

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

*In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Series 2023 Bonds is (a) excludable from gross income of the owners thereof for federal income tax purposes, except as otherwise described herein under the caption "TAX MATTERS" and (b) not an item of tax preference for purposes of the federal "alternative minimum tax; provided, however, with respect to certain corporations, interest on the Series 2023 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. See "TAX MATTERS" herein for a general discussion of Bond Counsel's opinion and other tax considerations.*

**\$2,330,000\***

**RYE CROSSING COMMUNITY DEVELOPMENT DISTRICT  
(MANATEE COUNTY, FLORIDA)  
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2023  
(ASSESSMENT AREA ONE)**

**Dated: Date of Issuance****Due: As set forth below**

The Rye Crossing Community Development District Capital Improvement Revenue Bonds, Series 2023 (Assessment Area One) (the "Series 2023 Bonds") are being issued by the Rye Crossing Community Development District (the "District") only in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof.

The Series 2023 Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on each May 1 and November 1, commencing May 1, 2023. The Series 2023 Bonds, when issued, will be registered in the name of Cede & Co., as Nominee for The Depository Trust Company ("DTC") of New York, New York. Purchases of beneficial interests in the Series 2023 Bonds will be made only in book-entry form. Accordingly, principal of and interest on the Series 2023 Bonds will be paid from the Series 2023 Trust Estate (as hereinafter defined) by U.S. Bank Trust Company, National Association, as trustee (the "Trustee") directly to Cede & Co., as the registered Owner thereof. Disbursements of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of Direct Participants and the Indirect Participants (as hereinafter defined), as more fully described herein. Any purchaser of a beneficial interest of a Series 2023 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2023 Bond. See "DESCRIPTION OF THE SERIES 2023 BONDS - Book-Entry Only System" herein.

Proceeds of the Series 2023 Bonds will be applied to: (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area One Project (as defined herein), (ii) pay certain costs associated with the issuance of the Series 2023 Bonds, (iii) make a deposit into the Series 2023 Reserve Account to be held for the benefit of all of the Series 2023 Bonds, and (iv) pay a portion of the interest to become due on the Series 2023 Bonds. See "ESTIMATED SOURCES AND USES OF SERIES 2023 BOND PROCEEDS."

The District, which is the issuer of the Series 2023 Bonds, is a local unit of special purpose government of the State of Florida (the "State"), created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance No. 22-38 of the Board of County Commissioners of Manatee County, Florida (the "County"), adopted on May 5, 2022 and effective on May 9, 2022 (the "Ordinance"). The Series 2023 Bonds are being issued pursuant to the Act, Resolution Nos. 2022-26 and 2023-07 adopted by the Board of Supervisors of the District (the "Board") on July 5, 2022 and December 12, 2022, respectively, and a Master Trust Indenture, dated as of February 1, 2023 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture dated as of February 1, 2023 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the District and the Trustee. The Series 2023 Bonds are equally and ratably secured by the Series 2023 Trust Estate, without preference or priority of one Series 2023 Bond over another. The Series 2023 Pledged Revenues consist of all right, title and interest of the District in, to and under, subject to the terms and conditions of the Indenture, the revenues derived by the District from the Series 2023 Assessments (the "Series 2023 Pledged Revenues") and the Series 2023 Pledged Funds consist of all of the Funds and Accounts (except for the Series 2023 Rebate Account) established under the First Supplemental Indenture (the "Series 2023 Pledged Funds") which together shall constitute the Trust Estate securing the Series 2023 Bonds (the "Series 2023 Trust Estate"). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS."

The Series 2023 Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2023 BONDS - Redemption Provisions" herein.

NEITHER THE SERIES 2023 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. THE SERIES 2023 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2023 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2023 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2023 PLEDGED REVENUES AND THE SERIES 2023 PLEDGED FUNDS PLEDGED TO THE SERIES 2023 BONDS, ALL AS PROVIDED IN THE SERIES 2023 BONDS AND IN THE INDENTURE.

The Series 2023 Bonds involve a degree of risk (see "BONDOWNERS' RISKS" herein) and are not suitable for all investors (see "SUITABILITY FOR INVESTMENT" herein). The Underwriter named below is limiting this offering to "accredited investors" within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to accredited investors does not denote restrictions on transfers in any secondary market for the Series 2023 Bonds. The Series 2023 Bonds are not credit enhanced or rated and no application has been made for credit enhancement or a rating with respect to the Series 2023 Bonds.

