bond designated for redemption or to any depository or information service shall not affect the validity of the proceedings for the redemption of any other Bond. Failure of any Owner to receive a notice mailed as herein provided shall not defeat the validity of the call for redemption of the Bonds of such Owner.

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

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

ARTICLE IV
ACQUISITION AND CONSTRUCTION FUND

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

Section 402. Payments From Acquisition and Construction Fund. Payment of the Cost of constructing and acquiring the Project shall be made from the Acquisition and Construction Fund as herein provided. All such payments shall be subject to the provisions and restrictions set forth in this Article and in Article V hereof, and the District covenants that it will not request any sums to be paid from the Acquisition and Construction Fund except in accordance with such provisions and restrictions. Moneys in the Acquisition and Construction Fund shall be disbursed by check, voucher, order, draft, certificate or warrant signed by any one or more officers or employees of the Trustee legally authorized to sign such items or by wire transfer to an account specified by the payee upon satisfaction of the conditions for disbursement set forth in Section 503(b) hereof.

Section 403. Cost of Project. The Cost of a Project shall include, without intending thereby to limit or to restrict any proper definition of such cost under the Act, other applicable provisions of Florida law, generally accepted governmental accounting principles, or this Master Indenture, the following:

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

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

(c) **Acquisition Expenses.** The costs of acquiring, by purchase or condemnation, all of the land, structures, improvements, rights-of-way, franchises, easements, and other interests in property, whether real or personal, tangible or intangible, which themselves constitute the Project or which are necessary or convenient to acquire, construct, and install the Project;

(d) **Construction Expenses.** The 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 District and its employees, materials and supplies purchased by the District, and permits and licenses obtained by the District), to the extent that the foregoing are related, directly or indirectly, to the acquisition, construction, or installation of one or more Series Projects; and

(e) **Other Professional Fees and Miscellaneous Expenses.** All legal, architectural, engineering, and consulting fees, all premiums and other related amounts paid to obtain payment, performance, permitting, defect, security, and other types of bonds, as well as all financing charges, taxes, insurance premiums, operation and maintenance expenses properly capitalized as a cost of a Series Project under generally accepted governmental accounting principles, and miscellaneous expenses, not specifically referred to in this Master Indenture that are incurred in connection with the acquisition, construction, and installation of a Project.

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

ARTICLE V
ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 501. Lien. The Trust Estate is hereby irrevocably pledged for the payment of the Bonds of each Series issued hereunder, subject only to the provisions of this Master Indenture and any Supplemental Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Master Indenture and any such Supplemental Indenture with respect to each Series of Bonds; provided, however, that unless otherwise specifically provided herein or in a Supplemental Indenture the Trust Estate 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 foregoing pledge shall be valid and binding from and after the date of initial delivery of the Bonds and the proceeds of sale of the Bonds and all the moneys, securities and funds set forth in this Section 501 shall immediately be subject to the lien of the foregoing pledge, which lien is hereby created, without any physical delivery thereof or further act. Such lien shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District or the Trustee, irrespective of whether such parties have notice thereof. Such lien shall be prior and superior to all other liens now existing or hereafter created.

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

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

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

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

(i) a Series Interest Account,

(ii) a Series Principal Account,

(iii) a Series Redemption Account, and

(iv) a Capitalized Interest Account

for each such Series of Bonds issued hereunder;

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

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

Notwithstanding the foregoing, the Supplemental Indenture authorizing any Series of Bonds may establish such other Series Accounts or dispense with the Series Accounts set forth above.

Section 503. Acquisition and Construction Fund Deposits. The District shall pay to the Trustee, for deposit into the related Acquisition and Construction Account in the Acquisition and Construction Fund, as promptly as practicable, the following amounts received by it:

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

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

(iii) insurance or condemnation proceeds with respect to the loss, destruction, or condemnation of a Series Project or any portion thereof; and

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

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

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

Upon receipt of each such requisition and accompanying certificate the Trustee shall promptly withdraw from the Series Acquisition and Construction Account and pay to the person, firm or corporation named in such requisition the amount designated in such requisition.

(c) **Inspection**. All requisitions and certificates received by the Trustee pursuant to this Article shall be retained in the possession of the Trustee, subject at all reasonable times to the inspection of the District, the District Engineer, the Owner of any Bonds of the related Series, and the agents and representatives thereof.

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

(e) **Disbursements From Costs of Issuance Account.** If a Series Costs of Issuance Account is established by a Supplemental Indenture relating to a Series of Bonds, expenses relating to the issuance of such Series of Bonds shall be paid from such Account upon delivery to the Trustee of (i) the invoice, bill, or statement for services, or a copy thereof, of the person to whom such expense is to be paid, and (ii) written instructions signed by an Authorized Officer directing the Trustee to pay such invoice, bill, or statement from amounts on deposit in the Costs of Issuance Account. Any amounts deposited in a Series Costs of Issuance Account which are not needed to pay such costs shall be transferred to the Series Capitalized Interest Account and used for the purposes permitted therefor, and the Series Costs of Issuance Account shall be closed.

Section 504. Revenue Fund and Series Revenue Accounts. The District hereby covenants and agrees that it will assess, impose, establish and collect or cause to be collected the Pledged Revenues with respect to each Series of Bonds in amounts and at times sufficient to pay Debt Service when due. If the Assessments or the Benefit Special Assessments are paid to the District (as opposed to being paid directly to the Trustee), the District hereby covenants and agrees to deposit as promptly as possible after receipt all of such Assessments or Benefit Special Assessments with the Trustee. The Trustee shall deposit all Pledged Revenues (except Prepayments and Delinquent Assessments) to the credit of the related Series Revenue Account. The Trustee shall deposit all Prepayments to the credit of the related Series Redemption Account, unless otherwise provided for in the Supplemental Indenture relating to a Series of Bonds. Unless otherwise provided for in the Supplemental Indenture relating to a Series of Bonds, the Trustee shall deposit all Delinquent Assessments first to the related Series Reserve Account to the extent that withdrawals have been made from the Series Reserve Account for the purpose of paying Debt Service on the related Series of Bonds, which withdrawals have not previously been restored in full, and the balance, if any, of Delinquent Assessments remaining shall be deposited in the related Series Revenue Account. Prepayments and Delinquent Assessments shall be designated as such by the District upon deposit with the Trustee. The District will notify the Trustee of the amount of any Prepayments or Delinquent Assessments received by the Trustee.

Section 505. Debt Service Fund and Series Debt Service Accounts.Principal, Interest and Amortization Installments. Except as may be provided in a Supplemental Indenture with respect to a Series of Bonds, on the fifth Business Day preceding each Interest Payment Date the Trustee shall withdraw from the Series Revenue Account the amount necessary to make the following deposits in the following order of priority:

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

(ii) to the credit of the related Series Principal Account, an amount which, together with other amounts, if any, then on deposit therein will equal the amount, if any, of principal coming due on Serial Bonds of such Series in such Bond Year;

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

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

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

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

If the Series Reserve Account Requirement for a Series of Bonds is determined to be an amount equal to 10% (or any other percentage, if so provided in a Supplemental Indenture relating to a Series of Bonds) of the principal amount of Outstanding Bonds of such Series, then in determining the Series Reserve Account Requirement for purposes of Subsection (iv) above, the Trustee shall assume that Bonds, if any, the principal amount of which is to be paid on the Interest Payment Date immediately following the Business Day on which a withdrawal is made from the Series Revenue Account pursuant to this Subsection (a) are not Outstanding on the date of such withdrawal.

(b) **Deposits to Series Redemption Account.** Unless otherwise provided in a Supplemental Indenture relating to a Series of Bonds, on each September 15 and March 15 (or, if any such day is not a Business Day, and the immediately date that is a Business Day) the Trustee shall transfer from the Series Revenue Account to the Series Redemption

Account the amount, if any, necessary in order to cause the balance on deposit in the Series Redemption Account to be an integral multiple of $5,000 but only if on either such date there are amounts on deposit in the Series Redemption Account. However, such transfer shall be made only to the extent of any excess amounts that would remain in the Series Revenue Account after taking into account the amount then on deposit in the Series Revenue Account and the deposits to be made pursuant to Subsection (a) above on the fifth Business Day preceding the next Interest Payment Date. During the period between the date of any such transfer and the next Interest Payment Date the Trustee shall determine the highest integral multiple of $5,000 on deposit in the Series Redemption Account and shall effect an extraordinary mandatory redemption of such multiple of the related Series of Bonds (or portions thereof) pursuant to paragraph (f) below.

(c) **Disposition of Remaining Amounts on Deposit in Series Revenue Account**. Subject to the third sentence of Section 604 hereof, at such time as the amount on deposit in the Series Interest Account and the Series Principal Account in each Bond Year equals the interest remaining payable on the Bonds of such Series in such Bond Year, the principal amount of Serial Bonds remaining payable in such Bond Year, and the remaining Amortization Installment required to be paid into the Series Principal Account in such Bond Year, then there shall be withdrawn from the Series Revenue Account an amount sufficient to pay the fees and charges of the Trustee, Bond Registrar, and Paying Agent for such Bond Year. Unless and until such instructions are received, such amounts shall be retained in the Series Revenue Account and applied as provided in Subsection (a) above.

(d) **Series Reserve Account.** Moneys held for the credit of a Series Reserve Account shall be used for the purpose of paying Debt Service on the Bonds of the related Series whenever amounts on deposit in the Series Debt Service Account shall be insufficient for such purpose and may be withdrawn and applied for other purposes if so provided in a Supplemental Indenture relating to a Series of Bonds.

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

(f) **Series Redemption Account**. Moneys representing (i) Prepayments on deposit in a Series Redemption Account, or (ii) moneys transferred from a Series Acquisition and Construction Account in the Acquisition and Construction Fund pursuant to Section 404 above, to the full extent of a multiple of an Authorized Denomination shall, unless otherwise provided in the Supplemental Indenture relating to such Series of Bonds, be used by the Trustee to call Bonds of such Series for extraordinary mandatory redemption, at a redemption price equal to the principal amount of such Bonds together with interest accrued to the redemption date, without premium, on the earliest date on which such Bonds are permitted to be called by the terms hereof and of the Supplemental Indenture relating to such Series of Bonds. Such redemption shall be made pursuant to the provisions of Article III. The District

shall pay all expenses incurred by the Trustee and Paying Agent in connection with such redemption. Moneys other than from Prepayments and transfers pursuant to Section 404 above shall be held and applied in a Series Redemption Account as provided in Section 506(a) hereof.

(g) **Payment to District.** When no Bonds of a Series remain Outstanding, and after all expenses and charges herein and in the related Supplemental Indenture required to be paid have been paid as certified to the Trustee in writing by an Authorized Officer, the Trustee shall pay any balance in the Series Accounts for such Series of Bonds to the District upon the written direction of an Authorized Officer, free and clear of any lien and pledge created by this Master Indenture or any Supplemental Indenture.

Section 506. Optional Redemption and Purchase of Bonds.

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

(b) **Purchase of Bonds of a Series**. The District may purchase Bonds of a Series then Outstanding at any time, whether or not such Bonds shall then be subject to redemption, at the most advantageous price obtainable with reasonable diligence, such price not to exceed the principal of such Bonds plus the amount of the premium, if any, which would be payable on the next redemption date to the Owners of such Bonds under the provisions of this Master Indenture and the Supplemental Indenture pursuant to which such Series of Bonds was issued if such Bonds were called for redemption on such date. Before making each such purchase, the District shall file with the Trustee a statement in writing directing the Trustee to pay the purchase price of the Bonds of such Series so purchased upon their delivery and cancellation, which statement shall set forth a description of such Bonds, the purchase price to be paid therefor, the name of the seller and the place of delivery of the Bonds. The Trustee shall pay the interest accrued on such Bonds to the date of delivery thereof from the related Series Interest Account and the principal portion of the purchase price of Serial Bonds or Term Bonds from the related Series Principal Account, but no such purchase shall be made after the Record Date in any Bond Year in which Bonds have been called for redemption. To the extent that insufficient moneys are on deposit in a related Series Interest Account to pay the accrued interest portion of the purchase price of any Bonds or in a related Series Principal Account to pay the principal amount of the purchase price of any Serial Bond, the Trustee shall transfer into such Accounts from the related Series Revenue Account sufficient moneys to pay such respective amounts. If there are insufficient moneys on deposit in the related Series Principal Account with which to pay the principal portion of the purchase price of any Term Bonds, the Trustee may, at the written direction of the District, transfer moneys into

such related Series Principal Account from the related Series Revenue Account to pay the principal amount of such purchase price, but only in an amount no greater than the Amortization Installment related to such Series of Bonds coming due in the current Bond Year calculated after giving effect to any other purchases of Term Bonds during such Bond Year.

The Trustee may pay the principal portion of the purchase price of Bonds from the related Series Redemption Account, but only upon delivery of written instructions from an Authorized Officer to the Trustee by the District accompanied by a certificate of an Authorized Officer: (i) stating that sufficient moneys are on deposit in the Redemption Account to pay the purchase price of such Bonds; (ii) setting forth the amounts and maturities of Bonds of such Series which are to be redeemed from such amounts; and (iii) containing cash flows which demonstrate that, after giving effect to the purchase of Bonds in the amounts and maturities set forth in clause (ii) above, the Pledged Revenues to be received by the District in the current and each succeeding Bond Year will be sufficient to pay the principal, Maturity Amount and Amortization Installments of and interest on all Bonds of such Series.

The Trustee may pay the principal portion of the purchase price of any Term Bonds from the related Series Principal Account, but only Term Bonds of a maturity having Amortization Installments in the current Bond Year and in the principal amount no greater than the Amortization Installment related to such Series of Bonds coming due in the current Bond Year (calculated after giving effect to any other purchases of Term Bonds during such Bond Year). The Trustee may pay the principal portion of the purchase price of Term Bonds having maturities different from or in amounts greater than set forth in the preceding sentence from amounts on deposit in the related Series Principal Account and the Trustee may transfer moneys from the related Series Revenue Account to the related Series Principal Account for such purpose, but only upon delivery of written instructions from an Authorized Officer to the Trustee accompanied by a certificate of an Authorized Officer: (i) stating that sufficient moneys are on deposit in the Series Principal Account, after giving effect to any transfers from the related Series Revenue Account, to pay the principal portion of the purchase price of such Term Bonds; (ii) setting forth the amounts and maturities of Term Bonds of such Series which are to be redeemed from such amounts and the Amortization Installments against which the principal amount of such purchases are to be credited; and (iii) containing cash flows which demonstrate that, after giving effect to the purchase of Term Bonds in the amounts and having the maturities and with the credits against Amortization Installments set forth in clause (ii) above and any transfers from the related Series Revenue Account, the Pledged Revenues to be received by the District in the current and in each succeeding Bond Year will be sufficient to pay the principal, Maturity Amount and Amortization Installments of and interest on all Bonds of such Series.

If any Bonds are purchased pursuant to this Subsection (b), the principal amount of the Bonds so purchased shall be credited as follows:

(i) if the Bonds are to be purchased from amounts on deposit in the Series Redemption Account, against the principal coming due or

Amortization Installments set forth in the certificate of the Authorized Officer accompanying the direction of the District to effect such purchase; or

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

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

Section 507. Rebate Fund and Series Rebate Accounts.

(a) **Creation.** There is hereby created and established a Rebate Fund, and within the Rebate Fund a Series Rebate Account for each Series of Tax Exempt Bonds. Moneys deposited and held in the Rebate Fund shall not be subject to the pledge of this Master Indenture or any Supplemental Indenture.

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

(c) **Deficiencies**. If the Trustee does not have on deposit in the Series Rebate Account sufficient amounts to make the payments required by this Section, the District shall deposit, from any legally available source, the amount of any such deficiency in the Series Rebate Account immediately upon the written request of the Trustee.

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

(a) **Series Acquisition and Construction Account, Revenue Account and Debt Service Account**. Moneys held for the credit of a Series Acquisition and Construction Account, the Series Revenue Account, and the Series Debt Service Account shall, as nearly

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

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

(c) **Investment Obligations as a Part of Funds and Accounts**. Investment Obligations purchased as an investment of moneys in any Fund or Account shall be deemed at all times to be a part of such Fund or Account, and the interest accruing thereon and profit realized from such investment shall be credited as provided in Section 510 hereof. Any loss resulting from such investment shall be charged to such Fund or Account. The foregoing notwithstanding, for purposes of investment and to the extent permitted by law, amounts on deposit in any Fund or Account may be commingled for purposes of investment, provided adequate care is taken to account for such amounts in accordance with the prior sentence. The Trustee may, upon the direction of an Authorized Officer, transfer investments within such Funds or Accounts without being required to sell such investments. The Trustee shall sell at the best price obtainable or present for redemption any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment or transfer from any such Fund or Account. The Trustee shall not be liable or responsible for any loss resulting from any such investment or for failure to make an investment (except failure to make an investment in accordance with the written direction of an Authorized Officer) or for failure to achieve the maximum possible earnings on investments.

(d) **Valuation**. In computing the value of the assets of any Fund or Account, investments and earnings thereon shall be deemed a part thereof. Such investments shall be valued at the current market value thereof or at the redemption price thereof, if then redeemable at the option of the holder.

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

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

The Trustee, as of the close of business on the last Business Day in each Bond Year, after taking into account all payments and transfers made as of such date, shall compute, in the manner set forth in Section 508(d), the value of the Series Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such Series Reserve Account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the Series Reserve Account, from any legally available sources of the District. Unless otherwise provided in a Supplemental Indenture relating to a Series of Bonds, the Trustee, as soon as practicable after such computation, shall deposit any surplus to the credit of the Series Revenue Account.

Section 510. Investment Income. Unless provided otherwise in a Supplemental Indenture, earnings on investments in each Series Account, except a Series Reserve Account and a Series Capitalized Interest Account, shall be deposited, as realized, to the credit of the related Series Revenue Account and used for the purpose of such Account.

Unless otherwise provided in a Supplemental Indenture, earnings on investments in a Series Capitalized Interest Account shall be deposited, as realized, to the credit of such Series Capitalized Interest Account to and including the last date to which interest on the related Series of Bonds has been capitalized (which date shall be furnished to the Trustee in writing by an Authorized Officer and is referred to hereafter as the "Last Capitalized Interest Date." The balance, if any, remaining on deposit in such Series Capitalized Interest Account after the interest due on the related Series of Bonds on the Last Capitalized Interest Date has been paid shall be deposited to the credit of the related Series Revenue Account.

Unless otherwise provided in a Supplemental Indenture, earnings on investments in a Series Reserve Account shall be disposed of as follows:

(a) if there was no deficiency (as defined in Section 509 above) in the Series Reserve Account as of the most recent date on which amounts on deposit in the Series Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series Reserve Account since such date for the payment of Debt Service, then earnings on investments in the Series Reserve Account shall be deposited, as realized, (i) on or before the Last Capitalized Interest Date, to the credit of the Series Capitalized Interest Account, and (ii) after the Last Capitalized Interest Date, to the credit of the Series Revenue Account;

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

Section 511. Cancellation of Bonds. All Bonds paid, redeemed or purchased, either at or before maturity, shall be canceled by the Trustee upon the payment, redemption or purchase of such Bonds. All canceled Bonds shall be destroyed by the Paying Agent, which shall execute a certificate

in duplicate describing the Bonds so destroyed. One executed certificate shall be filed with the Trustee (if other than the Paying Agent) and the other executed certificate shall be retained by the Paying Agent.

ARTICLE VI
CONCERNING THE TRUSTEE

Section 601. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the parties hereto and the Owners, by their acceptance of the Bonds, agree.

Except during the continuance of an Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture.

In case the Trustee has actual notice that an Event of Default has occurred and is continuing and subject to Section 607 hereof, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in the exercise of such rights and powers, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of the Bonds pursuant to the provisions of Section 904 hereof relating to the remedy or remedies to be exercised upon the happening of an Event of Default or the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust of power conferred upon the Trustee, under this Indenture, unless the Trustee shall be negligent in failing to follow such direction.

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

Section 603. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence. The Trustee may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of counsel concerning all questions hereunder; and the Trustee shall not be answerable for the default or misconduct of any attorney, agent or employee selected by it with reasonable care. In performance of its duties hereunder, the Trustee may rely on the advice of counsel and shall not be held liable for actions taken in reliance on the advice of counsel. The Trustee shall not be answerable for the

exercise of any discretion or power under this Master Indenture or any Supplemental Indenture nor for anything whatever in connection with the trust hereunder, except only its own negligence or willful misconduct.

Section 604. Compensation and Indemnity. The District shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, including the reasonable fees and expenses of Trustee's counsel, and shall indemnify the Trustee and hold the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder except with respect to its own negligence or willful misconduct. The Trustee shall have no duty in connection with its responsibilities hereunder to advance its own funds nor shall the Trustee have any duty to take any action hereunder without first having received indemnification satisfactory to it. Notwithstanding any other provision hereof, upon an Event of Default, but only upon an Event of Default, the Trustee shall have, in addition to any other rights hereunder, a claim, prior to the claim of the Owners of Bonds, for the payment of its compensation and the reimbursement of its expenses and advances made by it, as provided herein, upon the moneys and obligations in the Funds and Accounts relating to the Bonds as to which an Event of Default has occurred except for moneys deposited with or paid to the Trustee for the payment of such Bonds or any portion thereof which is deemed to have been paid in accordance with Section 303 or Section 1201(b) hereof and except for funds held in the Rebate Fund. This provision shall survive termination of this Master Indenture and any Supplemental Indenture, and as to any Trustee, its resignation or removal as Trustee hereunder.

Section 605. No Duty to Renew Insurance. The Trustee shall be under no duty to effect or to renew any insurance policy nor shall it incur any liability for the failure of the District to require or effect or renew insurance or to report or file claims of loss thereunder.

Section 606. Notice of Default; Right to Investigate. The Trustee shall give written notice, as soon as practicable, by first-class mail to registered Owners of Bonds of all defaults of which the Trustee has actual knowledge, unless such defaults have been remedied (the term "defaults" for purposes of this Section and Section 607 being defined to include only the events specified as "Events of Default" in Section 902 hereof, but not including any notice or periods of grace provided for therein). The Trustee will be deemed to have actual knowledge of any payment default under this Master Indenture or under any Supplemental Indenture and, after receipt of written notice thereof by a Credit Facility issuer or a Liquidity Facility issuer of a default under its respective Reimbursement Agreement, but shall not be deemed to have actual knowledge of any other default unless notified in writing of such default by the District or by the Owners of at least 25% in aggregate principal amount of the Outstanding Bonds. The Trustee may, however, at any time require of the District full information as to the performance of any covenant hereunder; and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the District, an investigation into the affairs of the District.

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

Section 608. Reliance by Trustee. The Trustee may act on any requisition, resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document or telephone message which it in good faith believes to be genuine and to have been passed, signed or given by the proper persons or to have been prepared and furnished pursuant to any of the provisions of this Master Indenture or any Supplemental Indenture; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

Section 609. Trustee May Deal in Bonds. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Owners may be entitled to take with like effect as if the Trustee were not a party to this Master Indenture or any Supplemental Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the District; provided that if the Trustee determines that any such relation is in conflict with its duties under this Master Indenture or any Supplemental Indenture, it shall eliminate the conflict or resign as Trustee.

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

Section 611. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Master Indenture by written resignation filed with the Secretary of the District not less than sixty (60) days before the date when such resignation is to take effect; provided that notice of such resignation shall be sent by first-class mail to each Owner as its name and address appears on the Bond Register and to any Paying Agent, Bond Registrar, any Credit Facility issuer, and any Liquidity Facility issuer, at least sixty (60) days before the resignation is to take effect. Such resignation shall take effect on the day specified in the Trustee's notice of resignation unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor; provided, however, that notwithstanding the foregoing such resignation shall not take effect until a successor Trustee has been appointed. If a successor Trustee has not been appointed within sixty (60) days after the Trustee has given its notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed.

Section 612. Removal of Trustee. Any Trustee hereunder may be removed at any time by an instrument appointing a successor to the Trustee so removed, executed by the Owners of a majority in aggregate principal amount of all Bonds then Outstanding and filed with the Trustee and the District.

If no Event of Default then exists, the Trustee may also be removed at any time, with or without cause, by resolution of the Governing Body delivered to the Trustee, such removal to be effective upon the appointment of a successor Trustee as provided in Section 613 below and upon payment of all fees and reasonable expenses then owing to the Trustee. If an Event of Default exists, the Trustee may be removed only for a breach of trust or for acting or proceeding in violation of, or

for failing to act or proceed in accordance with, any provision of this Master Indenture or any Supplemental Indenture with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the District or the Owners of not less than 20% in aggregate principal amount of the Bonds then Outstanding.

Section 613. Appointment of Successor Trustee. If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the District shall appoint a successor and shall mail notice of such appointment by first-class mail to each Owner as its name and address appear on the Bond Register, and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer; provided, however, that no successor Trustee shall be appointed unless the District shall have received the prior written consent, which consent shall not be unreasonably withheld, of any Credit Facility issuer, and any Liquidity Facility issuer, to the appointment of such successor Trustee.

Section 614. Qualification of Successor Trustee. A successor Trustee shall be a national bank with trust powers or a bank or trust company with trust powers, having a combined net capital and surplus of at least $50,000,000, if a national bank or trust company having such combined capital, surplus, and undivided profits is willing and able to serve as successor Trustee, and otherwise a successor Trustee may be any bank with trust powers selected by the District but in no event shall the successor Trustee ever be the Credit Facility issuer or Liquidity Facility issuer.

Section 615. Instruments of Succession. Any successor Trustee shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder shall after first deducting any amounts owed to the Trustee, pay over to the successor Trustee all moneys held by it hereunder; and, the Trustee ceasing to act and the District shall execute and deliver an instrument or instruments transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the Trustee ceasing to act except for the Trustee's rights under Section 604 hereof.

Section 616. Merger of Trustee. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, shall be the successor Trustee under this Master Indenture, without the execution or filing of any paper or any further act on the part of the parties thereto, anything herein to the contrary notwithstanding; provided, however, that any such successor corporation continuing to act as Trustee hereunder shall meet the requirements of Section 614 hereof, and if such corporation does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article VI.

Section 617. Resignation of Paying Agent or Bond Registrar. The Paying Agent or Bond Registrar may resign and be discharged of the duties created by this Master Indenture by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the District and the Trustee not less than sixty

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

Section 618. Removal of Paying Agent or Bond Registrar. The Paying Agent or Bond Registrar may be removed at any time prior to any Event of Default by the District by filing with the Paying Agent or Bond Registrar to be removed, and with the Trustee, an instrument or instruments in writing executed by an Authorized Officer appointing a successor. Such removal shall be effective thirty (30) days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent or Bond Registrar appointed hereunder shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder.