This cover page contains information for quick reference only. It is not a summary of the Series 2023 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

**MATURITY SCHEDULE**

\$ _____ - _____ %	Series 2023 Term Bond due May 1, 20__	Yield _____ %	Price _____	CUSIP # _____	**
\$ _____ - _____ %	Series 2023 Term Bond due May 1, 20__	Yield _____ %	Price _____	CUSIP # _____	**
\$ _____ - _____ %	Series 2023 Term Bond due May 1, 20__	Yield _____ %	Price _____	CUSIP # _____	**
\$ _____ - _____ %	Series 2023 Term Bond due May 1, 20__	Yield _____ %	Price _____	CUSIP # _____	**

The Series 2023 Bonds are offered for delivery when, as and if issued by the District and subject to the receipt of the approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, KE Law Group, PLLC, Tallahassee, Florida, for the Developer by its counsel, J. Wayne Crosby, P.A., Winter Park, Florida, and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida. It is expected that the Series 2023 Bonds will be delivered in book-entry form through the facilities of DTC on or about February \_\_, 2023.



Dated: \_\_\_\_\_, 2023.

\* Preliminary, subject to change.

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

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2023 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The District has deemed this Preliminary Limited Offering Memorandum "final," except for permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

## **RYE CROSSING COMMUNITY DEVELOPMENT DISTRICT**

### **BOARD OF SUPERVISORS**

Christian Cotter\*, Chairperson  
Mary Moulton\*, Vice-Chairperson  
Andre Carmack\*, Assistant Secretary  
Ted Gadoury\*, Assistant Secretary  
Vacant, Assistant Secretary

\* Employee of, or affiliated with, the Developer

### **DISTRICT MANAGER/METHODOLOGY CONSULTANT**

Wrathell, Hunt & Associates, LLC  
Boca Raton, Florida

### **DISTRICT COUNSEL**

KE Law Group, PLLC  
Tallahassee, Florida

### **BOND COUNSEL**

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

### **DISTRICT ENGINEER**

Atwell, LLC  
Maitland, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SERIES 2023 BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF THE SERIES 2023 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE DEVELOPER (AS HEREINAFTER DEFINED), THE DISTRICT, PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, WHICH SOURCES ARE BELIEVED TO BE RELIABLE BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE UNDERWRITER NAMED ON THE COVER PAGE OF THIS LIMITED OFFERING MEMORANDUM. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT, THE DEVELOPER OR THE BUILDER OR IN THE STATUS OF THE DEVELOPMENT, ASSESSMENT AREA ONE, THE DISTRICT OR THE ASSESSMENT AREA ONE PROJECT (AS SUCH TERMS ARE HEREINAFTER DEFINED) SINCE THE DATE HEREOF.

THE SERIES 2023 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2023 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 COUNTY, THE STATE, NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2023 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," "SHOULD," "INTENDS,"

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

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

THIS LIMITED OFFERING MEMORANDUM IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: [WWW.MUNIOS.COM](http://WWW.MUNIOS.COM) AND [WWW.EMMA.MSRB.ORG](http://WWW.EMMA.MSRB.ORG). THIS LIMITED OFFERING MEMORANDUM MAY BE RELIED UPON ONLY IF IT IS PRINTED IN ITS ENTIRETY DIRECTLY FROM EITHER OF SUCH WEBSITES.

THIS PRELIMINARY LIMITED OFFERING MEMORANDUM IS IN A FORM DEEMED FINAL BY THE DISTRICT FOR PURPOSES OF RULE 15C2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15C2-12(B)(1).

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## **LIMITED OFFERING MEMORANDUM**

**\$2,330,000\***

**RYE CROSSING COMMUNITY DEVELOPMENT DISTRICT  
(MANATEE COUNTY, FLORIDA)  
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2023  
(ASSESSMENT AREA ONE)**

### **INTRODUCTION**

The purpose of this Limited Offering Memorandum, including the cover page and appendices attached hereto, is to set forth certain information in connection with the offering for sale by the Rye Crossing Community Development District (the "District") of its \$2,330,000\* Capital Improvement Revenue Bonds, Series 2023 (Assessment Area One) (the "Series 2023 Bonds").