Section 619. Appointment of Successor Paying Agent or Bond Registrar. In case at any time the Paying Agent or Bond Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto exist in the office of the Paying Agent or Bond Registrar, as the case may be, and a successor shall be appointed by the District; and in case at any time the Paying Agent or Bond Registrar shall resign, then a successor shall be appointed by the District. Upon any such appointment, the District shall give written notice of such appointment to the predecessor Paying Agent or Bond Registrar, the successor Paying Agent or Bond Registrar, the Trustee and all Owners. Any new Paying Agent or Bond Registrar so appointed shall immediately and without further act supersede the predecessor Paying Agent or Bond Registrar.

Section 620. Qualifications of Successor Paying Agent or Bond Registrar. Every successor Paying Agent or Bond Registrar (a) shall be a commercial bank or trust company (i) duly organized under the laws of the United States or any state or territory thereof, (ii) authorized by law to perform all the duties imposed upon it by this Master 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. If no commercial bank or trust company meeting the foregoing requirements is willing to serve as Paying Agent or Bond Registrar then the District may appoint any bank or trust company as the Paying Agent or Bond Registrar.

Section 621. Acceptance of Duties by Successor Paying Agent or Bond Registrar. Any successor Paying Agent or Bond Registrar appointed hereunder shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder, and thereupon such successor Paying Agent or Bond Registrar, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, duties and obligations of its

predecessor hereunder, with like effect as if originally named Paying Agent or Bond Registrar herein. Upon request of such Paying Agent or Bond Registrar, such predecessor Paying Agent or Bond Registrar and the District shall execute and deliver an instrument transferring to such successor Paying Agent or Bond Registrar all the estates, property, rights and powers hereunder of such predecessor Paying Agent or Bond Registrar and such predecessor Paying Agent or registrar shall pay over and deliver to the successor Paying Agent or Bond Registrar all moneys and other assets at the time held by it hereunder.

Section 622. Successor by Merger or Consolidation. Any corporation into which any Paying Agent or Bond Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Paying Agent or Bond Registrar hereunder shall be a party, shall be the successor Paying Agent or Bond Registrar under this Master Indenture without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Master Indenture to the contrary notwithstanding.

ARTICLE VII
FUNDS CONSTITUTE TRUST FUNDS

Section 701. Trust Funds. All amounts on deposit in Funds and Accounts shall:

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

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

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

(d) until applied for the purposes provided herein, be subject to a first lien in favor of the Owners of such Series of Bonds and to issuers of Credit or Liquidity Facilities, if any, with respect to such Series of Bonds, which lien is hereby created, prior and superior to all other liens now existing or hereafter created; and to a lien in favor of the Trustee, as security for the reasonable compensation for the services of the Trustee hereunder, and also all its reasonable expenses and disbursements, including the reasonable fees and expenses of Trustee's counsel, which shall be subordinate and inferior to the security interest granted to the Bondholders except as otherwise provided in Section 604 hereof in the case of an Event of Default; and

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

ARTICLE VIII
COVENANTS AND AGREEMENTS OF THE DISTRICT

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

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

Section 803. Further Assurance. At any and all times the District shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, moneys, securities and funds hereby pledged or assigned, or intended so to be, or which the District may become bound to pledge or assign after the date of execution of this Master Indenture.

Section 804. Power to Issue Bonds and Create a Lien. The District hereby represents to the Trustee and to the Owners that it is and will be duly authorized under all applicable laws to issue the Bonds of each Series, to execute this Master Indenture and any Supplemental Indentures, and to pledge the Pledged Revenues and Pledged Funds in the manner and to the extent provided herein and in any Supplemental Indenture. The District hereby represents that such Pledged Revenues and Pledged Funds are and will be free and clear of any pledge, lien, charge or encumbrance thereon except the pledge, lien, charge, and encumbrance thereon created by this Master Indenture and any Supplemental Indenture and except to the extent that the Tax Collector and the Property Appraiser have the right to pay their fees and charges, if any, from Assessments or Benefit Special Assessments prior to disbursement thereof to or on behalf of the District. All action on the part of the District to that end has been and will be duly and validly taken. The Bonds of each Series, this Master Indenture and any Supplemental Indenture are and will be the valid and legally enforceable obligations of the District, enforceable in accordance with their terms except to the extent that enforcement thereof may be subject to bankruptcy and other similar laws affecting creditors' rights generally. The District shall at all times, to the extent permitted by law, defend, preserve and protect the pledge and lien created by this Master Indenture and all the rights of the Owners hereunder against all claims and demands of all other persons whomsoever.

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

Section 806. Sale of All or a Portion of Series Projects. The District may from time to time sell any machinery, parts, fixtures, apparatus, tools, instruments, or other movable property acquired by the District in connection with a Series Project, or any materials used in connection therewith, if the District shall determine that such articles are no longer useful in connection with the acquisition, construction, operation or maintenance of a Series Project, and the proceeds thereof may be applied to the replacement of the properties so sold or disposed of or to the acquisition of other properties related to a Series Project and, if not so applied, shall be deposited to the credit of the related Series Acquisition and Construction Account or, after the Date of Completion of the Series Project, shall be deposited to the credit of the related Series Principal Account or the related Series Redemption Account in accordance with written instructions of an Authorized Officer.

The District may from time to time sell or lease a Series Project or property forming a part thereof which it may determine serves no useful purpose in connection with the maintenance and operation of such Series Project, if the District Engineers deliver a certificate to the District and the Trustee to the general effect that (i) the purchase price or rentals to be received by the District represent the fair market value or fair rental value of such Series Project or portion thereof being sold or leased, and (ii) such sale or lease will not, in their opinion, materially adversely affect the special benefits provided by such Series Project or portion thereof to the land against which the Assessments or the Benefit Special Assessments have been levied. The proceeds of any such sale shall be disposed of as provided in the preceding paragraph. The proceeds of any lease as described above shall be deposited to the credit of the related Series Principal Account or Redemption Account.

The District may also: (i) dispose of all or any part of a Series Project by gift or dedication thereof to Manatee County, Sarasota County, Florida or to the State or any agency or instrumentality of either of the foregoing; and/or (ii) impose, declare or grant title to or interests in the Series Project or a portion or portions thereof in order to create ingress and egress rights and public and private utility easements as the District may deem necessary or desirable for the development, use and occupancy of the property within the District; and/or (iii) impose or declare covenants, conditions and restrictions pertaining to the use, occupancy and operation of the Series Projects.

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

Section 808. Accounts and Reports.

(a) **Annual Report.** The District shall, within one hundred eighty (180) days after the close of each Fiscal Year so long as any Bonds are Outstanding, file with the Trustee, solely as a repository of such information, and otherwise as provided by law, a copy of an annual report for such year, accompanied by an Accountant's Certificate, including: (i) statements in reasonable detail of its financial condition as of the end of such Fiscal Year and

income and expenses for such Fiscal Year; and (ii) statements of all receipts and disbursements of the Pledged Revenues of each Series of Bonds (unless the Pledged Revenues of such Series are remitted directly to the Trustee). The Trustee shall, within ninety (90) days after the close of each Fiscal Year so long as any Bonds are Outstanding, file with the District a summary with respect to each Fund and Account of the deposits thereto and disbursements therefrom during such Fiscal Year and the amounts held therein at the end of such Fiscal Year.

(b) **No Default Certificate.** The District shall file with the Trustee, so long as any Bonds are Outstanding, within ninety (90) days after the close of each Fiscal Year, a certificate of an Authorized Officer stating whether or not, to the knowledge of the signer, the District is in default with respect to any of the covenants, agreements or conditions on its part contained in this Master Indenture and in any Supplemental Indenture and, if so, the nature of such default and actions taken or to be taken to remedy such default.

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

(d) **Reports Pursuant to Uniform Special District Accountability Act of 1989.** The District covenants and agrees that it will comply with the provisions of Chapter 189 of the Act to the extent applicable to the District.

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

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

Section 811. Method of Collection of Assessments or Benefit Special Assessments. Pursuant to the procedures set forth in Florida Statutes, Section 197.363 the District will use its best

efforts to enter into a written agreement (the "Collection Agreement") with the Property Appraiser, pursuant to which the Property Appraiser will agree to list on the assessment roll for each of the subsequent tax years any Assessments which are pledged to the payment of any Series of Bonds, to include in the notice of proposed property taxes the dollar amount of such Assessments and to include on the tax notice issued pursuant to Section 197.322, Florida Statutes, the dollar amount of such Assessments. The District will agree to provide by not later than September 15 of each year (or such earlier date as shall be required by the Tax Collector or the Property Appraiser) the amount of any such Assessment to be levied against each parcel in the District. The term of the Collection Agreement will be twenty (20) years from the date of the issuance of the Series of Bonds to which such Assessments are pledged unless the Property Appraiser is unwilling to enter into an agreement for that length of time, in which case the term of the Collection Agreement will be for the maximum length of time acceptable to the Property Appraiser. If the District is unable to enter into the Collection Agreement despite use of its best efforts to do so, then the District covenants that the Assessments will be levied and collected by it in the manner prescribed by law.

The District shall also comply with the provisions of Section 6 of the Act with respect to Benefit Special Assessments in order to cause the Property Appraiser to include the notice of Benefit Special Assessments which are pledged to the payment of any Series of Bonds to be included in the notice of proposed property taxes and on the tax notice issued pursuant to Section 197.322, Florida Statutes. The District shall also use its best efforts to assure that any Assessments or Benefit Special Assessments pledged to any Series of Bonds collected by the Tax Collector will be remitted by the Tax Collector directly to the Trustee for deposit into the related Series Revenue Account. If the Tax Collector is unwilling to remit Assessments or Benefit Special Assessments collected by him directly to the Trustee, then the District shall, not later than one (1) Business Day following its receipt of each installment of Assessments or Benefit Special Assessments paid to it by the Tax Collector, remit the entire amount so collected to the Trustee for deposit into the related Series Revenue Account. If payments of Assessments or Benefit Special Assessments are remitted by the Tax Collector to the District, the District agrees to give such consents and to take such other steps as may be necessary to permit the Trustee, in its discretion, to obtain information from the Tax Collector concerning the amount and date of each such payment of Assessments or Benefit Special Assessments to the District.

Section 812. Delinquent Assessments or Benefit Special Assessments. If the owner of any lot or parcel of land shall be delinquent in the payment of any Assessment or Benefit Special Assessment pledged to a Series of Bonds, then such Assessment or Benefit Special Assessment shall be enforced in accordance with Section 6 of the Act or collected pursuant to the provisions of Chapters 170 and 197, Florida Statutes including but not limited to the sale of tax certificates and tax deed as regards such Delinquent Assessment or Benefit Special Assessment. If the provisions of Chapter 197, Florida Statutes, are inapplicable, then upon the delinquency of any Assessment or Benefit Special Assessment the District either on its own behalf, or through the actions of the Trustee, may, but is not obligated to, declare the entire unpaid balance of such Assessment or Benefit Special Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, Section 6 of the Act and Section 170.10, Florida Statutes, or otherwise as provided by law. The District further covenants to furnish, at its expense, to any Owner of Bonds of the related Series so requesting, sixty (60) days after the due date

of each annual installment, a list of all Delinquent Assessments and all delinquent Benefit Special Assessments, together with a copy of the District's annual audit, and a list of foreclosure actions currently in progress and the current status of such Delinquent Assessments and all delinquent Benefit Special Assessments.

Section 813. Deposit of Proceeds from Sale of Tax Certificates. If any tax certificates relating to Delinquent Assessments or Benefit Special Assessments which are pledged to a Series of Bonds are sold by the Tax Collector pursuant to the provisions of Section 197.432, Florida Statutes or if any such tax certificates are not sold but are later redeemed, the proceeds of such sale or redemption (to the extent that such proceeds relate to the Assessments or Benefit Special Assessments) less any commission or other charges retained by the Tax Collector, shall, if paid by the Tax Collector to the District, be paid by the District to the Trustee not later than one (1) Business Day following receipt of such proceeds by the District and shall be deposited by the Trustee to the credit of the related Series Revenue Fund or, if such proceeds are paid directly to the Trustee by the Tax Collector, shall be deposited upon receipt by the Trustee to the credit of the related Series Revenue Account.

Section 814. Sale of Tax Deed or Foreclosure of Assessment or Benefit Special Assessment Liens. Not less than ten (10) days prior to the filing of any foreclosure action as herein provided, the District shall cause written notice thereof to be mailed to any designated agents of the Owners of the related Series of Bonds. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the District, it shall give written notice thereof to such designated agents. The District, either through its own actions or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the related Series of Bonds within thirty (30) days after the receipt of the request therefor signed by the Trustee or the Owners of at least fifteen percent (15%) in aggregate principal amount of the Outstanding Bonds of such Series.

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

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

Section 817. Sale of Tax Deed or Foreclosure of Assessment Liens. If any property shall be offered for sale for the nonpayment of any Assessment, and no person or persons shall purchase such property for an amount equal to the full amount due on the Assessment (principal, interest, penalties and costs, plus attorneys' fees, if any), the District may, but shall not be required to, purchase the property for an amount equal to the balance due on the Assessment (principal, interest, penalties and costs, plus attorneys' fees, if any) from any legally available funds of the District and the District shall receive in its corporate name title to the property for the benefit of the Owners of the related Series of Bonds. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the related Series Revenue Account.

Section 818. General. The District shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the District under law and this Master Indenture, in accordance with the terms of such provisions.

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

ARTICLE IX
EVENTS OF DEFAULT AND REMEDIES

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

Section 902. Events of Default. Each of the following events is hereby declared an Event of Default with respect to a Series of Bonds:

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

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

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

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

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

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

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

Section 903. Acceleration of Maturities of Bonds of a Series. Upon the happening and continuance of any Event of Default specified in clauses (a) through (f) of Section 902 above with respect to a Series of Bonds, the Trustee shall, upon written direction of the Owners of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds of such Series then Outstanding, by a notice in writing to the District, declare the aggregate principal amount of all of the Bonds of such Series then Outstanding (if not then due and payable) to be due and payable immediately and, upon such declaration, the same shall become and be immediately due and payable, anything contained in the Bonds of such Series or in this Master Indenture or in the Supplemental Indenture authorizing such Series to the contrary notwithstanding; provided, however, that if at any time after the aggregate principal amount of the Bonds of any Series then Outstanding shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Master Indenture or the related Supplemental Indenture, moneys shall have accumulated in the related Series Revenue Account sufficient to pay the principal of all matured Bonds of such Series and all arrears of interest, if any, upon all Bonds of such Series then Outstanding (except the aggregate principal amount of any Bonds of such Series then Outstanding that is only due because of a declaration under this Section, and except for the interest accrued on the Bonds of such Series since the last Interest Payment Date), and all amounts then payable by the District hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Paying Agent, and every other default (other than a default in the payment of

the aggregate principal amount of the Bonds of such Series then Outstanding that is due only because of a declaration under this Section) shall have been remedied, then the Trustee or, if the Trustee is unable or unwilling to act, the Owners of not less than 51% of the aggregate principal amount of the Bonds of such Series then Outstanding not then due except by virtue of a declaration under this Section, may, by written notice to the District, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Section 904. Enforcement of Remedies. Upon the happening and continuance of any Event of Default specified in Section 902 above with respect to a Series of Bonds, the Trustee or, if the Trustee is unwilling or unable to act, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of such Series then Outstanding may protect and enforce the rights of the Owners of the Bonds of such Series under Florida law, and under this Master Indenture, the related Supplemental Indenture and the Bonds of such Series, by such proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein or in the related Supplemental Indenture granted or for the enforcement of any proper legal or equitable remedy, as the Trustee or the Owners of such Series of Bonds, as the case may be, shall deem most effectual to protect and enforce such rights.

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

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

First: to the payment of any then-due fees and expenses of the Trustee, including reasonable counsel fees and expenses (including in connection with any appeal), to the extent not otherwise paid.

Second: to payment to the persons entitled thereto of all installments of interest then due and payable on the Bonds of such Series, in the order in which such installments become due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the rates of interest specified in the Bonds of such Series; and

Third: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds of such Series which shall have become due (other than Bonds of such Series called for redemption for the payment of which sufficient moneys are held pursuant to this Master Indenture), in the order of their due dates, with interest

upon the Bonds of such Series at the rates specified therein from the dates upon which they become due to their payment date, and, if the amount available shall not be sufficient to pay in full the principal of Bonds of such Series due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Owners of the Bonds of such Series entitled thereto without any discrimination or preference except as to any difference in the foregoing rates of interest.

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

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

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

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

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

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

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

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

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

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

Section 912. Indemnification. Other than to make proper draws under a Credit Facility, the Trustee shall be under no obligation to institute any suit or to take any remedial proceeding under this Master Indenture or any Supplemental Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to advance its own money, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability.

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

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

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

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

ARTICLE XI
SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Without Owners' Consent. The Governing Body from time to time may authorize such indentures supplemental hereto or amendatory hereof as shall not be inconsistent with the terms and provisions hereof (which supplemental indenture shall thereafter form a part hereof), without the consent of the Owners, for the following purposes:

(a) to provide for the initial issuance of a Series of Bonds or Refunding Bonds of a Series; or

(b) to make any change whatsoever to the terms and provisions of this Master Indenture, but only as such change relates to a Series of Bonds upon the original issuance thereof (or upon the original issuance of Refunding Bonds of a Series which defease and discharge the Supplemental Indenture of the Series of Bonds to be refunded) under and pursuant to the terms of the Supplemental Indenture effecting such change; or

(c) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Master Indenture; or

(d) to grant to the Owners or to the Trustee on behalf of the Owners any additional rights or security that may lawfully be granted;

(e) to add to the covenants and agreements of the District in this Master Indenture other covenants and agreements thereafter to be observed by the District to the benefit of the Owners of the Outstanding Bonds;

(f) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190 and 298, Florida Statutes, so long as, in the opinion of counsel to the District, such changes either: (i) do not have a material adverse effect on the Owners of each Series of Bonds to which such changes relate; or (ii) if such changes do have a material adverse effect, that they nevertheless are required to be made as a result of such amendments; or

(g) to modify the provisions of this Master Indenture or any Supplemental Indenture provided that such modification does not, in the written opinion of Bond Counsel, materially adversely affect the interests of the Owners of the Bonds Outstanding.

Section 1102. Supplemental Indentures With Owner Consent. Subject to the provisions contained in this Section, and not otherwise, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Master Indenture to the contrary notwithstanding, to consent to and approve the adoption of such indentures supplemental hereto or amendatory hereof as shall be deemed desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the provisions of this Master Indenture or of any Supplemental Indenture; provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent of all Owners of Bonds then Outstanding and effected by such amendment,

(a) an extension of the maturity of, or an extension of the Interest Payment Date on, any Bond;

(b) a reduction in the principal, premium, or interest on any Bond;

(c) a preference or priority of any Bond over any other Bond; or

(d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture.

In addition to the foregoing, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of any Series then Outstanding shall have the right, from time to time, anything contained in this Master Indenture or in the Supplemental Indenture relating to such Series of Bonds to the contrary notwithstanding, to consent to and approve the adoption of such indentures supplemental to the Supplemental Indenture relating to such Series of Bonds or amendatory thereof, but not hereof, as shall be deemed desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the provisions of such Supplemental Indenture or of any supplemental indenture; provided, however, that nothing herein contained shall

permit, or be construed as permitting, without the consent of all Owners of Bonds of such Series then Outstanding,

(a) an extension of the maturity of, or an extension of the Interest Payment Date on, any Bond of such Series;

(b) a reduction in the principal, premium, or interest on any Bond of such Series;

(c) a preference or priority of any Bond of such Series over any other Bond of such Series; or

(d) a reduction in the aggregate principal amount of the Bonds of such Series required for consent to such indenture supplemental to the Supplemental Indenture.

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

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

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

Section 1104. Supplemental Indenture Part of Indenture. Any Supplemental Indenture executed in accordance with this Article and approved as to legality by counsel to the District shall thereafter form a part of this Master Indenture. Except as applicable only to Bonds of a Series, all of

the terms and conditions contained in any such Supplemental Indenture amendatory of this Master Indenture shall be part of the terms and conditions hereof.

Section 1105. Insurer or Issuer of a Credit or Liquidity Facility as Owner of Bonds. As long as a Credit or Liquidity Facility securing all or a portion of the Bonds of a Series Outstanding is in effect, the issuer of the Credit or Liquidity Facility or the Insurer, to the extent so authorized in the applicable Supplemental Indenture, will be deemed to be the Owner of the Bonds of such Series secured by the Credit or Liquidity Facility: (i) at all times for the purpose of the execution and delivery of a Supplemental Indenture or of any amendment, change or modification of the Indenture or the applicable Supplemental Indenture or the initiation by Owners of any action to be undertaken by the Trustee at the Owner's request, which under the Master Indenture or the applicable Supplemental Indenture requires the written approval or consent of or can be initiated by the Owners of at least a majority in principal amount of the Bonds of the Series at the time Outstanding; (ii) at all times for the purpose of the mailing of any notice to Owners under the Master Indenture or the applicable Supplemental Indenture; and (iii) following an Event of Default for all other purposes. Notwithstanding the foregoing, neither an Insurer nor the issuer of a Credit or Liquidity Facility with respect to a Series of Bonds will be deemed to be an Owner of the Bonds of such Series with respect to any such Supplemental Indenture or of any amendment, change or modification of the Master Indenture which would have the effect of permitting: (i) a change in the terms of redemption or maturity of any Bonds of a Series Outstanding or of any installment of interest thereon; or (ii) a reduction in the principal amount or the Redemption Price thereof or in rate of interest thereon; or (iii) reducing the percentage or otherwise affecting the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment; or (iv) creating any preference or priority of any Bond of a Series over any other Bond of such Series.

ARTICLE XII
DEFEASANCE

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

(a) If the District pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon and the obligations under any Letter of Credit Agreement and any Liquidity Agreement, at the times and in the manner stipulated therein and in this Master Indenture and any Letter of Credit Agreement and any Liquidity Agreement and pays or causes to be paid all other moneys owing hereunder and under any Supplemental Indenture, then the lien of this Master Indenture and all covenants, agreements and other obligations of the District to the Owners and the issuer of any Credit Facility or Liquidity Facility shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the District to be prepared and filed with the District and, upon the request of the District shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee and the Paying Agent shall pay over or deliver, as directed by the District, all moneys or securities held by them pursuant to this Master

Indenture which are not required for the payment of principal or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption or for payment of obligations under any Letter of Credit Agreement and any Liquidity Agreement. If the District pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds or of a particular maturity, of a particular Series or of any part of a particular maturity or Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Master Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Master Indenture, and all covenants, agreements and obligations of the District to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Anything to the contrary in this Section 1201 notwithstanding, this Master Indenture shall not be discharged nor shall any Bonds with respect to which moneys or Federal Securities have been deposited in accordance with the provisions of this Section 1201 cease to be entitled to the lien, benefit or security under this Master Indenture, except to the extent that the lien, benefit and security of this Master Indenture and the obligations of the District hereunder shall be limited solely to and such Bonds shall be secured solely by and be payable solely from the moneys or Federal Securities so deposited.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit pursuant to this Master Indenture of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in this Section. All or any portion of the Bonds of any particular Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 1201 if: (i) in case any of such Bonds are to be redeemed on any date prior to their maturity, the District shall have given to the Trustee or the Bond Registrar irrevocable instructions accepted in writing by the Trustee or the Bond Registrar to mail as provided in Article III notice of redemption of such Bonds on such date; (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Federal Securities, the principal of and the interest on which when due shall provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be; and (c) the District shall have given the Trustee or the Bond Registrar in form satisfactory to it irrevocable instructions to mail, postage prepaid, to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registry books of the District, a notice to the registered Owners of such Bonds and to the Registrar that the deposit required by (ii) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section 1201 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on such Bonds. Neither Federal Securities nor moneys deposited with the Trustee pursuant to this Section 1201 nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on such

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

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

(d) Anything in this Master Indenture to the contrary notwithstanding, any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for six (6) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bonds became due and payable, shall, at the written request of the District be repaid by the Trustee or Paying Agent to the District, as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of such Bonds; provided, however, that before being required to make any such payment to the District, the Trustee or Paying Agent shall, at the expense of the District, cause to be

mailed, postage prepaid, to any Insurer or any issuer of any Credit Facility or Liquidity Facility, and to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registry books of the District, a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) days after the date of the mailing of such notice, the balance of such moneys then unclaimed shall be returned to the District.

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

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

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

ARTICLE XIII
MISCELLANEOUS PROVISIONS

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

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

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the Governing Body in his or her individual capacity, and neither the members of the Governing Body nor any

official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

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

To the District, addressed to:

District Manager
Lakewood Ranch Stewardship District
210 North University Drive, Suite 802
Coral Springs, Florida 33071

To the Trustee, addressed to:

Wachovia Bank, National Association
200 S. Biscayne Boulevard, 14th Floor
Miami, Florida 33131

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

All documents received by the District and the Trustee under this Master Indenture shall be retained in their possession, subject at all reasonable times to the inspection of any Owner and the agents and representatives thereof.

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

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

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

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

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

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

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

Section 1310. Payments Due or Actions Required on Non-Business Day. If the date of maturity of principal or interest on any Bonds, or the date fixed for redemption of any Bonds or the date provided for giving any notice or the taking of any other action hereunder or under any Supplemental Indenture shall be, in the city of payment or place of such action, not a Business Day, then payment of principal or interest or date of redemption or date for the giving of notice or the taking of any other action hereunder need not be made or taken on such date in such city but may be made or taken on the next succeeding day that is a Business Day with the same force and effect as if made or taken on the date of maturity or the date fixed for redemption or the date provided for the giving of such notice or the taking of any other such action. In the case of an interest payment due on a day that is not a Business Day, the interest payment made on the next succeeding Business Day shall not include any interest that accrues during the period beginning with such non-Business Day and ending on the payment date.

[Remainder of page intentionally left blank.]

Section 1311. Effective Date. This Master Indenture shall be effective as of the date first above-written.

Attest:

Secretary

SEAL

LAKEWOOD RANCH STEWARDSHIP DISTRICT

By:
Chairman, Board of Supervisors

WACHOVIA BANK, NATIONAL ASSOCIATION
as Trustee

SEAL

By: _____
Authorized Signatory

(i) Acknowledgment of Chairman of District

STATE OF FLORIDA
COUNTY OF MANATEE

I the undersigned Notary Public, in and for said County and in said State, hereby certify that Rex E. Jensen, whose name as Chairman of the Board of Supervisors of Lakewood Ranch Stewardship District, is known to me or has produced his Florida driver's license as identification, acknowledged before me on this day that, being informed of the contents of the Master Trust Indenture, dated as of September 1, 2005, between the District and Wachovia Bank, National Association, as trustee, he as such officer and with full authority, executed the same as such officer and with full authority, executed the same voluntarily for and as the act of said Board.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 30th day of September, 2005.

Elizabeth J. Meyers
Print Name:
Commission Number:
My Commission Expires:

Elizabeth J Meyers
My Commission DD295794
Expires March 20, 2008

(ii) Acknowledgment of Secretary of District

STATE OF FLORIDA
COUNTY OF MANATEE

I the undersigned Notary Public, in and for said County and in said State, hereby certify that John Daugirda, whose name as Secretary of the Board of Supervisors of Lakewood Ranch Stewardship District, is known to me or has produced his Florida driver's license as identification, acknowledged before me on this day that, being informed of the contents of the Master Trust Indenture, dated as of September 1, 2005, between the District and Wachovia Bank, National Association, as trustee, he as such officer and with full authority, executed the same as such officer and with full authority, executed the same voluntarily for and as the act of said Board, and that the seal affixed thereto is the seal of said District.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 30th day of September, 2005.

Elizabeth J. Meyers
Print Name:
Commission Number:
My Commission Expires:

Elizabeth J Meyers
My Commission DD295794
Expires March 20, 2008

(iii) Acknowledgment of Trustee

STATE OF FLORIDA
COUNTY OF MANATEE

I the undersigned Notary Public, in and for said County and in said State, hereby certify that Vivian C. Cerecedo whose name as Authorized Signatory of Wachovia Bank, National Association, duly organized and existing under and by virtue of the laws of the United States, is known to me, acknowledged before me on this day that, being informed of the contents of the Master Trust Indenture, dated as of September 1, 2005, between the District and Wachovia Bank, National Association, as trustee, she as such Authorized Signatory and with full authority, executed the same as such Authorized Signatory and with full authority, executed the same voluntarily for and as the act of said Trustee.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 30th day of September, 2005.

Elizabeth J. Meyers
Print Name:
Commission Number:
My Commission Expires:

Elizabeth J Meyers
My Commission DD295794
Expires March 20, 2008

EXHIBIT A

FORM OF REQUISITION

The undersigned, an Authorized Officer of Lakewood Ranch Stewardship District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the District to Wachovia Bank, National Association, as trustee (the "Trustee"), dated as of September 1, 2005 (the "Master Indenture"), as amended and supplemented by the First Supplemental Indenture from the District to the Trustee, dated as of September 1, 2005, (the Master Indenture as amended and supplemented is hereinafter referred to as the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

(A) Requisition Number:

(B) Name of Payee:

(C) Amount Payable:

(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments):

(E) Fund or Account and subaccount, if any, from which disbursement to be made:

The undersigned hereby certifies that obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the 2005 Acquisition and Construction Account and the subaccount, if any, referenced above, that each disbursement set forth above was incurred in connection with the acquisition and construction of the 2005 Project and each represents a Cost of the 2005 Project, and 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.

[THIS PAGE INTENTIONALLY LEFT BLANK]

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

If this requisition is for a disbursement from other than the Costs of Issuance subaccount, it shall be signed by the District Engineers certifying approval of this requisition which certifies that this disbursement is for a Cost of the 2005 Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the 2005 Project with respect to which such disbursement is being made; and, (ii) the report of the District Engineer attached as an Exhibit A to the First Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

If this requisition is for a disbursement from other than the Costs of Issuance subaccount, it is hereby represented by the undersigned that the Governing Body of the District has approved this requisition or has approved the specific contract with respect to which disbursements pursuant to this requisition are due and payable.

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

LAKEWOOD RANCH STEWARDSHIP DISTRICT

By: _____
Authorized Officer

[ ]

By: _____
District Engineer

1731997_4

[THIS PAGE INTENTIONALLY LEFT BLANK]

THIRTY-FIRST SUPPLEMENTAL TRUST INDENTURE

BETWEEN

LAKEWOOD RANCH STEWARDSHIP DISTRICT

AND

U.S. BANK NATIONAL ASSOCIATION,

AS TRUSTEE

Dated as of October 1, 2020

securing

$17,755,000
Lakewood Ranch Stewardship District
Special Assessment Revenue Bonds, Series 2020
(Northeast Sector Project – Phase 2B)

TABLE OF CONTENTS

This Table of Contents is incorporated herein for ease of reference only and shall not be deemed a part of the Thirty-First Supplemental Trust Indenture.

ARTICLE I DEFINITIONS **3**

Section 101. Definitions 3

ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF THE 2020 BONDS **11**

Section 201. Authorization of 2020 Bonds 11

Section 202. Terms of 2020 Bonds 13

Section 203. Dating; Interest Accrual 13

Section 204. Denomination 13

Section 205. Paying Agent 13

Section 206. Bond Registrar 13

Section 207. Conditions Precedent to Issuance of the 2020 Bonds 13

Section 208. Continuing Disclosure 15

ARTICLE III REDEMPTION OF 2020 BONDS **15**

Section 301. 2020 Bonds Subject to Redemption and Purchase 15

ARTICLE IV DEPOSIT OF 2020 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF **15**

Section 401. Establishment of Accounts 15

Section 402. Use of 2020 Bond Proceeds and Other Funds 16

Section 403. 2020 Acquisition and Construction Account 17

Section 404. 2020 Costs of Issuance Account 17

Section 405. 2020 Reserve Account 17

Section 406. Application of Prepayment Principal 18

Section 407. Tax Covenants and Rebate Accounts 19

Section 408. Establishment of 2020 Revenue Account in Revenue Fund; Application of Revenues and Investment Earnings 19

ARTICLE V COVENANTS AND DESIGNATIONS OF THE DISTRICT **21**

Section 501. Provision Relating to Bankruptcy or Insolvency of Landowner 21

Section 502. Collection of Series 2020 Assessments 23

Section 503. No Parity Bonds; Limitation on Additional Bonds 23

Section 504. Covenant With Regard to Enforcement and Collection of Delinquent Assessments. 24

ARTICLE VI MISCELLANEOUS PROVISIONS **24**

Section 601. Additional Events of Default and Remedies 24

Section 602. Foreclosure of Assessment Lien 25

Section 603. Interpretation of Thirty-First Supplemental Indenture 25

Section 604. Amendments 25

Section 605. Counterparts 25

Section 606. Appendices and Exhibits 26

Section 607. Payment Dates 26

Section 608. No Rights Conferred on Others 26

Section 609. Use of 2020 Acquisition and Construction Account Moneys and Other Trust Funds. 26

Section 610. Bond Year. 26

ARTICLE VII THE TRUSTEE; THE PAYING AGENT AND BOND REGISTRAR **26**

Section 701. Acceptance of Trust 26

Section 702. Trustee's Duties 26

Section 703. Brokerage Confirmations 26

Section 704. Assignment of District's Rights under Collateral Assignment Agreement 27

Section 705. Patriot Act Requirements of Trustee. 27

Exhibit "A" Master Engineer's Report for Northeast Sector at Lakewood Ranch Infrastructure Improvements dated September 16, 2020

Exhibit "B" Form of 2020 Bonds

THIRTY-FIRST SUPPLEMENTAL TRUST INDENTURE

THIS **THIRTY-FIRST SUPPLEMENTAL TRUST INDENTURE** (the "Thirty-First Supplemental Indenture") dated as of October 1, 2020, between **LAKEWOOD RANCH STEWARDSHIP DISTRICT**, (the "District") and **U.S. BANK NATIONAL ASSOCIATION**, trustee (the "Trustee"), a national banking association authorized to accept and execute trusts of the character herein set out within the State of Florida.

WHEREAS, the District has entered into a Master Trust Indenture dated as of September 1, 2005 (the "Master Indenture") (herein together with this Thirty-First Supplemental Indenture, collectively referred to as the "Indenture") with the Trustee to secure the issuance of its Lakewood Ranch Stewardship District Special Assessment Revenue Bonds (the "Bonds"), issuable in one or more Series from time to time; and

WHEREAS, pursuant to Resolution No. 2005-16 adopted by the Governing Body of the District on August 23, 2005 (the "Bond Resolution"), the District has authorized the issuance of not exceeding $4,000,000,000 of its Bonds and authorized the execution and delivery of the Master Indenture to secure the issuance of the Bonds; and

WHEREAS, the Bonds were validated by the Circuit Court of the Twelfth Judicial Circuit of the State of Florida in and for Manatee and Sarasota Counties in a Final Judgment Validating Bonds rendered on December 20, 2005, and the appeal period from such final judgment has expired with no appeal being taken; and

WHEREAS, the Governing Body of the District has duly adopted resolutions providing for the acquisition, construction and installation of the capital improvement plan (the "Northeast Sector Project") for the portion of the District known as the Northeast Sector, providing estimated costs of the Northeast Sector Project, defining assessable property to be benefitted by the Northeast Sector Project, defining the portion of the Costs of the Northeast Sector Project with respect to which Assessments will be imposed and the manner in which such Assessments shall be levied against such benefited property within the District, stating the intent of the District to issue Bonds secured by such Assessments to finance the Costs of the Northeast Sector Project and, following a public hearing, the District adopted a resolution to fix and establish the Assessments and benefited property, as supplemented with respect to the 2020 Bonds (as defined below); and

WHEREAS, the District has previously issued its Bond Anticipation Note, Series 2017 (Northeast Sector Project) (the "2017 Note"), its Special Assessment Revenue Bonds, Series 2018 (Northeast Sector Project – Phase 1A), its Special Assessment Revenue Bonds, Series 2018 (Northeast Sector Project – Phase 1B) and its Special Assessment Revenue Bonds, Series 2019 (Northeast Sector Project – Phase 2A) in order to finance a portion of the Northeast Sector Project; and

WHEREAS, pursuant to the Bond Resolution, as supplemented by Resolution No. 2020-43 adopted by the Governing Body of the District on September 25, 2020, the District has

authorized the issuance, sale and delivery of its $17,755,000 Lakewood Ranch Stewardship District Special Assessment Revenue Bonds, Series 2020 (Northeast Sector Project – Phase 2B) (the "2020 Bonds") as a Series of Bonds under the Master Indenture and authorized the execution and delivery of this Thirty-First Supplemental Indenture to secure the issuance of the 2020 Bonds; and

WHEREAS, the District will apply the proceeds of the 2020 Bonds to: (i) pay down the revolving line of credit secured by the 2017 Note; (ii) finance the Costs of the acquisition, construction, installation and equipping of the Northeast Sector Project – Phase 2B; (iii) pay certain costs associated with the issuance of the 2020 Bonds; (iv) pay the interest to become due on the 2020 Bonds on May 1, 2021; and (v) fund the 2020 Reserve Account; and

WHEREAS, the execution and delivery of the 2020 Bonds and of this Thirty-First Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the 2020 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Thirty-First Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the 2020 Trust Estate (as hereinafter defined) have been done.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS THIRTY-FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the 2020 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price (as defined in the Master Indenture) of, and interest on, all 2020 Bonds Outstanding (as defined in the Master Indenture) from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this Thirty-First Supplemental Indenture and in the 2020 Bonds: (a) has executed and delivered this Thirty-First Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in interest the trusts under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture, the revenues derived by the District from the Series 2020 Assessments levied and imposed pursuant to the Assessment Proceedings as the same may be amended from time to time (the "2020 Pledged Revenues") and the Funds and Accounts (except for the 2020 Rebate Account and the 2020 Costs of Issuance Account) established hereby (the "2020 Pledged Funds") which shall comprise a part of the Trust Estate securing only the 2020 Bonds, (the "2020 Trust Estate");

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

IN TRUST NEVERTHELESS, except as in each such case may otherwise be provided in the Master Indenture or hereby, for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the 2020 Bonds issued or to be issued under and secured by this Thirty-First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any 2020 Bond over any other 2020 Bond by reason of priority in their issue, sale or execution;

PROVIDED HOWEVER, that if the District, its successors or assigns, shall well and duly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the 2020 Bonds or any 2020 Bond secured and Outstanding under this Thirty-First Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the 2020 Bonds and this Thirty-First Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this Thirty-First Supplemental Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of the Master Indenture and this Thirty-First Supplemental Indenture, then upon such final payments, this Thirty-First Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all 2020 Bonds or any 2020 Bond of a particular maturity, otherwise this Thirty-First Supplemental Indenture shall remain in full force and effect;

THIS THIRTY-FIRST SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all 2020 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as in the Master Indenture (except as amended directly or by implication by this Thirty-First Supplemental Indenture), including this Thirty-First Supplemental Indenture, expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the 2020 Bonds, as follows:

ARTICLE I
DEFINITIONS

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

addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

"2020 Investment Obligations" shall mean and include any of the following securities, in addition to Investment Obligations as defined in the Master Indenture, if and to the extent the same are at the time legal investments for funds of the District, if and to the extent the same are at the time legal investments for funds of the District:

(A) Government Obligations;

(B) obligations of any of the following agencies: Government National Mortgage Association (including participation certificates issued by such Association); Fannie Mae (including participation certificates issued by Fannie Mae); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Rural Economic Community Development Administration (formerly the Farmers Home Administration); Student Loan Marketing Association; Federal Home Loan Mortgage Corporation;

(C) commercial paper rated in the two highest rating categories by both Moody's and S&P;

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

(E) both (A) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for such funds by Moody's or S&P, and (B) shares of money market mutual funds that invest only in Government Obligations and repurchase agreements secured by such obligations, which funds are rated in the two highest rating categories for such funds by Moody's or S&P;

(F) repurchase agreements, which will be collateralized at the onset of the repurchase agreement of at least 103% marked to market weekly by the Holder of the Collateral (as defined below) with collateral with a domestic or foreign bank or corporation (other than life or property casualty insurance company) the long-term debt of which, or, in the case of a financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's provided that the repurchase agreement shall provide that if during its term the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall immediately notify the District and the Trustee and the provider shall at its option, within ten (10) Business Days of receipt of publication of such downgrade, either (A) maintain Collateral at levels, sufficient to maintain an "AA" rated investment from S&P and an "Aa" rated investment from Moody's, or (B) repurchase all collateral and terminate the repurchase agreement. Further, if the provider's rating by either S&P or Moody's falls

below "A-" or "A3," respectively, the provider must immediately notify the District and the Trustee and, at the direction of the District through the Trustee, within ten (10) Business Days, either (1) maintain collateral at levels sufficient to maintain an "AA" rated investment from S&P and an "Aa" rated investment from Moody's, or (2) repurchase all collateral and terminate the repurchase agreement without penalty. In the event the provider has not satisfied the above conditions within ten (10) Business Days of the date such conditions apply, then the repurchase agreement shall provide that the Trustee shall be entitled to, and in such event, the Trustee shall withdraw the entire amount invested plus accrued interest within ten (10) Business Days. Any repurchase agreement entered into pursuant to this Thirty-First Supplemental Indenture shall contain the following additional provisions:

Failure to maintain the requisite collateral percentage will require the District or the Trustee to liquidate the collateral as provided above;

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

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

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

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

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

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

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

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

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

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

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

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

(G) any other investment approved in writing by the Majority Owners;

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

(I) 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 by Aa2 or better by Moody's and AA or better by S&P or Fitch Ratings, respectively (if the term of such agreement is more than 365 days) or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation of the aforesaid ratings, provided:

(1) interest is paid on any date interest is due on the 2020 Bonds (not more frequently than quarterly) at a fixed rate (subject to adjustments for yield restrictions required by the Code) during the entire term of the agreement;

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

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

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

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

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

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

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

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

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

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

(K) other investments permitted by Florida law.

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

"2020 Reserve Account Requirement" shall mean, as calculated from time to time, as of any date of calculation, fifty percent (50%) of the Maximum Annual Debt Service Requirement, which as of the date of issuance of the 2020 Bonds is $509,753.75.

"Assessment Interest" shall mean the interest on Series 2020 Assessments received by the District which is pledged to the 2020 Bonds, other than Delinquent Assessment Interest.

"Assessment Methodology" shall mean the Master Assessment Methodology Report Lakewood Ranch Stewardship District Northeast Sector dated September 8, 2017, as updated from time to time, and as supplemented by the Supplemental Assessment Methodology Report Lakewood Ranch Stewardship District Northeast Sector Series 2020 Bonds Phase 2B dated October 8, 2020.

"Assessment Principal" shall mean the principal amount of Series 2020 Assessments received by the District which are pledged to the 2020 Bonds, other than Delinquent Assessment Principal and Prepayment Principal.

"Assessment Proceedings" shall mean the Assessment Resolution and the Assessment Methodology.

"Assessment Resolution" shall mean, collectively, Resolution Nos. 2017-19, 2017-20, 2017-23 and 2021-05, and any supplemental resolutions of the District with respect to the establishment, levy and collection of the Series 2020 Assessments.

"Beneficial Owner" shall mean the owners from time to time of the 2020 Bonds for federal income tax purposes.

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

"Bond Participant" shall mean those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds 2020 Bonds as securities depository.

"**Collateral Assignment Agreement"** shall mean the Collateral Assignment and Assumption of Development and Contract Rights Relating to the Northeast Sector Project – Phase 2B between the District and the Landowner dated October 14, 2020.

"Completion Agreement" shall mean the agreement or agreements between the Landowner and the District pursuant to which, among other matters, the Landowner has

agreed to provide funds to pay all Costs of the Northeast Sector Project not paid for by the District from proceeds of the 2020 Bonds or prior or future Bonds issued by the District.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement executed and delivered in connection with the issuance of the 2020 Bonds and as amended from time to time in accordance with the terms thereof.

"Date of Completion" with respect to the Northeast Sector Project – Phase 2B shall mean: either (a) the date upon which the Northeast Sector Project – Phase 2B and all components thereof have been acquired or constructed and are capable of performing the functions for which they were intended, as evidenced by a certificate of the District Engineer filed with the Trustee and the District; or (b) the date on which the District determines, upon the recommendation of or consultation with the District Engineer, that it cannot complete the Northeast Sector Project – Phase 2B in a sound and economical manner within a reasonable period of time as evidenced by a certificate of the District Engineer filed with the Trustee and the District; provided that in each case such certificate of the District Engineer shall set forth the amount of all Costs of such Northeast Sector Project – Phase 2B which has theretofore been incurred, but which on the Date of Completion is or will be unpaid or unreimbursed. In the absence of its receipt of such certifications, the Trustee may assume the Date of Completion has not occurred.

"Declaration of Consent to Jurisdiction" shall mean the Declaration of Consent to Jurisdiction of Lakewood Ranch Stewardship District and to Imposition of Special Assessments (Northeast Sector Project – Phase 2B) dated as of October 14, 2020.

"Delinquent Assessment Interest" shall mean the interest on Series 2020 Assessments received by the District which is pledged to the 2020 Bonds and deposited with the Trustee after the date on which such Assessment Interest has become due and payable.

"Delinquent Assessment Principal" shall mean the principal amount of Series 2020 Assessments received by the District which are pledged to the 2020 Bonds and deposited with the Trustee after the date on which such Assessment Principal has become due and payable.

"District Manager" shall mean PFM Group Consulting LLC, and its successors and assigns.

"DTC" shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

"Interest Payment Date" shall mean each May 1 and November 1, commencing May 1, 2021.

"Landowner" shall mean SMR Northeast, LLC, a Florida limited liability company, or any successor or assign thereof.

"Landowner True Up Agreement" shall mean that document or documents pursuant to which the Landowner agrees to pay any "debt reduction payments" required pursuant to the Assessment Proceedings as it pertains to the lands owned by the Landowner.

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) in Outstanding principal amount of the Outstanding 2020 Bonds.

"**Maximum Assessment Levels**" shall mean the following per unit annual gross debt service assessment levels as shall be evidenced by a Maximum Assessment Level Certification:

Product	Maximum Annual Assessment Levels[1]
Townhomes	$1,480
Villas	$1,830
40' - 49'	$1,830
50' - 59'	$2,080
60' - 69'	$2,330
70' - 79'	$2,680
80' - 89'	$2,930
90' - 99'	$2,930

[1] Inclusive of the Series 2020 Assessments.

"**Maximum Assessment Level Certification**" shall mean a certificate of the District's District Manager that the Assessments for capital projects pledged to any Series of Bonds do not exceed the Maximum Assessment Levels and on which the Trustee may conclusively rely as to the matters set forth therein.

"Master Acquisition Agreement" shall mean any document, including any and all amendments thereto, pursuant to which the Landowner conveys to the District any portion of the Northeast Sector Project.

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

"Northeast Sector Project" shall mean the project identified as the Northeast Sector Project and more particularly described in the Engineer's Report attached hereto as Exhibit A.

"Northeast Sector Project – Phase 2B" shall mean the portion of the Northeast Sector Project financed with proceeds of the 2020 Bonds.

"Participating Underwriter" shall have the meaning ascribed to it in the Continuing Disclosure Agreement.

"Prepayment Principal" shall mean the excess amount (identified by the District as such in writing to the Trustee) of Assessment Principal received by the District over the Assessment Principal then due, but shall not include Delinquent Assessment Principal. Prepayment Principal shall not include the proceeds of any refunding bonds.

"Quarterly Redemption Date" shall mean each February 1, May 1, August 1 and November 1.

"Series 2020 Assessments" shall mean the non-ad valorem special assessments including the interest thereon designated as pledged to secure the 2020 Bonds in the Assessment Proceedings.

"Sixteenth Supplemental Indenture" shall mean that certain Sixteenth Supplemental Trust Indenture dated as of September 1, 2017, by and between the District and the Trustee to secure the issuance of the 2017 Note.

"Substantially Absorbed" shall mean the date on which the principal amount of the Series 2020 Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the 2020 Bonds are levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon. Satisfaction of the foregoing definition shall be evidenced by the delivery by the District to the Trustee of a written certificate of the District Manager to such effect and upon which the Trustee may conclusively rely.

"Tax Regulatory Covenants" shall mean the tax covenants contained in this Thirty-First Supplemental Indenture and in the "Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986, as Amended" prepared by Bond Counsel and executed by the District in connection with the issuance of the 2020 Bonds.

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

ARTICLE II
AUTHORIZATION, ISSUANCE AND PROVISIONS OF THE 2020 BONDS

Section 201. Authorization of 2020 Bonds. The 2020 Bonds are hereby authorized to be issued in the aggregate principal amount of $17,755,000 for the purposes enumerated in the recitals hereto. The 2020 Bonds shall be substantially in the form set forth as **Exhibit "B"** to this Thirty-First Supplemental Indenture. Each 2020 Bond shall bear the designation "2020-R" and numbered consecutively from 1 upwards.

The 2020 Bonds shall be initially issued in the form of a separate single certificated fully registered 2020 Bond for each maturity of 2020 Bonds. Upon initial issuance, the ownership of such 2020 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of The Depository Trust Company, New York, New York

("DTC"), the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding 2020 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to 2020 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any Beneficial Owner. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the 2020 Bonds, (ii) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the 2020 Bonds, including any notice of redemption, or (iii) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the 2020 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2020 Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such 2020 Bond for the purpose of payment of principal, premium and interest with respect to such 2020 Bond, for the purpose of giving notices of redemption and other matters with respect to such 2020 Bond, for the purpose of registering transfers with respect to such 2020 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the 2020 Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payment shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the 2020 Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Bond Registrar, shall receive a certificated 2020 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions therein with respect to Record Dates, the words "Cede & Co." in this Thirty-First Supplemental Indenture shall refer to such new Nominee of DTC; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC: (i) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding 2020 Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the Beneficial Owners of the 2020 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 2020 Bonds shall no longer be restricted to being

registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Beneficial Owners shall designate, in accordance with the provisions hereof.

Section 202. Terms of 2020 Bonds. The 2020 Bonds shall be issued as four (4) Term Bonds, which Term Bonds shall bear interest at the fixed interest rate per annum and shall mature in the amounts and on the dates set forth below:

Principal Amount	Interest Rate	Maturity
$1,520,000	2.500%	05/01/2025
$2,165,000	3.200%	05/01/2030
$5,685,000	3.750%	05/01/2040
$8,385,000	4.000%	05/01/2050

Section 203. Dating; Interest Accrual. Each 2020 Bond shall be dated the date of delivery thereof. Each 2020 Bond shall also bear its date of authentication. Each 2020 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such 2020 Bond has been paid, in which event such 2020 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the 2020 Bonds, in which event such 2020 Bond shall bear interest from its date. Interest on the 2020 Bonds shall be due and payable on each May 1 and November 1, commencing May 1, 2021, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 204. Denomination. The 2020 Bonds may be issued in Authorized Denominations provided that delivery to the initial Beneficial Owners shall be in initial minimum principal amounts of $100,000 or integral multiples of $5,000 in excess thereof.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the 2020 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the 2020 Bonds.

Section 207. Conditions Precedent to Issuance of the 2020 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the 2020 Bonds, all the 2020 Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered by the Trustee to the Participating Underwriter upon its order, but only upon the further receipt by the Trustee of:

(a) Certified copies of the Assessment Proceedings;

(b) Executed copies of the Master Indenture and this Thirty-First Supplemental Indenture;

(c) A Bond Counsel opinion substantially to the effect that: (i) the Indenture has been duly authorized, executed and delivered by the District and constitutes a valid and binding obligation of the District; (ii) the 2020 Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District, payable solely from the sources provided therefor in the Indenture; and (iii) that the interest on the 2020 Bonds is excludable from gross income for federal income tax purposes;

(d) An opinion of Counsel to the District substantially to the effect that (i) the District has been duly established and validly exists as a special district under the Act, (ii) based on certificates of the District Engineer and the Landowner and an opinion of Landowner's Counsel, the District has good right and lawful authority under the Act to undertake the Northeast Sector Project – Phase 2B being financed with the proceeds of the 2020 Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to undertake the Northeast Sector Project – Phase 2B, (iii) all proceedings undertaken by the District with respect to the Series 2020 Assessments have been in accordance with Florida law, (iv) the District has taken all action necessary to levy and impose the Series 2020 Assessments, and (v) the Series 2020 Assessments are legal, valid and binding liens upon the property against which such Series 2020 Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;

(e) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the 2020 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this Thirty-First Supplemental Indenture;

(f) An Engineers' Certificate or Engineers' Certificates certifying as to the accuracy of the information set forth in the Engineer's Report attached hereto as Exhibit A regarding the Northeast Sector Project – Phase 2B;

(g) A certified copy of the final judgment of validation together with a certificate of no appeal, both in respect of the Bonds; and

(h) Executed copies of the Master Acquisition Agreement, Completion Agreement, Collateral Assignment Agreement, Declaration of Consent to Jurisdiction, and Landowner True-Up Agreement.

The opinions referenced in Sections 207(c) and 207(d) shall either be addressed to the Trustee or have reliance letters to the Trustee that the Trustee is entitled to rely upon such opinions.

Payment of the net proceeds of the 2020 Bonds as set forth in Section 402 hereof shall constitute conclusive evidence that the foregoing conditions have been met to the satisfaction of the District and the Underwriter of the 2020 Bonds.

Section 208. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provisions of the Indenture, failure of the District to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee shall, at the written request of the Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding 2020 Bonds and receipt of indemnity satisfactory to the Trustee, or any such Owner, may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section.

ARTICLE III
REDEMPTION OF 2020 BONDS

Section 301. 2020 Bonds Subject to Redemption and Purchase. The 2020 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as **Exhibit "B"** to this Thirty-First Supplemental Indenture. The 2020 Bonds may be purchased as provided in the Master Indenture.

Notwithstanding any other provision hereof or of the Master Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

ARTICLE IV
DEPOSIT OF 2020 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

Section 401. Establishment of Accounts.

(a) There are hereby established within the Acquisition and Construction Fund held by the Trustee the following accounts:

(i) a 2020 Acquisition and Construction Account; and

(ii) a 2020 Costs of Issuance Account.

(b) There are hereby established within the Debt Service Fund held by the Trustee: (i) a 2020 Sinking Fund Account; (ii) a 2020 Interest Account; (iii) a 2020 Capitalized Interest Account; and (iv) a 2020 Redemption Account and therein a 2020 Prepayment Subaccount;

(c) There is hereby established within the Reserve Fund held by the Trustee a 2020 Reserve Account, which account shall be held for the benefit of all of the 2020 Bonds without distinction as to 2020 Bonds and without privilege or priority of one 2020 Bond over another;

(d) There is hereby established within the Revenue Fund held by the Trustee a 2020 Revenue Account; and

(e) There is hereby established within the Rebate Fund held by the Trustee a 2020 Rebate Account.

Section 402. Use of 2020 Bond Proceeds and Other Funds. The net proceeds of the sale of the 2020 Bonds received by the Trustee in the amount of $17,428,862.80 (which is the face amount of the 2020 Bonds, less Underwriter's Discount of $355,100.00 and plus net original issue premium of $28,962.80 (the "Bond Proceeds")) and $1,364,948.04 held by the Trustee in the 2017 Note Reserve Account pursuant to the Sixteenth Supplemental Indenture (the "2017 Note Reserve Funds"), shall be applied as follows:

(a) $509,753.75 of Bond Proceeds, representing the initial 2020 Reserve Account Requirement, shall be deposited to the 2020 Reserve Account;

(b) $358,905.27 of Bond Proceeds, representing the amount of interest to become due on the 2020 Bonds on May 1, 2021, shall be deposited to the credit of the 2020 Capitalized Interest Account;

(c) $170,250.00 of Bond Proceeds, representing costs of issuance relating to the 2020 Bonds, shall be deposited to the credit of the 2020 Costs of Issuance Account;

(d) $13,799,909.70 of Bond Proceeds shall be credited to the 2020 Acquisition and Construction Account and then transferred to the 2017 Note Principal Account in the amount of $13,660,453.59 and to the 2017 Note Interest Account in the amount of $139,456.11 to be applied to pay down the 2017 Note pursuant to the wire instructions in the Closing Memorandum dated October 14, 2020 (the "Closing Memorandum");

(e) $2,590,044.08 of Bond Proceeds remaining after the deposits above shall be deposited to the credit of the 2020 Acquisition and Construction Account; and

(f) the 2017 Note Reserve Funds shall be transferred to the 2017 Note Principal Account in the amount of $1,353,974.73 and to the 2017 Note Interest Account in the amount of $10,973.31 to be applied, along with the Bond Proceeds deposited into such Accounts, as provided in paragraph (e) above.

Section 403. 2020 Acquisition and Construction Account.

(a) Amounts on deposit in the 2020 Acquisition and Construction Account shall be applied to pay the Costs of the Northeast Sector Project – Phase 2B upon compliance with the requirements of the requisition provisions set forth in the Master Indenture and/or as otherwise provided herein. The Trustee is not responsible to determine if moneys requested to be paid by the District is for an appropriate use of such moneys.

(b) Any balance remaining in the 2020 Acquisition and Construction Account after the Date of Completion of the Northeast Sector Project – Phase 2B and after retaining the amount, if any, of all remaining unpaid Costs of the Northeast Sector Project – Phase 2B set forth in the Engineer's Certificate establishing such Date of Completion, shall be transferred to and deposited in the 2020 Prepayment Subaccount of the 2020 Redemption Account and applied to the extraordinary mandatory redemption of the 2020 Bonds in the manner prescribed in the form of 2020 Bond set forth as **Exhibit "B"** hereto. At such time as there are no amounts on deposit in the 2020 Acquisition and Construction Account, such account shall be closed.

Section 404. 2020 Costs of Issuance Account. There shall be deposited in the 2020 Costs of Issuance Account $170,250.00 which shall, at the written direction of an Authorized Officer of the District, be used to pay the costs of issuance relating to the 2020 Bonds. After February 1, 2021, any amounts deposited in the 2020 Costs of Issuance Account for which there is not pending with the Trustee a requisition shall be transferred to the 2020 Reserve Account if there is any deficiency therein and the remainder to the 2020 Acquisition and Construction Account if the Date of Completion has not yet occurred and if the Date of Completion has already occurred to the 2020 Revenue Account. At such time as there are no amounts on deposit in the 2020 Costs of Issuance Account, such account shall be closed.

Section 405. 2020 Reserve Account. Amounts on deposit in the 2020 Reserve Account, except as provided elsewhere in the Indenture, shall be used only for the purposes set forth in Section 609 hereof and for making payments into the 2020 Interest Account and the 2020 Sinking Fund Account to pay the 2020 Bonds, without distinction as to 2020 Bonds and without privilege or priority of one 2020 Bond over another, when due when the moneys on deposit in such Accounts and available therefor are insufficient.

The Trustee, on or before the forty-fifth (45th) day (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Quarterly Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2020 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in such account, from the first legally available sources of the District. Any excess monies in the 2020 Reserve Account (except excess from investment earnings), shall be deposited in the 2020 Acquisition and Construction Account until the Date of Completion of the Northeast Sector Project – Phase 2B and on and after the Date of Completion of the Northeast Sector Project – Phase 2B shall be deposited in the

2020 Prepayment Subaccount. Unless and until the Trustee receives the Engineer's Certificate establishing that the Date of Completion has occurred, the Trustee may rely that such condition has not occurred.

All earnings on investments in the 2020 Reserve Account, provided no deficiency exists in the 2020 Reserve Account, shall until the Date of Completion be deposited to the 2020 Acquisition and Construction Account and then on and after the Date of Completion, shall be deposited to the 2020 Revenue Account. To the extent a deficiency exists in the 2020 Reserve Account, investment earnings in such account shall remain in that account. Such account shall consist only of cash and 2020 Investment Obligations.

Notwithstanding the foregoing, on the earliest date on which there is on deposit in the 2020 Reserve Account, sufficient monies, taking into account other monies available therefore, to pay and redeem all of the Outstanding 2020 Bonds, together with accrued interest, if any, on such 2020 Bonds to the earliest date of redemption, then the Trustee shall use the amount on deposit in the 2020 Reserve Account to pay and redeem all of the Outstanding 2020 Bonds on the earliest possible date.

The District may provide that the difference between the amounts on deposit in the 2020 Reserve Account and the 2020 Reserve Account Requirement shall be an amount covered by obtaining bond insurance or a surety bond issued by a municipal bond insurer, rated in one of the two highest categories (at least AA by Fitch, and/or S&P and/or at least Aa by Moody's without reference to gradations) by two nationally recognized rating agencies, (the "Reserve Account Credit Instrument"). At any time after the issuance of the 2020 Bonds, the District may withdraw any or all of the amount of money on deposit in the 2020 Reserve Account and substitute in its place a Reserve Account Credit Instrument as described above in the face amount of such withdrawal and such withdrawn moneys shall, after payment of the premium for such Reserve Account Credit Instrument, be (a) until the Date of Completion, transferred to the Series 2020 Acquisition and Construction Account to be used to pay Costs of the Northeast Sector Project – Phase 2B, (b) after the Date of Completion, transferred to the 2020 Prepayment Subaccount and used to redeem 2020 Bonds, or (c) upon receipt of an opinion of Bond Counsel, transferred to the District to be used for any lawful purpose of the District.

Section 406. Application of Prepayment Principal. All Prepayment Principal shall upon receipt by the Trustee be deposited to the 2020 Prepayment Subaccount of the 2020 Redemption Account. At the time the District deposits Prepayment Principal with the Trustee it shall notify the Trustee in writing as to the amount of Prepayment Principal. The Trustee may rely upon the notification from the District which amounts paid hereunder are Prepayments and in the absence of notification as to any amounts being a Prepayment, the Trustee shall deposit such funds in the 2020 Revenue Account. Amounts on deposit in the 2020 Prepayment Subaccount shall be applied to the redemption of the 2020 Bonds in the manner provided in the Master Indenture and as provided for the extraordinary mandatory redemption in **Exhibit "B"** hereto.

Section 407. Tax Covenants and Rebate Accounts. The District shall comply with the Tax Regulatory Covenants (including deposits to and payments from the 2020 Rebate Account) included as part of the closing transcript for the 2020 Bonds, as amended and supplemented from time to time in accordance with their terms.

Section 408. Establishment of 2020 Revenue Account in Revenue Fund; Application of Revenues and Investment Earnings.

(a) The Trustee shall, except as provided below or otherwise provided herein, deposit the 2020 Pledged Revenues to the 2020 Revenue Account and any other amounts or payments specifically designated by the District pursuant to a written direction for said purpose. The 2020 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. Amounts on deposit in the 2020 Revenue Account, 2020 Interest Account, 2020 Capitalized Interest Account, 2020 Sinking Fund Account, 2020 Redemption Account, 2020 Reserve Account, and each Account and Subaccount therein shall be used as provided in the Master Indenture except as otherwise provided herein.

(b) Immediately upon receipt the District shall deposit the 2020 Pledged Revenues with the Trustee together with a written accounting setting forth the amounts of such 2020 Pledged Revenues in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

(i) Assessment Interest, which shall be deposited into the 2020 Interest Account;

(ii) Assessment Principal, which shall be deposited into the 2020 Sinking Fund Account;

(iii) Prepayment Principal, which shall be deposited into the 2020 Prepayment Subaccount of the 2020 Redemption Account.

(iv) Delinquent Assessment Principal shall first be applied to restore the amount of any withdrawal from the 2020 Reserve Account to pay the principal of 2020 Bonds to the extent that less than the 2020 Reserve Account Requirement is on deposit in the 2020 Reserve Account, and, the balance, if any, shall be deposited into the 2020 Sinking Fund Account;

(v) Delinquent Assessment Interest, shall first be applied to restore the amount of any withdrawal from the 2020 Reserve Account to pay the interest on 2020 Bonds to the extent that less than the 2020 Reserve Account Requirement is on deposit in the 2020 Reserve Account, and, the balance, if any, shall be deposited into the 2020 Interest Account; and

(vi) the balance shall remain in the 2020 Revenue Account.

(c) On the forty-fifth (45th) day preceding each Quarterly Redemption Date (or if such forty-fifth (45th) day is not a Business Day, on the Business Day next preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the 2020 Prepayment Subaccount of the 2020 Redemption Account, and, if the balance therein is greater than zero, shall transfer, but only after determining that following such transfer sufficient amounts will remain on deposit in the 2020 Revenue Account to make the transfers required by (d) below, from the 2020 Revenue Account for deposit into such 2020 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to the next integral multiple of $5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of 2020 Bonds on the next succeeding Quarterly Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in such 2020 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of 2020 Bonds as set forth in **Exhibit "B"** hereto, and Article III of the Master Indenture and Section 301 hereof. Interest due in regard to such extraordinary mandatory redemption shall be paid from the 2020 Interest Account.

(d) Unless otherwise provided below, no later than each May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such date), the Trustee shall transfer from amounts on deposit in the 2020 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority and apply such amounts as provided in the Master Indenture and the provisions hereof:

FIRST, to the 2020 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all 2020 Bonds then Outstanding on such May 1 or November 1, less any other amount already on deposit in the 2020 Interest Account not previously credited. On May 1, 2021, the Trustee shall transfer from the 2020 Capitalized Interest Account to the 2020 Interest Account an amount equal to the lesser of the amount of interest due on the 2020 Bonds on such date or the amount on deposit in the 2020 Capitalized Interest Account. After making the foregoing transfer on May 1, 2021, any amounts remaining in the Capitalized Interest Account shall be transferred to the 2020 Reserve Account if there is any deficiency therein and the remainder to the 2020 Acquisition and Construction Account if the Date of Completion has not yet occurred and if the Date of Completion has already occurred to the 2020 Revenue Account;

SECOND, on each May 1, commencing May 1, 2022, to the 2020 Sinking Fund Account, an amount equal to the Amortization Installments or principal of 2020 Bonds due on such May 1, less any amounts already on deposit in such Account not previously credited;

THIRD, to the 2020 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the then applicable 2020 Reserve Account Requirement; and

FOURTH, the balance shall be retained in the 2020 Revenue Account.

(e) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall transfer from the 2020 Revenue Account to the 2020 Rebate Account established for the 2020 Bonds in the Rebate Fund in accordance with the Master Indenture and the Tax Regulatory Covenants, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants. To the extent insufficient moneys are on deposit in the 2020 Revenue Account to make the transfer provided for in the immediately preceding sentence the District shall deposit with the Trustee from available moneys of the District the amount of any such insufficiency.

(f) On or after each November 2, beginning November 2, 2021, the balance on deposit in the 2020 Revenue Account on such November 2 shall (i) before the Date of Completion, be transferred into the 2020 Acquisition and Construction Account, and (ii) on and after the Date of Completion, shall be paid over to the District at the written direction of an Authorized Officer and used for any lawful purpose of the District; provided, however, that on the date of such proposed transfer the amount on deposit in the 2020 Reserve Account shall be equal to the 2020 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 the 2020 Bonds, including the payment of Trustee's fees and expenses then due.

(g) 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 2020 Bonds shall be invested only in 2020 Investment Obligations, and further, earnings on investments in the 2020 Acquisition and Construction Account, 2020 Costs of Issuance Account, 2020 Capitalized Interest Account, 2020 Revenue Account shall be retained as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the 2020 Sinking Fund Account, 2020 Interest Account, and the 2020 Redemption Account, including any subaccounts therein, shall be deposited, as realized, to the credit of the 2020 Revenue Account and used for the purpose of such Account.

Earnings on investments in the 2020 Reserve Account shall be disposed of as provided in Section 405 hereof.

ARTICLE V
COVENANTS AND DESIGNATIONS OF THE DISTRICT

Section 501. Provision Relating to Bankruptcy or Insolvency of Landowner. The provisions of this Section 501 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 subject to at least three percent (3%) of the then Outstanding Series 2020 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 2020 Bonds remain Outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, the Trustee, the 2020 Bonds or the

Series 2020 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 2020 Bonds or for as long as any 2020 Bonds remain Outstanding, in any proceeding involving the District, any Insolvent Taxpayer, the 2020 Bonds or the Series 2020 Assessments or the Trustee. The District 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 District acknowledges and agrees that, although the 2020 Bonds were issued by the District, the Owners of the 2020 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 an Insolvent Taxpayer: (a) the District 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 Series 2020 Assessments, the 2020 Bonds or any rights of the Trustee under the Indenture; (b) the District hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2020 Assessments, the 2020 Bonds or any rights of the Trustee under the Indenture that are inconsistent with any direction from the Trustee; (c) the Trustee shall have the right, but is not obligated to, (i) file and vote in any such Proceeding any and all claims of the District, and seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Series 2020 Assessments, would have the right to pursue, and, 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 and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Series 2020 Assessments, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code and (d) the District shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the District's claim and rights with respect to the Series 2020 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 Series 2020 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 501 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 Series 2020 Assessments whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (c) of the paragraph above.

Section 502. Collection of Series 2020 Assessments. Anything herein or in the Master Indenture to the contrary notwithstanding, the District shall not be required to collect Series 2020 Assessments using the Uniform Collection Method provided for in Section 197.3631, 197.3632 and 197.3635, Florida Statutes, until such time as the property subject to such Series 2020 Assessments is platted and a distinct ad valorem property tax identification number has been assigned by the Manatee County Property Appraiser thereto. In addition, the District is not required to use the Uniform Collection Method when the property is owned by a government or includes structures owned by a government.

All Series 2020 Assessments that are collected directly by the District and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date.

In addition, and not in limitation of the covenants contained elsewhere in this Thirty-First Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2020 Assessments and to levy the Series 2020 Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the 2020 Bonds, when due.

Notwithstanding anything in the Indenture to the contrary, upon the occurrence of an Event of Default, the collection of Series 2020 Assessments shall be in the manner directed by the Majority Owners.

Section 503. No Parity Bonds; Limitation on Additional Bonds. Other than Refunding Bonds issued to refund the Outstanding 2020 Bonds, the District shall not, while any 2020 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the 2020 Trust Estate. The District further covenants and agrees that so long as the 2020 Bonds are Outstanding, it will not impose debt service Assessments for capital projects on any lands then subject to the Series 2020 Assessments without the written consent of the Majority Owners;

provided, however, such consent shall not be required if (i) such Assessments do not exceed the Maximum Assessment Levels or (ii) the Series 2020 Assessments have been Substantially Absorbed, evidence of which shall be provided by the District to the Trustee in a written certificate upon which the Trustee may conclusively rely. Notwithstanding the foregoing, nothing herein shall preclude the imposition of Assessments (or the issuance of Bonds secured by such Assessments) on property then subject to the Series 2020 Assessments which the District certifies are necessary for health, safety or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District.

Section 504. Covenant With Regard to Enforcement and Collection of Delinquent Assessments. Anything herein or in the Master Indenture to the contrary notwithstanding, the District covenants and agrees that it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, and the provision for the foreclosure of liens of Delinquent 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. However, the 2020 Bonds may not be accelerated except to the extent the Series 2020 Assessments have been accelerated.

ARTICLE VI
MISCELLANEOUS PROVISIONS

Section 601. Additional Events of Default and Remedies. Section 902 of the Master Indenture is hereby amended with respect to the 2020 Bonds by inserting at the conclusion thereof the following paragraphs:

(a) More than twenty percent (20%) of the operation and maintenance assessments levied by the District are not paid by the date such are due and payable.

(b) The Trustee is authorized to withdraw funds from the 2020 Reserve Account in an amount greater than twenty-five percent (25%) of the 2020 Reserve Account Requirement to pay debt service on the 2020 Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners, actually withdraw such funds from the 2020 Reserve Account to pay debt service on the 2020 Bonds) and any such amount withdrawn is not replenished within ninety (90) days of the date of such withdrawal.

(c) Material breach by the District of any material covenant made by it in the Indenture, whether or not notice of such breach has been given.

The District covenants and agrees that it will enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, and the provisions for the foreclosure of liens of Delinquent Assessments. The District acknowledges and agrees that (i) upon failure of any property owner to pay Series 2020 Assessments collected directly by the District when due, that the entire Series 2020 Assessments on the delinquent property, with interest and penalties thereon, shall immediately become due and payable and the District shall promptly cause to be commenced the necessary legal proceedings for the foreclosure of liens of

delinquent Series 2020 Assessments, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings.

Section 602. Foreclosure of Assessment Lien. Notwithstanding any provisions of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2020 Assessments and 2020 Bonds.

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

Section 603. Interpretation of Thirty-First Supplemental Indenture. This Thirty-First Supplemental Indenture amends and supplements the Master Indenture with respect to the 2020 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this Thirty-First Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and this Thirty-First Supplemental Indenture shall be read and construed as one document.

Section 604. Amendments. Any amendments to this Thirty-First Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

Section 605. Counterparts. This Thirty-First 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 606. Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this Thirty-First Supplemental Indenture are hereby incorporated herein and made a part of this Thirty-First Supplemental Indenture for all purposes.

Section 607. Payment Dates. In any case in which an Interest Payment Date or the maturity date of the 2020 Bonds or the date fixed for the redemption of any 2020 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

Section 608. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Owners of the 2020 Bonds.

Section 609. Use of 2020 Acquisition and Construction Account Moneys and Other Trust Funds. Upon the occurrence of an Event of Default, moneys in the Series 2020 Acquisition and Construction Account and the 2020 Trust Estate may be used to pay the fees and the expenses and costs of litigation and other remedies of the Trustee incurred, to pursue remedies under the Indenture.

Section 610. Bond Year. The Bond Year for the 2020 Bonds shall mean May 1-April 30, except that the first Bond Year is from the date of issuance of the 2020 Bonds through April 30, 2021.

ARTICLE VII
THE TRUSTEE; THE PAYING AGENT AND BOND REGISTRAR

Section 701. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created and agrees to perform such trusts upon the terms and conditions set forth in the Indenture. The Trustee agrees to act as Paying Agent and Bond Registrar for the 2020 Bonds.

Section 702. Trustee's Duties. The Trustee shall not be responsible in any manner for the due execution of this Thirty-First Supplemental Indenture by the District or for the recitals contained herein (except for the certificate of authentication on the 2020 Bonds), all of which are made solely by the District. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlement inuring to the Trustee under the Master Indenture.

Section 703. Brokerage Confirmations. The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive individual confirmations of security transactions at no additional cost, as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

Section 704. Assignment of District's Rights under Collateral Assignment Agreement. The District hereby assigns its rights under the Collateral Assignment Agreement to the Trustee for the benefit of the Owners, from time to time, of the 2020 Bonds. The Trustee shall not be deemed to have accepted or assumed any obligation under the Collateral Assignment Agreement by virtue of such assignment.

Section 705. 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.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Lakewood Ranch Stewardship District has caused these presents to be signed in its name and on its behalf by its Chairman, and its official seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized officer.

LAKEWOOD RANCH STEWARDSHIP DISTRICT

[SEAL]

By:_____
Chairman, Board of Supervisors

ATTEST:

By:_____
Secretary, Board of Supervisors

[Signature Page | Thirty-First Supplemental Trust Indenture]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By:_____
Vice President

[Signature Page | Thirty-First Supplemental Trust Indenture]

EXHIBIT "A"

Master Engineer's Report for Northeast Sector at Lakewood Ranch
Infrastructure Improvements dated September 16, 2020, as may be amended from time to time.

EXHIBIT "B"

Form of the 2020 Bonds

No. 2020-R- $[_____]

United States of America
State of Florida
LAKEWOOD RANCH STEWARDSHIP DISTRICT
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2020
(NORTHEAST SECTOR PROJECT – PHASE 2B)

Interest Rate	Maturity Date	Dated Date	CUSIP
[_____]%	May 1, 20__	October 14, 2020	51265K ___

Registered Owner: Cede & Co.

Principal Amount: [_____] DOLLARS

LAKEWOOD RANCH STEWARDSHIP DISTRICT, a special district duly created and existing pursuant to Chapter 2005-338, Laws of Florida, as amended (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the Registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this 2020 Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture mentioned hereinafter) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or if no interest has been paid, from the Dated Date shown above, on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on May 1, 2021, payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the Registered Owner hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (i) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price shall be made by the Paying Agent

(hereinafter defined) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the Registered Owner of this 2020 Bond. Except as otherwise applicable to bonds held pursuant to a book entry system, any payment of principal, or Redemption Price shall be made only upon presentation hereof at the designated office of U.S. Bank National Association, located in Fort Lauderdale, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"). Except as otherwise applicable to bonds held in a book-entry system, payment of interest shall be made by check or draft or by wire transfer to the Registered Owner set forth above if such owner requests payment by wire transfer in writing on or prior to the regular record date for the respective interest payment to such account as shall be specified in such request, but only if the Registered Owner set forth above owns not less than $100,000 in aggregate principal amount of the 2020 Bonds or all of the then Outstanding 2020 Bonds, as defined below. Interest on this 2020 Bond will be computed on the basis of a 360-day year of twelve 30-day months.

This 2020 Bond is one of a duly authorized issue of bonds of the District designated "Special Assessment Revenue Bonds, Series 2020 (Northeast Sector Project – Phase 2B)" (the "2020 Bonds") issuable under and governed by the terms of a Master Trust Indenture, dated as of September 1, 2005 (the "Master Indenture"), between the District and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a Thirty-First Supplemental Trust Indenture, dated as of October 1, 2020 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as supplemented by the Supplemental Indenture is hereafter referred to as the "Indenture"). The 2020 Bonds are secured by the 2020 Pledged Revenues and 2020 Pledged Funds as provided for in the Indenture. The 2020 Bonds are issued in an aggregate principal amount of $17,755,000, for the purpose of (i) paying down the revolving line of credit secured by the District's Bond Anticipation Note, Series 2017 (Northeast Sector Project); (ii) financing the Cost of the acquisition, construction, installation and equipping the Northeast Sector Project – Phase 2B; (iii) paying certain costs associated with the issuance of the 2020 Bonds; (iv) paying the interest to become due on the 2020 Bonds on May 1, 2021; and (v) funding the 2020 Reserve Account.

NEITHER THIS 2020 BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS 2020 BOND AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE AUTHORIZING THE ISSUANCE OF THE 2020 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE 2020 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR

THE 2020 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2020 PLEDGED REVENUES AND THE 2020 PLEDGED FUNDS PLEDGED TO THE 2020 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the resolutions of the District to happen, exist and be performed precedent to and in the issuance of this 2020 Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This 2020 Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

This 2020 Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 2005-338, Laws of Florida, as amended, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the designated office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of 2020 Bonds, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, and Redemption Price of, and the interest on, the 2020 Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Series 2020 Assessments (as defined in the Indenture), the terms and conditions under which the 2020 Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Registered Owners and Beneficial Owners of the 2020 Bonds, and, by the acceptance of this 2020 Bond, the Registered Owner and Beneficial Owners hereof assent to all of the provisions of the Indenture. Terms not otherwise defined herein shall have the meaning ascribed to them in the Indenture. The 2020 Bonds are equally and ratably secured by the 2020 Trust Estate, without preference or priority of one 2020 Bond over another. Subject to certain exceptions, the District has covenanted in the Indenture not to issue or incur any obligations payable from the 2020 Trust Estate other than Refunding Bonds issued in accordance with the provisions of the Master Indenture. The District or other governmental entities may, however, impose and levy assessments or ad valorem taxes payable on a parity with the Series 2020 Assessments securing the 2020 Bonds.

The 2020 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of $5,000 or any integral multiple thereof (an "Authorized Denomination"); provided however, the 2020 Bonds will initially be delivered in denominations of $100,000 and integral multiples of $5,000 in excess thereof. This 2020 Bond is transferable by the Registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Fort Lauderdale, Florida as Bond Registrar (the "Bond Registrar"), upon surrender of this 2020 Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new 2020 Bond or 2020 Bonds, in the same aggregate principal amount as the 2020 Bond or 2020

Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Fort Lauderdale, Florida, in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, 2020 Bonds may be exchanged for an equal aggregate principal amount of 2020 Bonds of the same maturity, in Authorized Denominations and bearing interest at the same rate or rates.

The District has established a book-entry system of registration for the 2020 Bonds. Except as specifically provided otherwise in the Indenture, an agent will hold this 2020 Bond on behalf of the beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, the beneficial owner of this 2020 Bond shall be deemed to have agreed to such arrangement.

Optional Redemption

The 2020 Bonds are subject to redemption prior to maturity at the option of the District, in whole or in part at any time on or after May 1, 2030 (less than all 2020 Bonds to be selected by lot), at the Redemption Price of the principal amount of the 2020 Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption

The 2020 Bonds are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2020 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below:

$1,520,000 Term Bond maturing May 1, 2025

May 1 of the Year	Amortization Installment
2022	$365,000
2023	375,000
2024	385,000
2025*	395,000

*Maturity

$2,165,000 Term Bond maturing May 1, 2030

May 1 of the Year	Amortization Installment
2026	$405,000
2027	420,000
2028	435,000
2029	445,000
2030*	460,000

*Maturity

$5,685,000 Term Bond maturing May 1, 2040

May 1 of the Year	Amortization Installment
2031	$475,000
2032	495,000
2033	515,000
2034	535,000
2035	555,000
2036	575,000
2037	600,000
2038	620,000
2039	645,000
2040*	670,000

*Maturity

$8,385,000 Term Bond maturing May 1, 2050

May 1 of the Year	Amortization Installment
2041	$695,000
2042	725,000
2043	755,000
2044	785,000
2045	815,000
2046	850,000
2047	885,000
2048	920,000
2049	960,000
2050*	995,000

*Maturity

Upon redemption or purchase of the 2020 Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that Debt Service on such 2020 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of such 2020 Bonds (the annual principal amounts so determined are hereinafter referred to as the "Aggregate Amortization Installments"). The Amortization Installments as so recalculated shall not result in an increase in Aggregate Amortization Installments in any year.

Extraordinary Mandatory Redemption

The 2020 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Quarterly Redemption Date, and if in part on a pro rata basis as calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the 2020 Bonds treating for such purposes each Amortization Installment as a maturity divided by the aggregate principal amount of Outstanding 2020 Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium plus accrued interest to the redemption date, if and to the extent that any one or more of the following shall have occurred:

(i) On or after the Date of Completion of the Northeast Sector Project – Phase 2B, by application of moneys transferred from the 2020 Acquisition and Construction Account to the 2020 Prepayment Subaccount of the 2020 Redemption Account in accordance with the terms of the Indenture; or

(ii) Amounts are deposited into the 2020 Prepayment Subaccount of the 2020 Redemption Account from the prepayment of Series 2020 Assessments and from amounts deposited into the 2020 Prepayment Subaccount from the 2020 Reserve Account; or

(iii) When the amount on deposit in the 2020 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all 2020 Bonds then Outstanding as provided in the Supplemental Indenture.

Except as otherwise provided in the Indenture, if less than all of the 2020 Bonds subject to redemption shall be called for redemption, the particular maturities of such 2020 Bonds or portions of particular maturities of such 2020 Bonds to be redeemed shall be selected by the Bond Registrar on a pro rata basis as determined by the ratio of the Outstanding principal amount of each maturity of the 2020 Bonds divided by the aggregate principal amount of Outstanding 2020 Bonds and as otherwise provided in the Indenture and then by lot within each maturity, as determined by Cede & Co.

Notice of each redemption of 2020 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each Registered Owner of 2020 Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Bond Registrar. Notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event

or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the 2020 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such 2020 Bonds or such portions thereof on such date, interest on such 2020 Bonds or such portions thereof so called for redemption shall cease to accrue, such 2020 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such 2020 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

The Owner of this 2020 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.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the 2020 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturity thereof, with the interest accrued thereon.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

If the District deposits or causes to be deposited with the Trustee funds or Federal Securities (as defined in the Indenture) sufficient to pay the principal or Redemption Price of any 2020 Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of such 2020 Bonds as to the 2020 Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This 2020 Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida.

This 2020 Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Lakewood Ranch Stewardship District has caused this 2020 Bond to bear the signature of the Chairman of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of the Secretary to the Board of Supervisors.

LAKEWOOD RANCH STEWARDSHIP DISTRICT

[SEAL]

By: _____
Chairman, Board of Supervisors

ATTEST:

By: _____
Secretary, Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This 2020 Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, as Bond Registrar

By: _____
Vice President

Date of Authentication: October 14, 2020

CERTIFICATE OF VALIDATION

This 2020 Bond is one of a Series of Bonds which were validated by a final judgment rendered by the Circuit Court of the Twelfth Judicial Circuit of the State of Florida in and for Manatee and Sarasota Counties on December 20, 2005.

LAKEWOOD RANCH STEWARDSHIP DISTRICT

By: _____
Chairman, Board of Supervisors

[FORM OF ASSIGNMENT FOR 2020 BONDS]

The following abbreviations, when used in the inscription on the face of the within 2020 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenant by the entireties

JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian _____ under Uniform Transfers to Minors Act _____ (State)

Additional abbreviations may also be used
though not in the above list.

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within 2020 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the said 2020 Bond on the books of the District, with full power of substitution in the premises.

Dated this ___ day of _____, _____.

Social Security Number of Employer: _____

Identification Number of Transferee: _____

Signature guaranteed:_____

_____
NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within 2020 Bond in every particular without alteration or any change whatever.

By:_____
Authorized Signatory

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

FORM OF OPINION OF BOND COUNSEL
WITH RESPECT TO THE 2020 BONDS

Upon delivery of the 2020 Bonds in definitive form, Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, proposes to render its opinion with respect to the 2020 Bonds in substantially the following form:

[Dated Date]

Board of Supervisors
Lakewood Ranch Stewardship District
Manatee | Sarasota Counties, Florida

U.S. Bank National Association, as Trustee
Fort Lauderdale, Florida

Re: Lakewood Ranch Stewardship District
$17,755,000 Special Assessment Revenue Bonds, Series 2020
(Northeast Sector Project – Phase 2B)

Ladies and Gentlemen:

We have served as Bond Counsel to the Lakewood Ranch Stewardship District (the "Issuer") in connection with the issuance by the Issuer of its $17,755,000 Special Assessment Revenue Bonds, Series 2020 (Northeast Sector Project – Phase 2B) (the "2020 Bonds") pursuant to and under the authority of the Constitution and the laws of the State of Florida, particularly Chapter 2005-338, Laws of Florida, as amended, and other applicable provisions of law (collectively, the "Act") and Resolution No. 2005-16 adopted by the Board of Supervisors of the Issuer (the "Board") on August 23, 2005, as supplemented by Resolution No. 2020-43 adopted by the Board on September 25, 2020 (together, the "Resolution"). The 2020 Bonds are being further issued under and are secured by a Master Trust Indenture dated as of September 1, 2005 (the "Master Indenture"), as amended and supplemented by that certain Thirty-First Supplemental Trust Indenture dated as of October 1, 2020 (the "Thirty-First Supplement" and, together with the Master Indenture, the "Indenture"), each by and between the Issuer and U.S. Bank National Association, as successor trustee. In such capacity, we have examined such laws and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. The 2020 Bonds are a portion of the bonds validated by a final judgment rendered by the Circuit Court of the Twelfth Judicial Circuit of the State of Florida in and for

Desoto, Manatee and Sarasota Counties on December 20, 2005 (the "Final Judgment"). Any capitalized undefined terms used herein shall have the meanings set forth in the Indenture.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution and the Indenture and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have also relied upon all findings in the Final Judgment. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

The 2020 Bonds are payable from the 2020 Trust Estate which consists of (a) all revenues received by the Issuer from the Series 2020 Assessments levied and collected pursuant to the Assessment Proceedings, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2020 Assessments or from the issuance and sale of tax certificates with respect to such Series 2020 Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture (except for the 2020 Rebate Account and 2020 Costs of Issuance Account), in the manner and to the extent provided in the Indenture.

The 2020 Bonds do not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form on any real or personal property for the payment of the principal of or interest on the 2020 Bonds.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion that, under existing law:

1. The Indenture constitutes a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.

2. The 2020 Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their terms, payable solely from the 2020 Trust Estate in the manner and to the extent provided in the Indenture.

3. The Indenture creates a valid lien upon the 2020 Trust Estate for the security of the 2020 Bonds.

4. Interest on the 2020 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the 2020 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Indenture to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the 2020 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2020 Bonds.

It is to be understood that the rights of the owners of the 2020 Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of the Limited Offering Memorandum or any other offering material relating to the 2020 Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the 2020 Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the 2020 Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the 2020 Bonds or regarding the perfection or priority of the lien on the 2020 Trust Estate created by the Indenture. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the 2020 Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof. Delivery of this opinion to parties other than the Issuer does not create an attorney client relationship with such parties.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the "Disclosure Agreement") dated October 14, 2020 is executed and delivered by the **LAKEWOOD RANCH STEWARDSHIP DISTRICT** (the "District" or the "Issuer"), **SMR NORTHEAST, LLC** a Florida limited liability company (the "Landowner") and joined in by the Disclosure Representative and the Trustee (as such terms are herein defined), in connection with the issuance of $17,755,000 Lakewood Ranch Stewardship District Special Assessment Revenue Bonds, Series 2020 (Northeast Sector Project - Phase 2B) (the "Bonds"). The Bonds are being issued pursuant to a Master Trust Indenture dated as of September 1, 2005, as supplemented by a Thirty-First Supplemental Trust Indenture dated as of October 1, 2020 (collectively, the "Indenture"), each between the District and U.S. Bank National Association, as trustee (the "Trustee"). For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the mutual promises and other considerations contained herein, the District and the Landowner covenant and agree as follows:

1. **Purpose of the Disclosure Agreement**. This Disclosure Agreement is being executed and delivered by the District and the Landowner for the benefit of the Owners of the Bonds and to assist the Participating Underwriter of the Bonds in complying with the applicable provisions 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 and the Landowner understand and acknowledge that 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 or the Landowner to provide additional information, the District and the Landowner, 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 in this Section, the following capitalized terms shall have the following meanings:

"Annual Filing Date" means the date set forth in Section 4(a) hereof by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i)(A) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"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.

"Series 2020 Assessments" shall mean the non ad valorem special assessments pledged to the payment of the Bonds pursuant to the Indenture.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Beneficial Owners" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 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" means a day other than (a) a Saturday, Sunday or day on which banks located in the city in which the designated corporate trust office of the Trustee and Paying Agent is located are required or authorized by law or executive order to close for business and (b) a day on which the New York Stock Exchange is closed.

"Disclosure Representative" shall mean (i) as to the District, the District Manager or its designee, or such other person as the District shall appoint from time to time, with notice to the Dissemination Agent, as the person responsible for providing information to the Dissemination Agent; and (ii) as to any entity other than the District while it is an Obligated Person, the individual executing this Disclosure Agreement on behalf of such entity or such person(s) as such entity shall designate in writing to the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent

"Dissemination Agent" shall mean PFM Group Consulting, LLC, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent appointed by the District.

"District Manager" shall mean the person or entity serving as District Manager from time to time.

"EMMA" means the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule and accessible through its web portal located at http://emma.msrb.org.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

"Limited Offering Memorandum" shall mean the Limited Offering Memorandum dated October 8, 2020 prepared in connection with the issuance of the Bonds.

"Listed Event" shall mean any of the events listed in Section 7(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"MSRB Website" shall mean www.emma.msrb.org.

"Northeast Sector" shall mean the Northeast Sector as described in the Limited Offering Memorandum.

"Northeast Sector Project-Phase 2B" shall mean the public improvements and other capital assets acquired and constructed with proceeds of the Bonds.

"Obligated Person(s)" shall mean, with respect to the Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such Bonds, other than providers of municipal bond insurance, letters of credit, or other liquidity facilities which person(s) shall include the District and the Landowner or any other landowner in the District, while the Landowner or such other landowner is the owner of lands within the District responsible for payment of at least twenty percent (20%) of the Series 2020 Assessments.

"Owners" shall have the meaning ascribed thereto in the Indenture with respect to the Bonds and shall include beneficial owners of the Bonds, including those that have 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 are treated as the owner of any Bonds for federal income tax purposes.

"Participating Underwriter" shall mean MBS Capital Markets, LLC, in its capacity as the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Quarterly Report" shall mean any Quarterly Report provided by the Landowner, its successors or assigns or any other Obligated Person other than the District 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 approved by the SEC may be found by visiting the SEC's website at http://www.sec.gov/info/municipal/nrmsir.htm. As of the date hereof, the Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure submissions through its ("EMMA") web portal at "http://emma.msrb.org."

"State" shall mean the State of Florida.

3. **Content of Annual Reports**.

(a) The District's Annual Report shall contain or incorporate by reference Annual Financial Information with respect to the District which includes:

(i) The amount of Series 2020 Assessments levied for the most recent Fiscal Year.

(ii) The amount of Series 2020 Assessments collected from property owners during the most recent Fiscal Year.

(iii) If available, the amount of Series 2020 Assessment delinquencies greater than 150 days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of Series 2020 Assessments due in any year, a list of delinquent property owners.

(iv) If available, the amount of tax certificates sold for lands within the District, subject to the Series 2020 Assessments, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year.

(v) The balances in all funds, accounts and subaccounts for the Bonds. If requested by the Owners, the District shall provide any Owners and the Dissemination Agent with this information more frequently than annually and within thirty (30) days of the written request of the Owners.

(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.

(ix) Any amendment or waiver of the provisions hereof as described in Section 11 hereof.

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 reference from other documents, including offering documents of debt issues of the District or related public entities, which have been submitted to each of the Repositories or the SEC. If the document incorporated by reference is a final offering document, it must be available from the MSRB or EMMA. The District shall clearly identify each such other document so incorporated by reference.

(b) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

4. **Provision of Annual Reports**.

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than May 1 after the close of the Issuer's Fiscal Year, commencing with the Fiscal Year ended September 30, 2020 in an electronic format as prescribed by a Repository. The Annual Report may be submitted as a single document or as separate

documents comprising a package, and may cross-reference other information as provided in Section 3(a) of this Disclosure Agreement; provided that the Audited Financial Statements of the District may be submitted separately from the balance of the Annual Report, and may be submitted up to, but no later than, two hundred and seventy (270) days after the close of the District's Fiscal Year or consistent with Florida law as amended from time to time. If applicable law changes the Issuer's Fiscal Year from the period commencing on October 1 and ending on September 30 of the next succeeding year, the Issuer shall cause the Dissemination Agent to give notice of such change in the same manner as for a Listed Event under Section 7(a). Dissemination Agent shall file the Annual Report and the Audited Financial Statements with each Repository within thirty (30) days of their receipt.

(b) If on the fifteenth (15^{th}) day prior to each Annual Filing Date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Disclosure Representative of the District by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 4(a) above. Upon such reminder, the Disclosure Representative of the District, shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report in accordance with Section 4(a) above, or (ii) instruct the Dissemination Agent in writing that the Issuer, will not be able to file the Annual Report within the time required under the Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 7(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 and address of any Repository; and

(ii) promptly upon fulfilling its obligations under subsection (b) above, file a notice with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, state the date(s) it was provided and listing any Repository to which it was provided.

5. **Content of Quarterly Reports**.

(a) The Landowner, until its obligations hereunder have been terminated pursuant to Section 9 hereof, shall prepare a Quarterly Report no later than thirty (30) days after the end of each calendar quarter commencing, March 31, 2021; provided, however, that so long as Landowner is a reporting company, such thirty (30) days shall be extended to the date of filing of its respective 10K or 10Q if later, as the case may be (each, a "Quarterly Receipt Date").

(b) Each Quarterly Report shall also address the following information if such information is not otherwise provided pursuant to subsection (c) of this Section 5:

(i) Status of the development of the infrastructure described in the Limited Offering Memorandum under the heading "NORTHEAST SECTOR – District Infrastructure Status".

(ii) The number of single-family homes planned subject to the Series 2020 Assessments.

(iii) The number of single-family units sold to end users subject to the Series 2020 Assessments.

(iv) The estimated date of complete build-out of residential units subject to the Series 2020 Assessments.

(v) Any bulk sale of the land subject to the Series 2020 Assessments other than as contemplated by the Limited Offering Memorandum.

(vi) The status of development approvals for the infrastructure described in the Limited Offering Memorandum under the heading "NORTHEAST SECTOR – Permitting".

(vii) Materially adverse changes or determinations to permits/approvals for the Northeast Sector which necessitate changes to the land-use or other plans for the Northeast Sector.

(viii) Updated plan of finance (i.e., status of any credit enhancement, issuance of additional bonds to complete project, mortgage debt, etc.).

(ix) Any event that would have a material adverse impact on the implementation of the Northeast Sector as described in the Limited Offering Memorandum or on the ability to undertake the development of the Northeast Sector as described in the Limited Offering Memorandum.

(x) Any amendment or waiver of the provisions hereof pursuant to Section 11 hereof.

(c) Any of the items listed in subsection (b) above may be incorporated by reference from other documents which have been submitted to each of the Repositories or the SEC. The Landowner shall clearly identify each other document so incorporated by reference.

(d) If the Landowner sells, assigns or otherwise transfers ownership of real property in the Northeast Sector subject to the Series 2020 Assessments to a third party, which will in turn be an Obligated Person for purposes of the Disclosure Agreement as a result thereof (a "Transfer"), the Landowner hereby agrees to require such third party to comply with the disclosure obligations of the Landowner hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Landowner involved in such Transfer shall promptly notify the District and the Dissemination Agent in writing of the Transfer. For purposes of Sections 5, 6 and 9 hereof, the term "Landowner" shall be deemed to include any third party that becomes an Obligated Person hereunder as a result of a Transfer. In the event that the Landowner remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Landowner from their obligations hereunder.

6. **Provision of Quarterly Reports**.

(a) The Landowner shall provide a Quarterly Report which contains the information in Sections 5(b) and (c) of this Disclosure Agreement to the Dissemination Agent no later than the Quarterly Receipt Date for such Quarterly Report. Within thirty (30) days of the Quarterly Receipt Date, the Dissemination Agent shall file the Quarterly Report provided to it by the Landowner with each Repository (the "Quarterly Filing Date").

(b) If on the seventh (7^{th}) day prior to each Quarterly Receipt Date the Dissemination Agent has not received a copy of the Quarterly Report due on such Quarterly Receipt Date, the Dissemination Agent shall contact the Landowner by telephone and in writing (which may be by e-mail) to remind the Landowner of its undertaking to provide the Quarterly Report pursuant to Sections 5 and 6. Upon such reminder, the Landowner 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 Landowner will not be able to file the Quarterly Report within the time required under this Disclosure Agreement and state the date by which such Landowner Report will be provided.

(c) If the Dissemination Agent has not received a Quarterly Report that contains, at a minimum, the information in Section 5(b) of this Disclosure Agreement by 12:00 noon on the first business day following each Quarterly Receipt Date, a Listed Event described in Section 7(a)(xv) shall have occurred and the District and the Landowner hereby direct the Dissemination Agent to send a notice to each Repository in substantially the form attached as Exhibit A hereto, with a copy to the District. The Dissemination Agent shall file such notice no later than thirty (30) days following the applicable Quarterly Receipt Date.

(d) The Dissemination Agent shall:

(i) determine prior to each Quarterly Filing Date the name and address of each Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Landowner 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 Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds 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 number (xv) or (xviii) below, which notice shall be given in a timely manner:

(i) Principal and interest payment delinquencies on the Bonds;

(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*;

(vi) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of Bond holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, Substitution, or sale of property securing repayment of the Bonds, if material;

(xi) Any Rating Changes.**

(xii) Bankruptcy, insolvency, receivership or similar event of any Obligated Person. For the purposes of event (xii), the event is considered to occur 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 governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

(xiii) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material.

(xiv) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an Obligated Person, other than in the ordinary course of business, the entry into a definitive

* Note: There are currently no credit or liquidity providers for the Bonds.
** Note: The Bonds are not rated.

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;

(xv) Failure to provide any Annual Report or Quarterly Report as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 4(a) or Section 5(b) of this Disclosure Agreement, respectively;

(xvi) Incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;

(xvii) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties;

(xviii) Any amendment to the accounting principles to be followed by the District in preparing its financial statements.

(b) Each Obligated Person shall notify the Issuer of the occurrence of a Listed Event described in Sections 7(a)(x), (xii), (xiv), (xv), (xvi) or (xvii) above as to such Obligated Person within five (5) Business Days after the occurrence of the Listed Event so as to enable the Issuer to comply with its obligations under this Section 7.

8. **Identifying Information**. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Agreement to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

(a) the category of information being provided;

(b) the period covered by any annual financial information, financial statement or other financial information or operation data;

(c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);

(d) the name of any Obligated Person other than the Issuer;

(e) the name and date of the document being submitted; and

(f) contact information for the submitter.

9. **Termination of Disclosure Agreement**. The Issuer's obligation 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 Issuer, or if the Rule is

repealed or no longer in effect. The Landowner's obligations hereunder shall terminate at the earlier of the legal defeasance, prior redemption or payment in full of the Bonds or such time as it is no longer an Obligated Person. If such termination occurs prior to the final maturity of the Bonds, the Landowner shall give notice of such termination in the same manner as for a Listed Event under Section 7.

10. **Dissemination Agent.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Disclosure Agreement, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent shall be PFM Group Consulting, LLC. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

11. **Amendment; Waiver**. Notwithstanding any other provision of this Disclosure Agreement, the Issuer, the Landowner and the Dissemination Agent may amend this Disclosure Agreement or any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4, 5, 6 or 7(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer and/or the Landowner, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would in the opinion of counsel to the District 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 interest of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the Issuer, the Landowner and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer and the Landowner, as applicable, shall describe such amendment in its next Annual Report or Quarterly Report, as applicable, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer or the Landowner, as applicable. In addition, if the amendment relates to the accounting principles to be

followed by the District in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Notwithstanding the above provisions of this Section 11, the District may amend this Disclosure Agreement in accordance with this Section 11 without the consent of the Landowner, provided that no amendment to the provisions of Sections 5 and 6 hereof may be made without the consent of the Landowner as long as the Landowner is an Obligated Person.

12. **Additional Information**. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer or the Landowner from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a potential material event, in addition to that which is required by this Disclosure Agreement. If the Issuer or the Landowner chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Disclosure Agreement, the Issuer or the Landowner shall have no obligation under the Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

13. **Default**. In the event of a failure of the Issuer, the Landowner, the Disclosure Representative of the District, the Disclosure Representative of the Landowner or a Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Holders 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 mandamus or specific performance by court order, to cause the Issuer, the Landowner, the Disclosure Representative, of the District, the Disclosure Representative of the Landowner or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. No default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Landowner, the Disclosure Representative of the District, the Disclosure Representative of the Landowner or a Dissemination Agent, to comply with the Disclosure Agreement shall be an action to compel performance.

14. **Duties of Issuer, Landowner and Dissemination Agent.** The District and the Landowner each represent and warrant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District and the Landowner each acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, the Landowner, and others. The Dissemination Agent's duties do not include authorship

or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, the Landowner, or others as thereafter disseminated by the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. Notwithstanding anything to the contrary herein, the District shall have no responsibility for any information provided by the Landowner or others in connection with the Quarterly Reports or to cause the Quarterly Reports to be provided by the Landowner.

15. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Landowner, the Dissemination Agent, the Participating Underwriter, the Trustee and Beneficial Owners, of the Bonds, and shall create no rights in any other person or entity.

16. **Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

17. **Governing Law.** This Disclosure Agreement shall be governed by the laws of the State of Florida and Federal law and venue shall be in any State or Federal Court having jurisdiction in Manatee County, Florida.

18. **Dissemination Agent's Right to Information**. The Issuer and the Landowner, respectively agree that the Dissemination Agent is a bona fide agent of the Issuer and the Landowner and may receive, on a timely basis, any information or reports it requests that the Issuer and the Landowner are required to provide hereunder.

19. **Binding Effect.** This Disclosure Agreement shall be binding upon each party and upon each successor and assignee of each party and shall inure to the benefit of and be enforceable by, each party and each successor and assignee of each party.

SIGNATURE PAGE FOR
CONTINUING DISCLOSURE AGREEMENT
(Lakewood Ranch Stewardship District)

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

LAKEWOOD RANCH STEWARDSHIP DISTRICT

ATTEST:

By: _____
Chair, Board of Supervisors

_____
Secretary

CONSENTED TO AND AGREED TO BY:
PFM GROUP CONSULTING LLC, as Disclosure Representative

By: _____
Title: Authorized Officer

SMR NORTHEAST, LLC, a Florida limited liability company
By its sole member
SCHROEDER – MANATEE RANCH, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

Acknowledged and agreed to for purposes of Section 13 only:

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Title: Vice President

PFM GROUP CONSULTING LLC, as Dissemination Agent

By: _____
Title: Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORIES
OF FAILURE TO FILE [ANNUAL][QUARTERLY] REPORT

Name of Issuer:	Lakewood Ranch Stewardship District
Obligated Person(s):	Lakewood Ranch Stewardship District SMR Northeast, LLC ("Landowner")
Name of Bond Issue:	$17,755,000 Lakewood Ranch Stewardship District Special Assessment Revenue Bonds, Series 2020 (Northeast Sector Project – Phase 2B)
Date of Issuance:	October 14, 2020

NOTICE IS HEREBY GIVEN that the [District][Landowner] has not provided an [Annual][Quarterly] Report with respect to the above-named Bonds as required by [Section 4][Section 6] of the Continuing Disclosure Agreement dated October 14, 2020, among the District, the Landowner, the Dissemination Agent and the Trustee named therein. The [District][Landowner] has advised the undersigned that it anticipates that the [Annual Report][Quarterly] will be filed by _____, 20____.

Dated: _____

_____, as Dissemination Agent, on behalf of the Issuer

cc: Issuer
Obligated Person(s)

APPENDIX E

ASSESSMENT REPORTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

MASTER ASSESSMENT METHODOLOGY REPORT LAKEWOOD RANCH STEWARDSHIP DISTRICT NORTHEAST SECTOR

September 8, 2017

Prepared for

Board of Supervisors
Lakewood Ranch Stewardship District

Prepared by

Fishkind & Associates, Inc.
12051 Corporate Boulevard
Orlando, Florida 32817
407-382-3256

Master Assessment Methodology Report
Lakewood Ranch Stewardship District
Northeast Sector

1.0 Background

The Lakewood Ranch Stewardship District ("District") was created on June 17, 2005. The District encompasses approximately 23,255 acres in Manatee and Sarasota Counties. The District plans to initiate its capital improvement plan ("CIP") for the Northeast Sector ("Sector"). The Sector encompasses +/- 3,853 gross acres planned for 8,175 residential units, 85 acres of commercial space, a public high school, and a K-8 public school. Table 1 and the District Engineer's report of August, 4, 2017 (the "District Engineer's Report") provides a description of the area and a location map.

This master assessment report provides a methodology to allocate the debt over the approximately 3,853 gross acres in the Sector, less the 120 acres planned for school sites, leaving a net of 3,733 gross acres that will receive a special benefit from the proposed CIP to be installed in the Sector ("Properties"). It is the District's debt-funded capital infrastructure improvements that will allow the development of the Properties in the Sector. By making development of the Properties within the Sector possible, the District creates benefits to these Properties.

The methodology described herein allocates the District's debt to the Properties based upon the benefits each receives from the infrastructure program. In this case the Properties receiving benefit are some 3,733 acres of land within the Sector portion of the District. This report is designed to conform to the requirements of Chapter 170, F.S. with respect to special assessments and is consistent with our understanding of the case law on this subject.[1] In addition, this report is consistent with the assessment methodologies that the District has used for all of its other financings in all sectors of the District.

1.2 Projected Land Use Plan for the Sector

The Sector is located in Manatee County. The Sector is bounded on the North by SR 64, on the South by SR 70 on the West by Lorraine Road, and on the East by Bourneside Road which will be constructed as part of the CIP. Table 1 summarizes the land use development plan.

[1] See for example Indian Creek Country Club v. Indian Creek Village 439 So. 3d (Fla. 2017) and City of Boca Raton v. State, 595 So. 2d 25 (Fla. 1992)

Table 1: Projected Land Use Plan for Total Acres in The North East Sector

Parcel	Gross Acres	Land Use	Volume
Parcel A1	788	SF	1,275
Parcel A2	281	SF	425
Parcel B	596	SF/MF	1,412
Parcel E	308	SF	639
Parcel F	260	SF/MF	659
Parcel C	20	Apartments	200
Parcel D	229	SF	398
Parcel G	260	SF	503
Parcel H	379	SF	885
Parcel I	351	SF	815
Parcel J	70	Apartments	700
Parcel K	48	SF	120
Parcel L	58	SF	145
Parcel 1 - south of SR 64	20	Commercial	
Parcel 2 - east of Lorraine Rd	20	Commercial	
Parcel 3 - west of Uihlein Rd	15	Commercial	
Parcel 4 - north of SR 70	20	Commercial	
Parcel 5 - south of SR 64	10	Commercial	
High School	80		
K-8 School	40		
	=======		=======
Total	3,853		8,175

Source: The Landowner

As noted above, the proposed development program for the Sector's +/- 3,853 gross acres includes: 8,175 residential units of various types, 85 acres of commercial space, a public high school, and a K-8 public school. All of the proposed land uses described in Table 1 are expected to be fully entitled by December 1, 2017. The Landowner has entered into contracts with Taylor Morrison, Lennar, Kolter, and DR Horton to purchase certain lands within the Sector. These future landowners, along with others, will develop the Sector over time based on market conditions.

At the outset, the CIP is based on the projected land uses the Landowner plans for the lands comprising the Sector (as shown in Table 1). However, until either: (a) parcels of land along with their development entitlements are sold by the Landowner to the new landowner and entitlements conveyed or (b) plats are filed, the precise land uses are unknown.

Therefore, the District initially will impose assessments ("Assessments") on a per gross acre basis on the unsold and unplatted Properties within the Sector based on the land use plan outlined in Table 1 (or in any updates issued from time to time), and on any sold or platted Property in accordance with its actual land use or contractual entitlement as transferred to the new landowner from the Landowner.

The numerical analysis provided below is illustrative of the assessment methodology. Since actual costs may vary from the estimates, the actual figures may change as information becomes available. However, the information provided here is the best available at this time.

There is one important proviso. The debt per acre on the Property that remains unplatted in the Sector is not allowed to increase above its Ceiling Amount. The Ceiling Amount is set whenever the District issues debt. It is calculated by dividing the unplatted acres of the Properties in the Sector into the debt allocated to the unplatted Properties. In addition, this requirement will be tested at four intervals based upon the percentage of total acres that are developed. The intervals are at 25%, 50%, 75% and 100% of the gross acres.

1.3 Requirements of a Valid Assessment Methodology

Valid special assessments under Florida law require two things. First, the properties assessed must receive a special benefit from the improvements paid for via the assessments that exceeds the burden of the debt placed upon them. 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 mathematical perfection is probably impossible, but if reasonable people disagree the assessment will be upheld. Only if the Board was to act in an arbitrary, capricious or grossly unfair fashion would its assessment methods be overturned.

1.4 Special Benefits and General Benefits

New capital Infrastructure improvements included in the CIP create both: (1) special benefits to the Sector and (2) general benefits to properties outside the Sector. However, as discussed below, these general benefits are incidental in nature and are readily distinguishable from the special benefits which accrue to the Sector.

The CIP described in the District Engineer's Report enables the Sector to be developed. Without the CIP, there would be no infrastructure to support development of the Sector.

There is no doubt that the general public, and property owners outside the Sector, will benefit from the provision of the CIP. However, these benefits are incidental to the CIP, which is designed solely to meet the needs of the Sector. Lands outside the Sector do not depend upon the CIP to obtain, or to maintain, their development entitlements. This fact alone clearly distinguishes the special benefits which the Properties in the Sector receive compared to those lying outside of the boundaries of the Sector.

Finally, as shown below, the estimated cost of the CIP is $84,680,481. The District plans to issue bonds to fund these costs, and the estimated total bond size is $98,300,000. Therefore, the cost per gross acre for the 3,733 total acres of the Properties in the Sector is $26,333 on a debt financed basis. According to data from the Manatee County Property Appraiser ("PA") the fair market value of the land in the Sector is $50,826 per acre. Therefore, as illustrated in Table 2, the total cost of the land with the proposed improvements is at least $76,339 per acre.

Based on the land development plan, and market research by the District's Financial Advisor ("FA"), the average value for a single-family home to be developed in the Sector is $350,000. The typical relationship between the total price of a new home and its finished lot is 20%. So, the average home lot in the Sector is expected to have a retail value of $70,000.

The land use plan anticipates a gross residential density of 1.97 units per gross acre. Therefore, the average value per acre for properties developed into residential lots is $138,245. Thus, the net special benefit to the Properties is $61,906. In other words, the installation of the CIP will increase the market value of the Properties far in excess of the cost of the Assessments.

Table 2. Demonstration of Special Benefit for Properties in the Sector

Category	Amount
Total Bonds to Fund CIP	$98,300,000
Gross Acres in Sector	3,853
Cost Per Gross Acre	$25,513
Value of Raw Land/Acre	$50,826
Total Cost of Land as Improved	$76,339
Average Value of Homes	$350,000
Value of Lot @ 20%	$70,000
Gross Density/Acre	1.97
Value of Finished Lots/Acre	$138,245
Net Benefit from CDD Improvements	$61,906

2.0 Assessment Methodology

2.1 Overview

The assessment methodology is a process by which the District will allocate the costs associated with its improvement program to properties in the Sector area of the District benefiting from the improvements. The allocation is based upon the benefits that the Properties receive. At the outset, the District has based its CIP on the projected land uses the Landowner plans for the Sector portion of the District as outlined in Table 1.

2.2 The District's Capital Improvement Plan for the Assessment Areas and the District Engineer's Estimate of Cost

Based upon the projected land use plan for the Sector created by the Landowner summarized in Table 1, the District Engineer has developed the CIP for the Sector. These cost estimates are summarized in Table 3 below. The Engineer estimates a total project cost of $84,680,481. The improvements are the backbone infrastructure for the Sector including, but not limited to: roadways, utilities, and stormwater drainage systems. The CIP is anticipated to be installed in two phases. The CIP estimate excludes financing costs and interest expenses.

Table 3: District Engineer's Estimated Costs for The District's Capital Improvement Program for the Sector

Project	2018-19	2020-21	Total
Uilein	$20,925,060		$20,925,060
44th Avenue	$21,993,195		$21,993,195
Rangeland		$21,070,125	$21,070,125
Bourneside		$14,142,010	$14,142,010
Post Road		$3,686,500	$3,686,500
Contingency and Professional Fees	$1,502,139	$1,361,452	$2,863,591
Total	$44,420,394	$40,260,087	$84,680,481

Source: Stantec (August 4, 2017), "Lakewood Ranch Stewardship District Master Engineer's Report for Northeast Sector at Lakewood Ranch Infrastructure Improvements"

Based on the District Engineer's estimated cost for the Sector, the Financial Advisor has designed a financing program to provide the construction funds needed for the CIP. Table 4 provides a summary of the financing program needed to fund this project in the Sector. Bonds totaling approximately $98,300,000 are needed to fund the CIP.

Table 4: Estimated Size of the Bonds for the Sector

Category	Series 2018	Series 2020	Total
Construction Fund	$44,420,394	$40,260,087	$84,680,481
Debt Service Reserve @ 75%	$2,808,789	$2,547,252	$5,356,041
Capitalized Interest	$3,093,000	$2,805,000	$5,898,000
Cost of Issuance	$200,000	$200,000	$400,000
Underwriter's Discount	$1,031,000	$935,000	$1,966,000
Rounding	-$3,182	$2,660	-$522
Total	$51,550,000	$46,750,000	$98,300,000

The debt service reserve account is set initially at the lesser of maximum annual debt service, 10% of the proceeds of the bonds, or 125% of average annual debt service. The bond sizing includes one year of capitalized interest.

We estimated the underwriter's discount at 2.0%. This allowance pays the underwriter for taking the risks involved in purchasing the District's bonds. The cost of issuance pays for the trustee, financial advisor, district counsel and other costs associated with issuing the District's bonds.

2.3 Allocation to Benefiting Properties – The Master Methodology

The discussion offered below illustrates the process by which this report will allocate Assessments levied to pay indebtedness incurred to support the CIP. As described above, until such time as either: (a) Properties are sold along with their entitlements or (b) plats are recorded; the specific land uses in the District are not known with certainty. Therefore, at the outset, the debt is allocated on an acreage basis across all benefited acres in the District totaling approximately 3,733 acres. As the sale and platting process unfolds, the District will more finely articulate the allocation of debt to benefiting Properties based on their land uses.

As noted above, as long as two basic principles are adhered to, Florida law allows the Board of the District great latitude in determining the appropriate methodology to allocate the costs of the CIP to benefiting properties within the Sector. The two principals are: (1) the properties being assessed must receive a special benefit from the CIP and (2) the assessments allocated to each property must be fairly and reasonably apportioned among the benefiting properties. In allocating special assessment costs to benefiting property Florida governments have used a variety of methods including, but not limited to, front footage, area, trip rates, equivalent residential units, dwelling units, acreage, and value.

As shown in Table 1, the development plan for the Sector anticipates construction of 8,175 residential units along with 85 acres of commercial development.

The CIP for the Sector encompasses the installation of the master infrastructure for the Sector including its major roadways, utilities, and drainage system. These improvements are installed simultaneously with the construction of the major roadways. The utilities and drainage improvements are constructed in the rights of way or nearby, in the case of the drainage improvements. Therefore, the District's usual articulation of the improvements by type is not appropriate for these master infrastructure improvements for the Sector.

Furthermore, at this time the land use development program is known in general terms, that is to say the volume of residential units is known with some certainty. However, as is always the case as platting occurs there may result some variation in the number of units. In addition, it is likely that as development and platting occurs, the new landowners will refine the types of units offered – lot sizes and unit types will be refined and expanded from the general categories listed in Table 1.

The assessment methodology is designed in anticipation of these changes over time. As platting occurs, the methodology is designed to be supplemented to accommodate variation in the residential and nonresidential land uses from the general categories outlined in Table1.

In light of these facts, the allocation methodology will be based on the equivalent residential unit ("ERU") method. A standard single-family residential unit will be the basis for measurement and assigned 1 ERU. All other land uses will be assigned an ERU in relationship to the single-family home. Table 5 presents the ERU methodology.

The age-restricted residential units are assigned an ERU of 0.9 per unit, because this land use generates fewer trips per unit than a standard single-family home. Apartments are assigned an ERU of 0.6 per unit, because they generate fewer trips and consume lower amounts of utilities than a standard home or an age-restricted unit.

Commercial uses are allocated 1 ERU per 1,000 square feet of building, because of their traffic generation rates and utility usage. Based on the 85 gross acres of commercial space and an estimate floor arear ratio of 0.15, the total volume of commercial square feet is estimated at 555,390.

The high school and k-12 school are not allocated an assessment for two reasons. First, the District cannot enforce the collection of assessments on another unit of government without their consent. The School Board has not given consent, and our experience is that they will not do so. Second, the schools are uses that benefit the developable parcels.

Table 5. ERU Allocations by Land Use in the Northeast Sector

Land Use	ERU/Unit	Volume	ERUs
Single-family standard	1.000	6,616	6,616
Single-family age restricted	0.900	659	593
Apartments	0.600	900	540
Commercial (square feet of building)	0.001	555,390	555
			=========
			8,304

Using the ERU methodology shown in Table 5, Table 6 shows the resulting allocation of the cost of the CIP on a fully funded basis using the estimates from Table 4. Debt per standard single-family unit is $11,837. The estimated annual debt service is $859.94 per year using an estimated interest rate of 6% without administrative charges. The other land uses are allocated their pro rata share of the cost of the CIP as funded using the ERU methodology.

Table 6. Allocation of the Cost of the CIP as Funded to The Properties in the Northeast Sector

Land Use	Par Debt	Par Debt/Unit	Debt Service
Single-family standard	$78,313,394	$11,837	$859.94
Single-family age restricted	$7,020,507	$10,653	$773.95
Apartments	$6,391,964	$7,102	$515.97
Commercial (square feet of building)	$6,574,135	$12	$0.86
	=========		
Total	$98,300,000		

2.4 True Up Mechanism

The true up mechanism provides a critical safeguard in the assessment process preventing a buildup of debt on undeveloped Properties. The mechanism has two parts: (1) establishment of the Ceiling Amount and (2) application of the test to assure the Ceiling is not exceeded. The Ceiling Amount is established by dividing: (a) the debt that is not allocated to platted Properties in the Sector by (b) the number of unplatted acres of Properties in the Sector.

By way of illustration, if the District issues $51,550,000 in Series 2018 Bonds, then the Ceiling Amount would be set at $13,809 per gross acre $51,550,000/3,733 acres representing the gross acres of 3,733 less the school acres which are not assessed).

The second part of the process is the application of the test to assure that a plat does not cause the debt on the remaining unplatted acres to exceed the Ceiling Amount. The test is conducted at the platting thresholds of 25%, 50%, 75% and 90% based on gross acreage. Table 7 displays the timing for these tests.

At each threshold the District would calculate the remaining unallocated debt per unplatted acre. If the remaining debt per unplatted acre is below the Ceiling Amount, then no further action is needed. However, if the remaining debt were to be above the Ceiling Amount, then the Landowner would be obligated to make a True Up payment to bring the debt per unplatted acre down below the Ceiling Amount.

TABLE 7. STAGE OF DEVELOPMENT FOR TRUE UP TEST

Category	25%	50%	75%	90%
Cumulative Acres	963	1,927	2,890	3,468
Unallocated Acres	2,890	1,927	963	385

3.0 Tax Roll

Table 8 presents the tax roll for the Sector. The benefitted parcels are identified by parcel numbers at this juncture. When the PA assigns tax identification numbers, the District will update the tax roll. The annual assessment amount is calculated based on an estimated interest rate of 6% and a term of 30-years. The administrative charges include charges of 2% for the Manatee County Property Tax Assessor, 2% for the Manatee County Property Appraiser, and a 4% collection allowance for early payment of property taxes.

Table 8. Tax Roll

Parcel	Gross Acres	Par Debt	Annual Assessment	Administrative Charges	Total Annual Assessment
Parcel A1	788	$20,750,174	$1,487,027	$129,307	$1,616,334
Parcel A2	281	$7,399,491	$530,272	$46,111	$576,383
Parcel B	596	$15,694,294	$1,124,706	$97,801	$1,222,506
Parcel E	308	$8,110,474	$581,224	$50,541	$631,765
Parcel F	260	$6,846,504	$490,643	$42,665	$533,308
Parcel C	20	$526,654	$37,742	$3,282	$41,024
Parcel D	229	$6,030,190	$432,144	$37,578	$469,721
Parcel G	260	$6,846,504	$490,643	$42,665	$533,308
Parcel H	379	$9,980,096	$715,207	$62,192	$777,399
Parcel I	351	$9,242,781	$662,369	$57,597	$719,966
Parcel J	70	$1,843,290	$132,096	$11,487	$143,583
Parcel K	48	$1,263,970	$90,580	$7,877	$98,457
Parcel L	58	$1,527,297	$109,451	$9,517	$118,969
Parcel 1 - south of SR 64	20	$526,654	$37,742	$3,282	$41,024
Parcel 2 - east of Lorraine Rd	20	$526,654	$37,742	$3,282	$41,024
Parcel 3 - west of Uihlein Rd	15	$394,991	$28,306	$2,461	$30,768
Parcel 4 - north of SR 70	20	$526,654	$37,742	$3,282	$41,024
Parcel 5 - south of SR 64	10	$263,327	$18,871	$1,641	$20,512
High School	80	$0	$0	$0	$0
K-8 School	40	$0	$0	$0	$0
	=======	=======	=======	=======	=======
Total	3,853	$98,300,000	$7,044,508	$612,566	$7,657,074

SUPPLEMENTAL ASSESSMENT METHODOLOGY REPORT LAKEWOOD RANCH STEWARDSHIP DISTRICT NORTHEAST SECTOR SERIES 2020 BONDS Phase 2B

October 2020

Prepared for:

Board of Supervisors,
Lakewood Ranch Stewardship District

Prepared on October 8, 2020

PFM Financial Advisors LLC
12051 Corporate Boulevard
Orlando, FL 32817

SUPPLEMENTAL ASSESSMENT METHODOLOGY REPORT
LAKEWOOD RANCH STEWARDSHIP DISTRICT
NORTHEAST SECTOR SERIES 2020 BONDS PHASE 2B

October 8, 2020

1.0 Introduction

1.1 Background

The Lakewood Ranch Stewardship District ("District") was created on June 17, 2005. The District encompasses approximately 25,605 acres in Manatee and Sarasota Counties. The District initiated its capital improvement plan ("CIP" or the "Northeast Sector Project") for the Northeast Sector which encompasses +/- 3,853 gross acres planned for approximately 7,831 residential units, 85 acres of commercial space, a public high school, and a K-8 public school (the "Northeast Sector"). Table 1 and the Lakewood Ranch Stewardship District Master Engineer's Report for Northeast Sector at Lakewood Ranch Infrastructure Improvements of August 4, 2017 as updated from time to time, (the "District Engineer's Report") provided by Stantec ("District Engineer") provides a description of the area and a location map.

The District approved its Master Assessment Methodology Report Lakewood Ranch Stewardship District Northeast Sector dated September 8, 2017 ("Master Methodology") describing the methodology to allocate the debt over the approximately 3,853 gross acres in the Northeast Sector, less the 226 acres planned for school sites, water supply lakes and a park, leaving a net of 3,627 gross acres that will receive a special benefit from the proposed CIP to be installed in the Northeast Sector ("Properties"). In addition, the District approved the Series 2017 Note from Florida Community Bank ("FCB 2017 Note") followed by the District's Series 2018 Phase 1A Bonds, Series 2018 Phase 1B Bonds and Series 2019 Phase 2A to fund the initial phases of the CIP.

This report describes the proposed sale of the District's Series 2020 Phase 2B Bonds in the amount of $17,755,000 to pay off the existing FCB 2017 Note in the amount of $15,164,858 and fund $2,590,044 in capital improvements to support development of Parcel H and Parcel I comprising a total of 898 acres planned for 1,500 single-family units.

For ease of exposition and to provide context the updated development plan for the Northeast Sector is shown in Table 1. The update reflects small variations in the unit counts compared to the initial estimates as various parcels are platted and sold to third parties. The total expected unit count has not changed from the original.

Table 1: Projected Land Use Plan – NE Sector

Parcel	Gross Acres	Land Use	Volume*
Parcel A1 - Taylor Morrison	711	SF	1,340
Parcel A2 - Taylor Morrison	281	SF	410
Parcel B - Lennar	545	SF/MF	1,374
Parcel E - D.R. Horton	278	SF	675
Parcel F - Kolter	250	SF/MF	648
Parcel C	20	Apartments	200
Parcel D - Pulte	229	SF	472
Parcel G	260	SF	512
Parcel H - Forestar	379	SF	800
Parcel I - Forestar	519	SF	700
Parcel J	70	Apartments	700
Parcel K*	48	SF	
Parcel L*	58	SF	
Parcel 1 - south of SR 64	20	Commercial	
Parcel 2 - east of Lorraine Rd	20	Commercial	
Parcel 3 - west of Uihlein Rd	15	Commercial	
Parcel 4 - north of SR 70	20	Commercial	
Parcel 5 - south of SR 64	10	Commercial	
High School	80		
K-8 School	40		
	=======		=======
Total	3,853		7,831
Net (parcels K & L and school sites)	3,627		

Source: The Landowner *estimated

- Parcels K and L have been repurposed for additional acreage relating to the high school site and water supply lakes and parks.

As noted above, the proposed development program for the Northeast Sector's +/- 3,853 gross acres include: 7,831 residential units of various types, 85 acres of commercial space, a public high school, and a K-8 public school. The Landowner sold the following parcels: Taylor Morrison for Parcel A1/A2, Lennar for Parcel B, Pulte for Parcel D, Kolter for Parcel E, and Solera Landco, LLC, the bank financing entity for D.R. Horton, for Parcel F (collectively, the "Sold Properties"). In addition, the Landowner has entered into a purchase and sale contract with Forestar to purchase Parcel H and Parcel I. These landowners, along with others, will develop the Northeast Sector over time based on market conditions.

2.0 Assessment Methodology

2.1 Overview

As described in the Master Methodology, the assessment methodology is a process by which the District will allocate the costs associated with its improvement program to properties in the Northeast Sector area of the District benefiting from the improvements. The allocation is based upon the benefits that each property receives. At the outset, the District has based its CIP on the projected land uses the Landowner currently plans for the Northeast Sector portion of the District as outlined in Table 1.

2.2 The District's Capital Improvement Plan for the Assessment Areas and the District Engineer's Estimate of Cost

Based upon the projected land use plan for the Northeast Sector created by the Landowner summarized in Table 1, the District Engineer has developed the CIP for the Northeast Sector. These cost estimates are summarized in Table 2 below. The Engineer estimates a total project cost of $84,680,481. The CIP estimate excludes financing costs and interest expenses.

Table 2: District Engineer's Estimated Costs for
The District's Capital Improvement Program for the Northeast Sector

Project	2018-19	2020-21	Total
Uilein	$20,925,060		$20,925,060
44th Avenue	$21,993,195		$21,993,195
Rangeland		$21,070,125	$21,070,125
Bourneside		$14,142,010	$14,142,010
Post Road		$3,686,500	$3,686,500
Contingency and Professional Fees	$1,502,139	$1,361,452	$2,863,591
Total	$44,420,394	$40,260,087	$84,680,481

Source: Stantec (August 4, 2017, as updated from time to time), "Lakewood Ranch Stewardship District Master Engineer's Report for Northeast Sector at Lakewood Ranch Infrastructure Improvements"

Based on the District Engineer's estimated cost for the Northeast Sector, the Financial Advisor has designed a financing program to provide the construction funds needed for the CIP. Table 3 provides a summary of the financing program needed to fund this project in the Northeast Sector. Bonds or other indebtedness (collectively, "Bonds") totaling approximately $98,300,000 are needed to fund the CIP.

Table 3: Estimated Size of the Bonds for the Northeast Sector

Category	Series 2018	Series 2019	Future Bond Issues	Total
Construction Fund	$43,980,394	$5,051,841	$35,648,246	$84,680,481
Debt Service Reserve	$2,808,789	$161,868	$2,385,385	$5,356,041
Capitalized Interest	$3,093,000	$103,722	$2,701,278	$5,898,000
Cost of Issuance	$200,000	$137,750	$62,250	$400,000
Underwriter's Discount	$1,031,000	$111,700	$823,300	$1,966,000
Rounding - OID	($3,182)	$18,119	($15,459)	($522)
Total	$51,110,000	$5,585,000	$41,604,999	$98,300,000

Source: PFM Financial Advisors LLC

2.3 Allocation to Benefiting Properties – The Master Methodology

The Master Assessment Report allocated $98,300,000 over the Properties. The Properties consist of the 3,853 gross acres in the Northeast Sector less the 226 acres identified for the school sites and water supply lakes and park which are not assessed leaving a net of 3,627 gross acres of the Properties. Therefore, the cost per gross acre of Properties in the Northeast Sector is $27,102 on a debt financed basis.

When Properties are sold by the Landowner to new landowners along with the entitlements, the debt per gross acre on new landowner's Property will be refined to reflect the allocation of the entitlements conveyed using the equivalent residential unit ("ERU") methodology described in the Master Assessment Report. The ERU uses a standard single-family residential unit as the basis for measurement, and it is assigned 1 ERU. All other land uses are assigned an ERU in relationship to the single-family home. Table 4 presents the ERU methodology approved by the District for Properties in the Northeast Sector.

Table 4. Allocation of the Cost of the CIP as Funded to The Properties in the Northeast Sector

Land Use	Par Debt	Par Debt/Unit	Net Annual Debt Service
Single-family standard	$78,313,394	$11,837	$859.94
Single-family age restricted	$7,020,507	$10,653	$773.95
Apartments	$6,391,964	$7,102	$515.97
Commercial (square feet of building)	$6,574,135	$12	$0.86
Total	$98,300,000		

Source: PFM Financial Advisors LLC

2.4 True-Up Mechanism

The true up mechanism provides a critical safeguard in the assessment process preventing a buildup of debt on undeveloped property. The mechanism has two parts: (1) establishment of the Ceiling Amount and (2) application of the test to assure the Ceiling is not exceeded. The Ceiling Amount is established by dividing: (a) the debt that is not allocated to platted properties in the Properties by (b) the number of unplatted acres in the Properties.

To date the District has sold $56,695,000 in bonds as shown in Table 5. The Landowner has sold 2,294 acres of land to Taylor Morrison, Lennar, Pulte, Solera Landco, LLC (bank financing entity for D.R. Horton) and Kolter. The Sold Property has been allocated all $56,695,000 based on the assessment methodology. Therefore, there is $0 bond debt on the unsold property in the Northeast Sector at this time.

Table 5. Northeast Sector Bonds and Parcels Sold

Category	Amounts
Series 2018 Phase 1A Bonds	$14,925,000
Series 2018 Phase 1B Bonds	$36,185,000
Series 2019 Phase 2A Bonds	$5,585,000
	==========
Total Bonds Sold	$56,695,000*
Parcels Sold	Acres Sold
Parcel A1 – Taylor Morrison	711
Parcel A2 –Taylor Morrison	281
Parcel B – Lennar	545
Parcel D - Pulte	229
Parcel E – Solera Landco, LLC	278
Parcel F – Kolter	250
	======
Total Sold	2,294

Source: PFM Financial Advisors LLC
*The District previously issued its Series 2017 Note, a revolving line of credit, to fund the initial portions of the CIP, however outstanding amounts under the Series 2017 Note will be repaid with the proceeds of the Series 2020 Phase 2B Bonds. As a result, the outstanding balance of the Series 2017 Note concurrent with the issuance of the Series 2020 Phase 2B Bonds will be $0.

The District's $17,755,000 in Series 2020 Phase 2B Bonds is described below. According to the Master Methodology, this debt would initially be allocated on all of the remaining unsold acreage in the Northeast Sector less the lands planned for the schools ("Remaining Assessable Acreage"). As Table 6 shows, the remaining unsold acreage, net of the school sites, totals 1,333.

Table 6. Total Debt Service Allocations for the Series 2020 Bonds

Parcels Unsold	Acreage
Parcel C	20
Parcel G	260
Parcel H	379
Parcel I	519
Parcel J	70
Parcel K	48
Parcel L	58
Parcel 1 - south of SR 64	20
Parcel 2 - east of Lorraine Rd	20
Parcel 3 - west of Uihlein Rd	15
Parcel 4 - north of SR 70	20
Parcel 5 - south of SR 64	10
High School	80
K-8 School	40
	=======
Total	1,559
Less - School Parcels & Parcels K and L	226
	======
Unsold Acreage	1,333

Source: District Engineer & PFM Financial Advisors LLC

Assuming that the District sells its Series 2020 Phase 2B Bonds in the amount of $17,755,000 the Ceiling Amount would be set at $13,320 as follows:

$17,755,000 Series 2020 Phase 2B Bonds / 1,333 remaining unplatted acres = $13,320

The second part of the process is the application of the test to assure that a plat does not cause the debt on the remaining unplatted acres to exceed the Ceiling Amount. The test is conducted at the platting thresholds of 25%, 50%, 75% and 90% based on gross acreage. Table 7 displays the timing for these tests. At each threshold the District would calculate the remaining unallocated debt per unplatted acre. If the remaining debt per unplatted acre is below the Ceiling Amount, then no further action is needed. However, if the remaining debt were to be above the Ceiling Amount, then the Landowner would be obligated to make a True Up payment to bring the debt per unplatted acre down below the Ceiling Amount.

Table 7. Stage of Development of Phase 2B –
Remaining Assessable Acreage for True-Up Test

Category	25%	50%	75%	90%
Cumulative Acres	333	667	1,000	1,200
Unallocated Acres	1,000	667	333	133

Source: PFM Financial Advisors LLC

3.0 Series 2020 Phase 2B Bonds

3.1 Financing Plan

Table 8 presents the sizing for the Series 2020 Phase 2B Bonds based on information from the District's Underwriter.

Table 8. Sizing for the Series 2020 Phase 2B Bonds

Sources:	
Bond Proceeds:	
Par Amount	$17,755,000.00
Net Premium	$28,962.80
	$17,783,962.80
Other Sources of Funds:	
2017 Note Reserve Funds	$1,364,948.04
TOTAL	$19,148,910.84
Uses:	
Project Fund Deposits	
2017 Note Principal Account	$15,014,428.32
2017 Note Interest Account	$150,429.42
Project Fund	$2,590,044.08
	$17,754,901.82
Other Fund Deposits:	
Debt Service Reserve Fund	$509,753.75
Capitalized Interest	$358,905.27
	$868,659.02
Delivery Date Expenses:	
Cost of Issuance	$170,250.00
Underwriter's Discount	$355,100.00
	$525,350.00
TOTAL	$19,148,910.84
Maximum Annual Debt Service	$1,019,508
Average Coupon Rate	3.87%

Source: MBS Capital Markets LLC

3.2 Master Assessment Allocations for the Series 2020 Phase 2B Bond

As noted above, the District has allocated $98,300,000 in master assessments on the 3,627 gross acres of the Properties in the Northeast Sector for a maximum debt per gross acre of $27,102. As sales of the Properties occur and entitlements are conveyed, the allocation of debt per gross acre will be refined to reflect the entitlements conveyed using the ERU methodology summarized in Table 4.

As noted above, the Landowner has entered into a purchase and sale contract with Forestar for Parcel H and Parcel I. Table 9 illustrates the application of the assessment methodology to the pending sale of Parcel H and Parcel I.

Table 9. Application of the Assessment Methodology to the Phase 2B Lands

Category	Phase 2B
Land Use	Single-family
Number of Units	1,500
Par Debt/Unit	$11,837
Total Par Debt Allocated	$17,755,000
Net Annual Debt Service/Unit	$680
Total Net Maximum Annual Debt Service	$1,019,508
Total Gross Annual Debt Service	$1,096,245
Gross Annual Debt Service/Unit	$731

Source: PFM Financial Advisors LLC

4.0 Tax Roll

As discussed above, the Series 2020 Phase 2B Bonds will initially be levied on an equal per acre basis on the Remaining Assessable Acreage within the Northeast Sector totaling 1,333 acres. The Series 2020 Phase 2B Bonds were sized to correspond with the collection of the Series 2020 Assessments from all 1,500 lots planned within Parcel H and Parcel I of the Northeast Sector currently under contract with Forestar. Upon consummation of the sale of Parcel H and Parcel I, as prescribed by the assessment methodology, the Series 2020 Phase 2B debt assessments will be assigned to Parcel H and Parcel I in its entirety.

While the Series 2020 Phase 2B Bonds will initially be allocated to all Remaining Assessable Acreage within the Northeast Sector, Table 10 reflects the tax roll for the Series 2020 Phase 2B Bonds following the closing on the currently pending contract for Parcel H and Parcel I. The benefitted parcels are identified by parcel numbers at this juncture. When the Property Appraiser assigns tax identification numbers, the District will update the tax roll accordingly. The administrative charges include charges of 2% for the Manatee County Property Tax Assessor, 1% for the Manatee County Property Appraiser, and a 4% collection allowance for early payment of property taxes.

Table 10. Tax Roll

Parcel	Gross Acres	Par Debt	Annual Assessment	Administrative Charges	Total Annual Assessment
Parcel A1 Taylor Morrison	711	$0	$0	$0	$0
Parcel A2 Taylor Morrison	281	$0	$0	$0	$0
Parcel B Lennar	545	$0	$0	$0	$0
Parcel E - D.R. Horton	278	$0	$0	$0	$0
Parcel F – Kolter	250	$0	$0	$0	$0
Parcel C	20	$0	$0	$0	$0
Parcel D - Pulte	229	$0	$0	$0	$0
Parcel G	260	$0	$0	$0	$0
Parcel H - Forestar	379	$7,493,480	$430,282	$32,387	$462,669
Parcel I - Forestar	519	$10,261,520	$589,225	$44,350	$633,576
Parcel J	70	$0	$0	$0	$0
Parcel K	48	$0	$0	$0	$0
Parcel L	58	$0	$0	$0	$0
Parcel 1 - south of SR 64	20	$0	$0	$0	$0
Parcel 2 - east of Lorraine Rd	20	$0	$0	$0	$0
Parcel 3 - west of Uihlein Rd	15	$0	$0	$0	$0
Parcel 4 - north of SR 70	20	$0	$0	$0	$0
Parcel 5 - south of SR 64	10	$0	$0	$0	$0
High School	80	$0	$0	$0	$0
K-8 School	40	$0	$0	$0	$0
Total	3,853	$17,755,000	$1,019,508	$76,737	$1,096,245

Source: PFM Financial Advisors LLC

APPENDIX F

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

[THIS PAGE INTENTIONALLY LEFT BLANK]

Lakewood Ranch Stewardship District

AUDITED FINANCIAL STATEMENTS

September 30, 2019

Lakewood Ranch Stewardship District
Table of Contents
September 30, 2019

REPORT

Independent Auditors' Report 1

Management's Discussion and Analysis 3

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

- Statement of Net Position 8
- Statement of Activities 9

Fund Financial Statements:

- Balance Sheet – Governmental Funds and Reconciliation of the Balance Sheet to the Statement of Net Position 10
- Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 11
- Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities 12

Notes to the Financial Statements 13

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule – General Fund 25

OTHER NON-FINANCIAL INFORMATION

Independent Auditors' 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* 26

Independent Accountants' Report on Compliance with Florida Statutes 218.415 – Investment of Public Funds 28

Management Letter 29

REQUIRED COMMUNICATION

Required Communications 31

Accounting Policies, Judgments, & Sensitive Estimates & CRI Comments on Quality 37

Summary of Adjustments 38

Management Representation Letter 40

Internal Control Findings 47

REPORT

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
1001 3rd Avenue West
Suite 500
Bradenton, FL 34205

(941) 747-0500
(941) 746-0202 (fax)
CRIcpa.com

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Lakewood Ranch Stewardship District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Lakewood Ranch Stewardship District ("District"), as of and for the year then ended September 30, 2019, 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.

Auditors' 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 of material misstatement.

An audit involves performing procedures to obtain 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 District'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 District'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.

Opinion

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 Lakewood Ranch Stewardship District, as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and page 25 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 February 7, 2020, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result 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.

Carr, Riggs & Ingram, L.L.C

Carr, Riggs, & Ingram, LLC

Bradenton, Florida
February 7, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a narrative overview and analysis of the financial activities of the Lakewood Ranch Stewardship District ("District") for the fiscal year ended September 30, 2019.

Financial Highlights and Analysis of Financial Statements

- As of September 30, 2019 and 2018, the total assets of the District were $346,951,594, and $285,182,769, respectively, an increase of $61,768,825. The primary factor for the change was the approximate increase in capitalized assets of $77.2 million less approximately $13.1 million in depreciation charges.

- As of September 30, 2019 and 2018, the total liabilities of the District were $344,086,100 and $279,134,946, respectively, an increase of $64,954,154. The primary factor for the change was the approximate $74.3 million of debt from new bond issues less approximately $9.4 million in bond principal repayments.

- In the government-wide financial statements (accrual basis), the District's assets exceeded liabilities by $2,865,494 and $6,047,823 as of September 30, 2019 and 2018, respectively.

- In the governmental funds (modified accrual basis), the District's fund balance totaled $72,105,277 and $75,951,664 as of September 30, 2019 and 2018, respectively. The primary factor for both of these variances was the change in assets and liabilities as discussed above.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District'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 District's governmental activities include general government, physical environment, and interest on long-term debt.

The government-wide financial statements can be found on pages 8 and 9 of this report.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District's funds are governmental funds.

Governmental funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government'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 governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund and the capital projects fund, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 10 to 12 of this report.

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. The notes to the financial statements can be found on pages 13 through 24 of this report.

Government-Wide Financial Analysis

Statement of Net Position		2019		2018
Current and other assets	**$**	**75,915,289**	$	78,292,975
Capital assets		**271,036,305**		206,889,794
Total assets	**$**	**346,951,594**	$	285,182,769
Curent liabilities	**$**	**10,654,012**	$	7,520,318
Long-term liabilities		**333,432,088**		271,614,628
Total liabilities	**$**	**344,086,100**	$	279,134,946
Net investment in capital assets	**$**	**6,435,858**	$	8,169,886
Unrestricted		**(3,570,364)**		(2,122,063)
Total net position	**$**	**2,865,494**	$	6,047,823

Current and other assets decreased by $2,377,686 primarily due to investments held as a result of bond proceeds less capital outlay for the Villages of Lakewood Ranch South, Lakewood Centre Northwest, Del Webb, Northeast Sector, Lakewood Centre South, and Lakewood National & Polo Run infrastructure projects.

The primary changes in the capital assets increase of approximately $64.1 million were the completion of Lakewood National & Polo Run infrastructure improvements, and the infrastructure improvements on the Villages of Lakewood Ranch South, Lakewood Centre Northwest, Del Webb, Northeast Sector, and Lakewood Centre South projects of approximately $77.2 million less approximately $13.0 million of depreciation expense. The continued issuance of new bonds by the District is due to the continuing opening up of new residential development areas within the District with the bond proceeds being disbursed for master infrastructure in the appropriate assessment areas

Total liabilities increased by approximately $64.9 million, due primarily to new bonds issued, Lakewood Centre South, NE Sector, Phase 1B, The Isles at LWR, Lake Club Phase 4, Cresswind Project, and Indigo.

Statement of Activities		2019		2018
Program revenues				
Charges for services	**$**	**14,541,174**	$	13,368,046
Operating grants and contributions		**13,655,803**		13,571,184
General revenues				
Investment income		**886,452**		671,589
Non advalorem assessments		**2,970,621**		2,551,151
Total revenues		**32,054,050**		30,161,970
Expenses				
General government		**608,845**		573,807
Physical environment		**17,597,998**		14,638,031
Interest on long-term debt		**17,029,536**		15,768,142
Total expenses		**35,236,379**		30,979,980
Changes in net position		**(3,182,329)**		(818,010)
Net position - beginning		**6,047,823**		6,865,833
Net position - ending	**$**	**2,865,494**	$	6,047,823

Charges for services consist of lot sale proceeds and operating grants and contributions consists of Developer cash funding contributions. As the statement of activities is on an accrual basis, the expenses include $3,810,012 of accounts payable with payments made in October 2018 from additional Program revenues received. Charges for services increased by $1,173,128, primarily due increased land sales. Physical environment increased by $2,959,967 due to costs associated with new projects.

Capital Assets

During the year ended September 30, 2019, the District had a gross increase of infrastructure approximately $77.2 million. Primary capital projects continuing were the Lakewood Centre North, Villages of Lakewood Ranch South, Del Webb, Northeast Sector, and Lakewood Centre South, and Lakewood National & Polo Run projects. Additional information on the District's capital assets can be found in Note 4 of this report.

Debt Administration

During the year ended September 30, 2019, the District issued six new bonds, Lakewood Centre South, NE Sector, Phase 1B, The Isles at LWR, Lake Club Phase 4, Cresswind Project, and Indigo, netting to $74.3 million. Approximately $9.3 million was made in repayments of amounts due on the various issues of the District.

Additional information on the District's long-term debt can be found in Notes 5 and 6 of this report.

Budgetary Highlights

The District set its annual budget for the District expecting to be operational for the entire year. Landowner funding came in higher than anticipated by $198,802 and Assessment lower than anticipated by $78,685. The variance of the budgeted expenditures compared with actual results was $121,192 lower than anticipated, within the various areas within District operations. There were no budget amendments during the year.

Economic Factors and Year 2020 Budget

The District is anticipating increased interest in the various developments and projects currently underway. Next year's budget main components will be maintenance of the project areas, administration of the District, and continued infrastructure acquisition and improvements on capital projects begun in 2016, 2017, 2018, and 2019.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in them. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Lakewood Ranch Stewardship District, Attn: Supervisor, 14400 Covenant Way, Bradenton, Florida 34202.

FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

Lakewood Ranch Stewardship District
Statement of Net Position

September 30, 2019	Governmental Activities
Assets	
Current Assets:	
Cash and cash equivalents	$ 79,528
Total current assets	79,528
Other Assets:	
Cash and cash equivalents - restricted	75,674,560
Accrued interest receivable	1,081
Prepaid expenses	700
Due from land owner	159,420
Total other assets	75,835,761
Capital Assets:	
Depreciable assets:	
District infrastructure	279,070,514
Less accumulated depreciation	(75,521,024)
Net depreciable assets	203,549,490
Non-depreciable assets:	
Construction in progress	67,486,815
Total capital assets	271,036,305
Total assets	346,951,594
Liabilities	
Current Liabilities:	
Accounts payable	3,810,012
Bonds payable, current portion	6,844,000
Total current liabilities	10,654,012
Non-current Liabilities:	
Bonds payable, long-term portion	333,432,088
Total non-current liabilities	333,432,088
Total liabilities	344,086,100
Net Position	
Net investment in capital assets	6,435,858
Unrestricted	(3,570,364)
Total net position	$ 2,865,494

The notes to the financial statements are an integral part of this statement

Lakewood Ranch Stewardship District
Statement of Activities

For the year ended September 30, 2019		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	$ 608,845	$ 14,541,174	$ 13,655,803	$ -	$ 27,588,132
Physical environment	17,597,998	-	-	-	(17,597,998)
Interest on long-term debt	17,029,536	-	-	-	(17,029,536)
Total governmental activities	$ 35,236,379	$ 14,541,174	$ 13,655,803	$ -	(7,039,402)
	General revenues:				
	Non advalorem assessments				2,970,621
	Investment income				886,452
	Total general revenues				3,857,073
	Change in net position				(3,182,329)
	Net position - beginning				6,047,823
	Net position - ending				$ 2,865,494

The notes to the financial statements are an integral part of this statement

Lakewood Ranch Stewardship District
Balance Sheet – Governmental Funds and Reconciliation of the Balance Sheet to the Statement of Net Position

September 30, 2019	Major Funds: General	Major Funds: Debt Service	Major Funds: Capital Projects	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 79,528	$ -	$ -	$ 79,528
Cash and cash equivalents - restricted	-	27,611,155	48,063,405	75,674,560
Accrued interest receivable	-	1,081	-	1,081
Prepaid expenses	700	-	-	700
Due from land owner	159,420	-	-	159,420
Total assets	$ 239,648	$ 27,612,236	$ 48,063,405	$ 75,915,289
Liabilities				
Accounts payable	$ 221,934	$ -	$ 3,588,078	$ 3,810,012
Total liabilities	221,934	-	3,588,078	3,810,012
Fund Balances				
Restricted reported	-	27,612,236	44,475,327	72,087,563
Unassigned reported	17,714	-	-	17,714
Total fund balances	17,714	27,612,236	44,475,327	72,105,277
Total liabilities and fund balances	$ 239,648	$ 27,612,236	$ 48,063,405	$ 75,915,289

Amounts reported for governmental activities in the statement of net position are different because:	
Fund balance - governmental funds	$ 72,105,277
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds	271,036,305
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable, net	(340,276,088)
Net position - governmental activities	$ 2,865,494

The notes to the financial statements are an integral part of this statement

Lakewood Ranch Stewardship District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

For the fiscal year ended September 30, 2019	Major Funds: General	Major Funds: Debt Service	Major Funds: Capital Projects	Total Governmental Funds
Revenues				
Land owner funding contributions	$ 2,155,159	$ -	$ 11,500,644	$ 13,655,803
Assessments	2,970,621	-	-	2,970,621
Investment income	-	486,118	400,334	886,452
Allocated proceeds from landowner lot sales	-	3,975,550	-	3,975,550
Homeowner debt service payments	-	10,564,549	-	10,564,549
Other revenues	1,075	-	-	1,075
Total revenues	5,126,855	15,026,217	11,900,978	32,054,050
Expenditures				
Current:				
General government	608,845	-	-	608,845
Physical environment:				
Operations	4,518,010	-	-	4,518,010
Debt service:				
Bond principal payments	-	9,386,000	-	9,386,000
Bond interest payments	-	16,009,075	-	16,009,075
Cost of issuance	-	-	825,750	825,750
Capital outlay	-	-	77,226,496	77,226,496
Total expenditures	5,126,855	25,395,075	78,052,246	108,574,176
Other Financial Sources (Uses)				
Transfers in	-	14,163,134	601,346	14,764,480
Transfers out	-	(601,346)	(14,163,134)	(14,764,480)
Discount on bonds	-	-	(1,631,261)	(1,631,261)
Debt and loan proceeds (net)	-		74,305,000	74,305,000
Total other financing sources (uses)	-	13,561,788	59,111,951	72,673,739
Net change in fund balances	-	3,192,930	(7,039,317)	(3,846,387)
Fund balances - beginning	17,714	24,419,306	51,514,644	75,951,664
Fund balances - ending	$ 17,714	$ 27,612,236	$ 44,475,327	$ 72,105,277

The notes to the financial statements are an integral part of this statement

Lakewood Ranch Stewardship District
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds to the Statement of Activities

For the fiscal year ended September 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$ (3,846,387)
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is eliminated and capitalized as capital assets ($77,226,505). The total reflects depreciation expense for the current period ($13,079,994).	64,146,511
The issuance of debt is reported as an other financing source, however, in the statement of net position these are treated as liabilities	(72,673,742)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	9,386,000
Amortization on discount of bonds	(194,711)
Change in net position of governmental activities	$ (3,182,329)

The notes to the financial statements are an integral part of this statement

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting principles and policies used in the preparation of these basic financial statements.

REPORTING ENTITY

Lakewood Ranch Stewardship District is a local unit special purpose government created on June 17, 2005 under the "Lakewood Ranch Stewardship District Act," otherwise known as Chapter 2005-338, Florida Statutes. The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors ("Board") which is composed of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. Ownership of land within the District entitles the owner to one vote per acre. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 2005-338, amended by Chapter 2009-263, Florida Statutes. The District encompasses 23,255 acres of land located in Manatee County and Sarasota County, Florida.

The Board has the final responsibility for contracting for the services of consultants; borrowing money; adopting and enforcing rules and orders pursuant to the provisions of Chapter 120; holding, controlling and acquiring by donation, purchase or condemnation or dispose of any public easements; lease as lessor or assess to or from any person, firm, corporation, association or body; borrow money and issue bonds, certificates, warrants, notes, or other evidence of indebtedness; raise, by user charges or fees authorized by resolution of the board, amounts of money necessary for the conduct of District activities; assess and impose ad valorem taxes; determine, order, levy, impose, collect, and enforce maintenance taxes.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement 34, and Statement 39, an amendment of GASB Statement 34. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the non-fiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government 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.

The government 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 general obligation debt.

Capital Projects Fund

The Capital Projects fund is used to account for the cost of construction of the infrastructure of the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources, as they are needed.

Restricted Assets

These assets represent cash and cash equivalents set aside pursuant to bond covenants or other contractual restrictions.

Cash and Cash Equivalents

All deposits are placed in a bank that qualifies as a public depository, as required by law (Florida Security for Public Deposits Act). Accordingly, all deposits are insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes. The District considers investments with original maturities less than 3 months to be cash equivalents.

Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of $1,000 or more and an estimated useful life of more than one year. These assets are recorded at historical cost. Pursuant to GASB 34, the District elected to the report infrastructure prospectively. Construction in progress is not depreciated. Major outlays for capital assets and improvements are capitalized as projects are constructed. District infrastructure is being depreciated over twenty years.

Long-Term Obligations

In the government-wide financial statements long-term debt are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as insurance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of premiums or discounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances

Governmental funds report fund balances are classified either as nonspendable, or as spendable. Spendable fund balances are further classified based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable Fund Balance – Amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by laws through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that are constrained for specific purposes imposed by formal action of the highest level of decision making authority. The highest level of authority is the Board of Supervisors. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes those constraints by taking the same type of action.

Assigned Fund Balance – Amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Supervisors or (b) a body or official to which the Board of Supervisors has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Represents the residual fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned.

The District considers restricted funds to be used first when an expenditure is incurred and both restricted and unrestricted funds are available, followed by committed, assigned, and then unassigned as applicable.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 expenses/expenditures during the reporting period. Actual results could differ from those estimates.

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 all governmental funds except the capital projects fund, which adopts a project-length budget.

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 taxpayer 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) Unused appropriations for annually budgeted funds lapse at the end of the year.
f) The legal level of budgetary control is the fund level.

Reclassifications

The District has reclassified certain prior-period amounts to conform to the current-period presentation.

NOTE 2: CASH AND CASH EQUIVALENTS

The District's cash balances are 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.

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

The District has not formally adopted a written investment policy. According to Florida Statutes 218.415(17) the District is authorized to invest in the following:

(a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in §163.01.
(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, as defined in §280.02.
(d) Direct obligations of the U.S. Treasury.

The securities listed in (c) and (d) above must be invested such as to provide sufficient liquidity to pay obligations as they come due.

As of September 30, 2019, the District has the following balances in cash equivalents:

Money market accounts	$	75,674,560

NOTE 3: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance from independent third parties. There have been no significant reductions in insurance coverage from the prior year. No settlements have exceeded the District's insurance coverage for each of the past three fiscal years.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Captial Assets, not being depreciated:				
Construction in Progress				
Public Roads	$ 899,575	$ 17,136,076	$ 1,554,257	$ 16,481,394
Signals / Intersections	-	252,706	-	252,706
Bridges Tunnels	-	1,377,252	-	1,377,252
Lighting	453,892	2,493,158	38,327	2,908,723
Drainage	1,683,940	13,592,745	3,528,584	11,748,101
Irrigation	863,214	2,953,272	493,397	3,323,089
Other Utilities	755,349	2,471,420	336,700	2,890,069
Landscaping	383,516	2,380,541	687,785	2,076,272
Hardscape	14,347	1,649,158	1,569,782	93,723
Sanitary Sewer	786,169	6,680,620	4,374,130	3,092,659
Potable Water	814,530	7,172,897	1,886,480	6,100,947
Earthwork, Clearing & Fill	1,443,682	12,165,625	6,086,306	7,523,001
Engineering & Surveying	5,976,180	6,209,277	4,881,909	7,303,548
Mitigation/Littoral Plantings	55,167	240,277	-	295,444
Permit Fees & Bonding	194,887	239,013	131,548	302,352
Other Infrastructure	2,093,858	212,468	588,792	1,717,534
Total Construction in Progress	16,418,306	77,226,505	26,157,997	67,486,815
Capital Assets, being depreciated:				
District infrastructure	252,912,517	26,157,997	-	279,070,514
Total depreciable assets	252,912,517	26,157,997	-	279,070,514
Less accumulated depreciation for:				
District infrastructure	62,441,030	13,079,994	-	75,521,024
Total Capital Assets, being depreciated net	190,471,487	13,078,003	-	203,549,490
Total Capital Assets, net	$ 206,889,793	$ 39,236,000	$ -	$ 271,036,305

Depreciation expense was $13,079,994 for the fiscal year ended September 30, 2019, reported under the Physical environment function in the statement of activities.

NOTE 5: LINE OF CREDIT

On September 8, 2017, the District entered into a Non-Bank Qualified Tax Exempt Revolving Line of Credit not to exceed $45,000,000, with an interest rate of 4.0%. The line of credit was entered to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Northeast Sector, as well the set-up of a debt service reserve fund and to pay cost of issuance. On August 30, 2018, the line was amended to a maximum $33,000,000 credit available and an interest rate of 4.25%. The line expires on September 8, 2022 and as of September 30, 2019, the balance on the line was $0.

NOTE 6: LONG TERM DEBT

Unamortized discounts on governmental activities revenue bonds amounted to $6,545,930 and $5,109,369 as of September 30, 2019 and 2018, respectively.

	10/1/18	Additions	Decreases	9/30/19	Due within 1 year
2006 Country Club East Bonds	20,575,000	-	675,000	19,900,000	670,000
2010 Central Park Series A Bonds	2,875,000	-	70,000	2,805,000	50,000
2011 Lakewood Ctr NW Sector Bonds	32,425,000	-	735,000	31,690,000	635,000
2011 Belle Isle Series A Bonds	1,580,000	-	40,000	1,540,000	30,000
2013 Country Club East Series A Bonds	7,870,000	-	125,000	7,745,000	135,000
2013 Central Park Series A Bonds	6,705,000	-	120,000	6,585,000	125,000
2014 Country Club East Series A Bonds	11,390,000	-	205,000	11,185,000	220,000
2015 Lakewood Ctr North Bonds	34,590,000	-	900,000	33,690,000	680,000
2016 The Villages of LWR South Bonds	72,280,000	-	4,440,000	67,840,000	1,245,000
2017 Del Webb Bonds	14,505,000	-	255,000	14,250,000	255,000
2017 Lakewood National & Polo Run Bonds	48,725,000	-	785,000	47,940,000	815,000
2017 Lake Club Bonds	13,461,000	-	1,036,000	12,425,000	519,000
2018 Northeast Sector Bonds - Phase 1A	14,925,000	-	-	14,925,000	250,000
2019 Lakewood Centre South & NW Sector	-	11,790,000	155,000	11,635,000	175,000
2018 NE Sector, Phase 1B	-	36,185,000	-	36,185,000	575,000
2019 The Isles at LWR	-	7,580,000	-	7,580,000	130,000
2019 Lake Club Phase 4	-	9,125,000	-	9,125,000	160,000
2019 Cresswind Project	-	5,005,000	-	5,005,000	85,000
2019 Indigo Expansion Area	-	4,775,000	-	4,775,000	90,000
Bonds payable	$ 281,906,000	$ 74,460,000	$ 9,541,000	$ 346,825,000	$ 6,844,000
Less unamoritzed discounts	(5,109,369)	(1,631,258)	(194,711)	(6,545,916)	-
Bonds payable, less unamortized discounts	$ 276,796,631	$ 72,828,742	$ 9,346,289	$ 340,279,084	$ 6,844,000

On June 19, 2006, the District issued $27,215,000 of Special Assessment Revenue Bonds, Series 2006, due on May 1, 2037, with a fixed interest rate of 5.40%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Country Club East Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On July 12, 2010, the District issued $5,720,000 of Special Assessment Revenue Bonds, Series 2010A, due on May 1, 2040, with a fixed interest rate of 7.40%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Central Park Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On May 13, 2011, the District issued $36,255,000 of Special Assessment Revenue Bonds, Series 2011, due on May 1, 2040, with interest rates ranging from 7.40% to 8.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Lakewood Centre & NW Sector Projects, as well as set up a debt service reserve fund and to pay costs of issuance.

NOTE 6: LONG TERM DEBT (Continued)

On May 13, 2011, the District issued $1,765,000 of Special Assessment Revenue Bonds, Series 2011A, due on May 1, 2040, with a fixed interest rate of 8.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Belle Isle Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On August 5, 2013, the District issued $8,500,000 of Special Assessment Revenue Bonds, Series 2013A, due on May 1, 2043, with two fixed interest rates of 6.70% and 7.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Country Club East Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On August 5, 2013, the District issued $7,535,000 of Special Assessment Revenue Bonds, Series 2013, due on May 1, 2043, with interest rates ranging from 6.10% to 6.40%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Central Park Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On October 14, 2014, the District issued $12,145,000 of Special Assessment Revenue Bonds, Series 2014, due of May 1, 2044, with interest rates ranging from 5.35% to 5.60%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Country Club East Project, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On February 9, 2015, the District issued $37,360,000 of Special Assessment Revenue Bonds, Series 2015, due of May 1, 2045, with interest rates ranging from 4.25% to 4.875%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Lakewood Centre North Project, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On February 8, 2016, the District issued $79,505,000 of Special Assessment Revenue Bonds, Series 2016, due of May 1, 2046, with interest rates ranging from 4.00% to 5.125%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Villages of Lakewood Ranch South Project, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On May 8, 2017, the District issued $14,805,000 of Special Assessment Revenue Bonds, Series 2017, due as of May 1, 2047, with interest rates ranging from 3.65% to 5.125%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Del Webb Project, as well as set-up of a debt service reserve fund and to pay cost of issuance.

NOTE 6: LONG TERM DEBT (Continued)

On February 21, 2017, the District issued $49,480,000 of Special Assessment Revenue Bonds, Series 2017, due of May 1, 2047, with interest rates ranging from 4.00% to 5.375%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Lakewood National and Polo Run Project, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On September 29, 2017, the District issued $14,548,000 of Special Assessment Revenue Refunding Bonds, Series 2017, due as of May 1, 2036 with a fixed interest rate of 4.00%. The bonds were issued to refund and redeem all of the outstanding principal amount of the District's Special Assessment Revenue Bonds, 2006 Series A (Lake Club Project), pay certain costs associated with the issuance of the 2017 Bond, make a deposit into the 2017 Reserve Account, and pay interest first coming due on the 2017 Bond.

On August 30, 2018, the District issued $14,925,000 of Special Assessment Revenue Bonds, Series 2018, due as of May 1, 2048 with interest rates ranging from 3.90% to 5.10%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the NE Sector Project Phase 1A, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On December 10, 2018, the District issued $11,790,000 of Special Assessment Revenue Bonds, Series 2018, due on May 1, 2048, with interest rates ranging from 4.55% to 5.65%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Lakewood Centre & NW Sector Projects, as well as set up a debt service reserve fund and to pay costs of issuance.

On December 10, 2018, the District issued $36,185,000 of Special Assessment Revenue Bonds, Series 2018, due on May 1, 2048, with interest rates ranging from 4.35% to 5.45%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Northeast Sector Project – Phase 1B, as well as set up a debt service reserve fund and to pay costs of issuance.

On April 8, 2019, the District issued $7,580,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2049, with interest rates ranging from 3.50% to 4.875%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as The Isles at Lakewood Ranch Project – Phase 1, as well as set up a debt service reserve fund and to pay costs of issuance.

On May 20, 2019, the District issued $9,125,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2049, with interest rates ranging from 3.60% to 4.50%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Lake Club Phase 4 Project, as well as set up a debt service reserve fund and to pay costs of issuance.

NOTE 6: LONG TERM DEBT (Continued)

On May 20, 2019, the District issued $5,005,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2049, with interest rates ranging from 3.60% to 4.50%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Cresswind Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On September 9, 2019, the District issued $4,775,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2049, with interest rates ranging from 2.90% to 4.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Indigo Expansion Area Project, as well as set up a debt service reserve fund and to pay costs of issuance.

NOTE 6: LONG TERM DEBT (Continued)

Principal	2006 Country Club East Bonds	2010 Central Park Series A Bonds	2011 Lakewood Ctr NW Sector Bonds	2011 Belle Isle Series A Bonds	2013 Country Club East Series A Bonds	2013 Central Park Series A Bonds	2014 Country Club East Series A Bonds	2015 Lakewood Ctr North Bonds	2016 The Villages of LWR South Bonds	2017 Del Webb Bonds	2017 Lakewood National & Polo Run Bonds	2017 Lake Club Bonds	2018 Northeast Sector Bonds	2019 Lakewood Centre South	2019 NE Sector, Phase 1B	2019 The Isles at LWR	2019 Lake Club Phase 4	2019 Cresswind Project	2019 Indigo	Total
2020	$ 670,000	$ 50,000	$ 635,000	$ 30,000	$ 135,000	$ 125,000	$ 220,000	$ 680,000	$ 1,245,000	$ 255,000	$ 815,000	$ 519,000	$ 250,000	$ 175,000	$ 575,000	$ 130,000	$ 160,000	$ 85,000	$ 90,000	$ 6,844,000
2021	710,000	55,000	685,000	30,000	145,000	130,000	230,000	710,000	1,345,000	265,000	850,000	540,000	260,000	180,000	600,000	135,000	165,000	90,000	95,000	7,220,000
2022	745,000	60,000	735,000	35,000	155,000	140,000	240,000	740,000	1,485,000	270,000	885,000	562,000	270,000	190,000	625,000	135,000	170,000	95,000	100,000	7,637,000
2023	790,000	60,000	795,000	35,000	165,000	150,000	255,000	775,000	1,500,000	285,000	920,000	585,000	280,000	200,000	655,000	140,000	175,000	95,000	100,000	7,960,000
2024	830,000	70,000	855,000	40,000	175,000	160,000	270,000	810,000	1,535,000	300,000	965,000	609,000	295,000	205,000	680,000	145,000	185,000	100,000	105,000	8,334,000
2025-2029	4,910,000	460,000	5,370,000	250,000	1,067,500	940,000	1,590,000	4,665,000	8,890,000	1,700,000	5,575,000	3,439,000	1,675,000	1,300,000	3,940,000	825,000	1,025,000	565,000	570,000	48,756,500
2030-2034	6,430,000	720,000	7,855,000	370,000	1,502,500	1,265,000	2,060,000	5,965,000	11,280,000	2,175,000	7,205,000	4,222,000	2,130,000	1,580,000	5,060,000	1,025,000	1,260,000	690,000	675,000	63,469,500
2035-2039	4,815,000	1,060,000	11,725,000	555,000	2,127,500	1,795,000	2,730,000	7,620,000	14,125,000	2,770,000	9,380,000	1,949,000	2,725,000	2,085,000	6,600,000	1,295,000	1,565,000	865,000	820,000	76,606,500
2040-2044	-	270,000	3,035,000	195,000	2,272,500	1,880,000	3,590,000	9,575,000	17,710,000	3,590,000	12,255,000	-	3,510,000	2,840,000	8,635,000	1,650,000	1,960,000	1,075,000	995,000	75,037,500
2045+	-	-	-	-	-	-	-	2,150,000	8,725,000	2,640,000	9,090,000	-	3,530,000	2,880,000	8,815,000	2,100,000	2,460,000	1,345,000	1,225,000	44,960,000
Total	$ 19,900,000	$ 2,805,000	$ 31,690,000	$ 1,540,000	$ 7,745,000	$ 6,585,000	$ 11,185,000	$ 33,690,000	$ 67,840,000	$ 14,250,000	$ 47,940,000	$ 12,425,000	$ 14,925,000	$ 11,635,000	$ 36,185,000	$ 7,580,000	$ 9,125,000	$ 5,005,000	$ 4,775,000	$ 346,825,000

Interest	2006 Country Club East Bonds	2010 Central Park Series A Bonds	2011 Lakewood Ctr NW Sector Bonds	2011 Belle Isle Series A Bonds	2013 Country Club East Series A Bonds	2013 Central Park Series A Bonds	2014 Country Club East Series A Bonds	2015 Lakewood Ctr North Bonds	2016 The Villages of LWR South Bonds	2017 Del Webb Bonds	2017 Lakewood National & Polo Run Bonds	2017 Lake Club Bonds	2018 Northeast Sector Bonds	2019 Lakewood Centre South	2019 NE Sector, Phase 1B	2019 The Isles at LWR	2019 Lake Club Phase 4	2019 Cresswind Project	2019 Indigo	Total
2020	$ 1,054,620	$ 205,720	$ 2,443,245	$ 117,600	$ 532,470	$ 409,753	$ 608,313	$ 1,611,138	$ 3,487,888	$ 695,578	$ 2,468,763	$ 484,940	$ 725,318	$ 607,951	$ 1,880,021	$ 345,521	$ 390,041	$ 214,000	$ 176,008	$ 18,458,885
2021	1,017,360	201,835	2,394,405	115,200	523,090	401,975	596,275	1,581,600	3,435,088	686,088	2,435,463	463,760	715,373	599,875	1,854,465	340,884	384,200	210,850	173,325	18,131,109
2022	978,075	197,580	2,341,865	112,600	513,054	393,740	583,703	1,550,788	3,376,631	676,324	2,400,763	441,720	705,038	591,458	1,827,821	336,159	378,170	207,520	170,497	17,783,503
2023	936,630	193,140	2,285,255	109,800	502,320	384,895	570,461	1,518,594	3,313,200	665,269	1,361,788	418,780	694,313	582,585	1,799,981	331,346	371,960	204,100	167,598	16,412,014
2024	892,890	188,330	2,224,205	106,800	490,930	375,440	556,418	1,484,913	3,248,069	652,691	2,318,197	394,900	682,584	573,371	1,170,945	326,359	365,480	200,590	164,625	16,417,736
2025-2029	3,718,170	849,890	10,028,600	480,000	2,255,911	1,717,990	2,542,675	6,815,900	25,095,513	3,049,921	10,845,238	1,580,660	3,208,613	2,700,978	8,330,713	1,541,897	1,716,415	941,605	771,193	88,191,880
2030-2034	2,196,450	634,550	7,540,195	356,400	1,829,278	1,381,300	2,056,093	5,529,834	12,571,438	2,578,281	9,209,063	819,200	2,756,200	2,348,813	7,202,665	1,343,525	1,482,460	813,560	662,906	63,312,209
2035-2039	396,360	307,100	3,679,000	174,200	1,067,588	902,560	1,404,760	3,878,794	9,257,813	1,962,934	7,039,625	77,940	2,152,025	1,848,725	5,666,463	1,072,100	1,172,590	642,950	523,125	43,226,651
2040-2044	-	9,990	118,400	5,600	340,113	249,920	524,440	1,779,253	4,943,575	1,155,688	4,160,384	-	1,365,525	1,189,325	3,629,836	720,281	782,325	428,063	347,500	21,750,218
2045+	-	-	-	-	-	-	-	54,844	481,494	207,563	750,081	-	371,535	327,014	993,126	265,688	286,425	156,938	126,500	4,021,206
Total	$ 11,190,555	$ 2,788,135	$ 33,055,170	$ 1,578,200	$ 8,054,752	$ 6,217,573	$ 9,443,136	$ 25,805,656	$ 69,210,706	$ 12,330,336	$ 42,989,363	$ 4,681,900	$ 13,376,521	$ 11,370,094	$ 34,356,037	$ 6,623,759	$ 7,330,066	$ 4,020,175	$ 3,283,276	$ 307,705,410

Total	2006 Country Club East Bonds	2010 Central Park Series A Bonds	2011 Lakewood Ctr NW Sector Bonds	2011 Belle Isle Series A Bonds	2013 Country Club East Series A Bonds	2013 Central Park Series A Bonds	2014 Country Club East Series A Bonds	2015 Lakewood Ctr North Bonds	2016 The Villages of LWR South Bonds	2017 Del Webb Bonds	2017 Lakewood National & Polo Run Bonds	2017 Lake Club Bonds	2018 Northeast Sector Bonds	2019 Lakewood Centre South	2019 NE Sector, Phase 1B	2019 The Isles at LWR	2019 Lake Club Phase 4	2019 Cresswind Project	2019 Indigo	Total
2020	$ 1,724,620	$ 255,720	$ 3,078,245	$ 147,600	$ 667,470	$ 534,753	$ 828,313	$ 2,291,138	$ 4,732,888	$ 950,578	$ 3,283,763	$ 1,003,940	$ 975,318	$ 782,951	$ 2,455,021	$ 475,521	$ 550,041	$ 299,000	$ 266,008	$ 25,302,885
2021	1,727,360	256,835	3,079,405	145,200	668,090	531,975	826,275	2,291,600	4,780,088	951,088	3,285,463	1,003,760	975,373	779,875	2,454,465	475,884	549,200	300,850	268,325	25,351,109
2022	1,723,075	257,580	3,076,865	147,600	668,054	533,740	823,703	2,290,788	4,861,631	946,324	3,285,763	1,003,720	975,038	781,458	2,452,821	471,159	548,170	302,520	270,497	25,420,503
2023	1,726,630	253,140	3,080,255	144,800	667,320	534,895	825,461	2,293,594	4,813,200	950,269	2,281,788	1,003,780	974,313	782,585	2,454,981	471,346	546,960	299,100	267,598	24,372,014
2024	1,722,890	258,330	3,079,205	146,800	665,930	535,440	826,418	2,294,913	4,783,069	952,691	3,283,197	1,003,900	977,584	778,371	1,850,945	471,359	550,480	300,590	269,625	24,751,736
2025-2029	8,628,170	1,309,890	15,398,600	730,000	3,323,411	2,657,990	4,132,675	11,480,900	33,985,513	4,749,921	16,420,238	5,019,660	4,883,613	4,000,978	12,270,713	2,366,897	2,741,415	1,506,605	1,341,193	136,948,380
2030-2034	8,626,450	1,354,550	15,395,195	726,400	3,331,778	2,646,300	4,116,093	11,494,834	23,851,438	4,753,281	16,414,063	5,041,200	4,886,200	3,928,813	12,262,665	2,368,525	2,742,460	1,503,560	1,337,906	126,781,709
2035-2039	5,211,360	1,367,100	15,404,000	729,200	3,195,088	2,697,560	4,134,760	11,498,794	23,382,813	4,732,934	16,419,625	2,026,940	4,877,025	3,933,725	12,266,463	2,367,100	2,737,590	1,507,950	1,343,125	119,833,151
2040-2044	-	279,990	3,153,400	200,600	2,612,613	2,129,920	4,114,440	11,354,253	22,653,575	4,745,688	16,415,384	-	4,875,525	4,029,325	12,264,836	2,370,281	2,742,325	1,503,063	1,342,500	96,787,718
2045+	-	-	-	-	-	-	-	2,204,844	9,206,494	2,847,563	9,840,081	-	3,901,535	3,207,014	9,808,126	2,365,688	2,746,425	1,501,938	1,351,500	48,981,206
Total	$ 31,090,555	$ 5,593,135	$ 64,745,170	$ 3,118,200	$ 15,799,752	$ 12,802,573	$ 20,628,136	$ 59,495,656	$ 137,050,706	$ 26,580,336	$ 90,929,363	$ 17,106,900	$ 28,301,521	$ 23,005,094	$ 70,541,037	$ 14,203,759	$ 16,455,066	$ 9,025,175	$ 8,058,276	$ 654,530,410

NOTE 7:– SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 7, 2020, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Lakewood Ranch Stewardship District
Budgetary Comparison Schedule – General Fund

For the year ended September 30, 2019	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Landowner funding	$ 1,956,357	2,155,159	$ 198,802
Assessments	3,049,306	2,970,621	(78,685)
Miscellaneous	-	1,075	1,075
Total revenues	5,005,663	5,126,855	121,192
Expenditures			
Current:			
General government	603,310	608,845	(5,535)
Physical environment:			
Operations	4,402,353	4,518,010	(115,657)
Total expenditures	5,005,663	5,126,855	(121,192)
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING OF YEAR	17,714	17,714	-
FUND BALANCES - END OF YEAR	$ 17,714	$ 17,714	$ -

OTHER NON-FINANCIAL INFORMATION

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
1001 3rd Avenue West
Suite 500
Bradenton, FL 34205

(941) 747-0500
(941) 746-0202 (fax)
CRIcpa.com

INDEPENDENT AUDITORS' 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*

Board of Supervisors
Lakewood Ranch Stewardship District

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 the Lakewood Ranch Stewardship District, ("the District"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 7, 2020.

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 auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 would not necessarily 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 grant 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.*

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs, & Ingram, LLC

Bradenton, Florida
February 7, 2020

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
1001 3rd Avenue West
Suite 500
Bradenton, FL 34205

(941) 747-0500
(941) 746-0202 (fax)
CRIcpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH FLORIDA STATUTES 218.415 – INVESTMENT OF PUBLIC FUNDS

Board of Supervisors
Lakewood Ranch Stewardship District

We have examined the Lakewood Ranch Stewardship District ("District") compliance with Section 218.415, Florida Statutes during the fiscal year ended September 30, 2019. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements 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 above. 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, 2019.

This report is intended solely for the information and use of Lakewood Ranch Stewardship District and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C

Carr, Riggs, & Ingram, LLC

Bradenton, Florida
February 7, 2020

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
1001 3rd Avenue West
Suite 500
Bradenton, FL 34205

(941) 747-0500
(941) 746-0202 (fax)
CRIcpa.com

MANAGEMENT LETTER

Board of Supervisors
Lakewood Ranch Stewardship District

Report on the Financial Statements

We have audited the financial statements of Lakewood Ranch Stewardship District ("District"), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated February 7, 2020.

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 Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant'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 February 7, 2020 should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, require that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Board of Supervisors and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C

Carr, Riggs, & Ingram, LLC

Bradenton, Florida
February 7, 2020

REQUIRED COMMUNICATIONS

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
1001 3rd Avenue West
Suite 500
Bradenton, FL 34205

(941) 747-0500
(941) 746-0202 (fax)
CRIcpa.com

February 7, 2020

To the Board of Lakewood Ranch Stewardship District

We are pleased to present the results of our audit of the 2019 financial statements of Lakewood Ranch Stewardship District (the "District").

The document also contains the communications required by our professional standards.

Our audit was designed, primarily to express an opinion on the District's 2019 financial statements. We considered the District's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of the District's personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the District and management and others within the District and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 941-747-0500 or tgruters@cricpa.com.

Very truly yours,

Timothy Gruters

Timothy Gruters, CPA
Partner

As discussed with the District and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the District. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the District and management, in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on the District's financial statements for the year ended September 30, 2019;
- Communicate directly with the District and management regarding the results of our procedures;
- Address with the District and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the District and management; and
- Perform other audit-related projects as they arise and upon request.

We have audited the District's financial statements for the year ended September 30, 2019, and have issued our report thereon dated February 7, 2020. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Auditors' responsibility under Generally Accepted Auditing Standards	As stated in our engagement letter dated October 25, 2019, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities. As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
Client's responsibility	Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the statements of activities and functional expenses, and the statements of financial position in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.
Planned scope and timing of the audit	Our initial audit plan was not significantly altered during our fieldwork.
Management judgments and accounting estimates *The process used by management in forming particularly sensitive accounting estimates and the basis for the Auditors' conclusion regarding the reasonableness of those estimates.*	Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."
Potential effect on the financial statements of any significant risks and exposures *Major risks and exposures facing the District and how they are disclosed.*	No such risks or exposures were noted.

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the Auditors' judgment about the quality of accounting principles • *The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.* • *The auditor should also discuss the Auditors' judgment about the quality, not just the acceptability, of the District's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures. Critical accounting policies and practices applied by the District in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations.*	There were no changes in, or initial selections of, accounting policies during 2019. The District's accounting policies remain appropriate.
Significant difficulties encountered in the audit *Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.*	None.
Disagreements with management *Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or Auditors' report. This does not include those that came about based on incomplete facts or preliminary information.*	None.

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Other findings or issues *Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.*	See the "Internal Control Findings".
Matters arising from the audit that were discussed with, or the subject of correspondence with, management *Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.*	None.
Corrected and uncorrected misstatements *All significant audit adjustments arising from the audit, whether or not recorded by the District, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.*	Please see the following section titled "Summary of Audit Adjustments."
Major issues discussed with management prior to retention *Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.*	None.
Consultations with other accountants *When management has consulted with other accountants about significant accounting or auditing matters.*	None of which we are aware.
Written representations *A description of the written representations the auditor requested (or a copy of the representation letter).*	See "Management Representation Letter" section.

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Internal control deficiencies *Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the Auditors' attention during the audit.*	See the section titled "Internal Control Findings".
Fraud and illegal acts *Fraud involving the District's Board of Directors or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the Auditors' attention involving senior management and any other illegal acts, unless clearly inconsequential.*	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
Other information in documents containing audited financial statements *The external Auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.*	Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether: • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.

Accounting Policies, Judgments, & Sensitive Estimates & CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the District's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The Board may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Fixed Assets	Useful lives of depreciable assets are at twenty years and are depreciated at straight line.	X	A sensitive estimate for the District is the useful lives of fixed assets.	The District's policies are in accordance with accounting principles generally accepted in the United States of America (GAAP).

Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the District and amounts that we believe to be recorded based on auditing standards. Those adjustments are either recorded (corrected) by the District or passed (uncorrected).

The corrected adjustments as a result of our audit procedures are as follows:

None

We recorded the following entries as part of our non-attest services for the District:

Adjusting Journal Entries					
Adjusting Journal Entries JE # 6		4602			
AJE-06: Book depreciaiton for the year ending 09/30/2019. CRI maintains depreciation schedule for client and books entry at year end as part of service. Not evaluated as deficiency because entry is part of service provided. Part of YE closing entries.					
8000-00-000	Depreciation Expense			13,079,988.00	
1600-00-000	Accumulated Depreciation				13,079,988.00
Total				**13,079,988.00**	**13,079,988.00**
	Total Adjusting Journal Entries			**13,079,988.00**	**13,079,988.00**

Listed below are passed (uncorrected) adjustments.

None

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate;
- Whether the difference masks a change in earnings or other trends;
- Whether the difference changes a net decrease in assets to addition, or vice versa;
- Whether the difference concerns an area of the District's operating environment that has been identified as playing a significant role in the District's operations or viability;
- Whether the difference affects compliance with regulatory requirements;
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation;.
- Whether the difference involves concealment of an unlawful transaction.

Lakewood Ranch Stewardship District
14400 Covenant Way
Lakewood Ranch, Florida 34202

February 7, 2020

Carr, Riggs, & Ingram, LLC
1001 3rd Avenue West, Suite 500
Bradenton, FL 34205

This representation letter is provided in connection with your audit of the financial statements of Lakewood Ranch Stewardship District (the "District"), which comprise the respective financial position of the governmental activities and each major fund as of September 30, 2019, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 7, 2020, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated October 25, 2019, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3. We acknowledge our responsibility for 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.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8. There were no uncorrected misstatements during the fiscal year.

9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:
    a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters
    b. Additional information that you have requested from us for the purpose of the audit.
    c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.

d. Minutes of the meetings of the Board of Supervisors or summaries of actions of recent meetings for which minutes have not yet been prepared.

12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
    a. Management,
    b. Employees who have significant roles in internal control, or
    c. Others where the fraud could have a material effect on the financial statements.

15. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.

16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18. We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government – specific

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

21. The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

23. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

24. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

25. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

26. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

27. As part of your audit, you assisted with preparation of the financial statements and related notes, fixed asset and bonds depreciation and amortization LWR maintenance. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

28. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

29. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

30. The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended, and GASBS No 84.

31. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

32. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (non-spendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

33. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

34. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

35. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

36. Inter-fund, internal, and intra-entity activity and balances have been appropriately classified and reported.

37. Deposits and investment securities are properly classified as to risk and are properly disclosed.

38. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

39. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

40. We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.

41. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Examination Services

In connection with your examination of the investments, for the year ended September 30, 2019, for the purpose of expressing an opinion that the investments, are in compliance with the requirements of Section 218.415, Florida Statute; we confirm, to the best of our knowledge and belief, the following representations made to you during your engagement.

42. We are responsible for the investments and for compliance with the requirements of Section 218.415, Florida Statutes.

43. For the year ended September 30, 2019, the investments are in compliance with the requirements of Section 218.415, Florida Statutes.

44. We have disclosed to you all known matters contradicting, or that may contradict, the investments, and we have disclosed to you all communications from regulatory agencies affecting the investments.

45. There have been no communications from regulatory agencies, internal auditors, and other independent practitioners or consultants relating to the investments, including communications received between September 30, 2019, and the date of this letter.

46. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

47. We have made available to you all information and records that we believe are relevant to the investments.

48. There are no material transactions that have not been properly recorded in the accounting records underlying the investments.

49. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.

50. We have no knowledge of any fraud, allegations of fraud, or suspected fraud involving management, or others where the fraud could have an effect on the investments, including any communications from analysts, regulators, or others.

51. We have responded fully to all inquiries made to us by you during the engagement.

52. No events have occurred subsequent to September 30, 2019 that would require adjustment to or modification of the investments.

53. Your report is intended solely for the information and use of management, those charged with governance, and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than those specified parties.

Signed: Andrew J. Clyde

Title: Supervisor/Treasurer
Lakewood Ranch Stewardship District

INTERNAL CONTROL RECOMMENDATIONS

February 7, 2020

To the Board of Lakewood Ranch Stewardship District

In planning and performing our audit of the financial statements of Lakewood Ranch Stewardship District ("the District") as of and for the year ended September 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

This communication is intended solely for the information and use of the District and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

APPENDIX G

NORTHEAST SECTOR PARCEL MAP

[THIS PAGE INTENTIONALLY LEFT BLANK]

NORTHEAST QUADRANT

Land Map as of September, 2020

NOTE: ACREAGE, UNITS, AND COMMERCIAL AREA IS APPROXIMATE
This document is graphic in nature and not intended to be utilized as a statement of development rights or proposed development.

[THIS PAGE INTENTIONALLY LEFT BLANK]

Printed by: ImageMaster, LLC
www.imagemaster.com