THE SERIES 2023 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. PURSUANT TO APPLICABLE STATE LAW, THE UNDERWRITER IS LIMITING THIS INITIAL OFFERING OF THE SERIES 2023 BONDS TO ONLY ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. THE LIMITATION OF THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE SERIES 2023 BONDS. POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2023 BONDS. SEE "BONDOWNERS' RISKS" AND "SUITABILITY FOR INVESTMENT" HEREIN.

The District, which is the issuer of the Series 2023 Bonds, is a local unit of special purpose government of the State of Florida (the "State"), created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance No. 22-38 of the Board of County Commissioners of Manatee County, Florida (the "County"), adopted on May 5, 2022 and effective on May 9, 2022 (the "Ordinance"). The District was created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands (as hereinafter defined) and has previously determined to undertake, in one or more stages, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of the District Lands. The Act authorizes the District to issue bonds for the purposes of, among others, financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, or equipping water management, water supply, sewer and wastewater management, bridges or culverts, public roads, street lights and other basic infrastructure projects within or without the boundaries of the District as provided in the Act.

The District Lands currently contain approximately 39.651 gross acres of land (the "District Lands" or "Assessment Area One") located entirely within an unincorporated area of Manatee County, Florida (the "County") which are being developed into 116 residential units. The District Lands have been platted and the development work is substantially complete. The District anticipates amending its boundaries to include an additional 152.319 acres of land, which are planned to be developed into 334 residential units (the "Expansion Lands"). The District anticipates this boundary amendment will be completed in the first quarter of 2023. The District Lands and the Expansion Lands are being developed as a 450-unit residential community to be known as "Rye Crossing" (the "Development"). The Development is generally located in

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\* Preliminary, subject to change.

an eastern portion of the County, approximately 8 miles to the east of Interstate-75. More specifically, the Development is located east of North Rye Road and north of Rye Wilderness Trail. See "THE DEVELOPMENT" herein for more information.

Forestar (USA) Real Estate Group Inc., a Delaware corporation (the "Developer"), is developing the lands in the Development and selling developed lots to D.R. Horton, Inc., a Delaware corporation ("Horton" or the "Builder") who is marketing and constructing homes for sale to end users. Horton is under contract to acquire 60 of the lots in Assessment Area One. As of December 8, 2022, Horton currently owns 23 lots within Assessment Area One, and the Developer owns the remaining 93 platted lots in Assessment Area One. The Developer and the Builder are sometimes referred to herein individually as a "Landowner" and collectively as the "Landowners". See "THE DEVELOPMENT – Builder Contract" and "THE DEVELOPER AND THE BUILDER" herein for additional information.

The Series 2023 Bonds are being issued pursuant to the Act, Resolution Nos. 2022-26 and 2023-07 adopted by the Board of Supervisors of the District (the "Board") on July 5, 2022 and December 12, 2022, respectively, and a Master Trust Indenture, dated as of February 1, 2023 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture dated as of February 1, 2023 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the Indenture. See "APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE" hereto.

The Series 2023 Bonds are equally and ratably secured by the Series 2023 Trust Estate, without preference or priority of one Series 2023 Bond over another. The Series 2023 Pledged Revenues consist of all right, title and interest of the District in, to and under, subject to the terms and conditions of the Indenture, the revenues derived by the District from the Series 2023 Assessments (the "Series 2023 Pledged Revenues") and the Series 2023 Pledged Funds consist of all of the Funds and Accounts (except for the Series 2023 Rebate Account) established under the First Supplemental Indenture (the "Series 2023 Pledged Funds") which together shall constitute the Trust Estate securing the Series 2023 Bonds (the "Series 2023 Trust Estate"). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS."

Proceeds of the Series 2023 Bonds will be applied to: (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area One Project, (ii) pay certain costs associated with the issuance of the Series 2023 Bonds, (iii) make a deposit into the Series 2023 Reserve Account to be held for the benefit of all of the Series 2023 Bonds, and (iv) pay a portion of the interest to become due on the Series 2023 Bonds.. See "ESTIMATED SOURCES AND USES OF SERIES 2023 BOND PROCEEDS."

There follows in this Limited Offering Memorandum a brief description of the District, Assessment Area One, the Assessment Area One Project, the Development, the Developer, the Builder and summaries of the terms of the Series 2023 Bonds, the Indenture and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such document and statute, and all references to the Series 2023 Bonds are qualified by reference to the form thereof and the information with respect thereto contained in the Indenture. The proposed forms of the Master Indenture and First Supplemental Indenture appear as APPENDIX B hereto.

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

## **DESCRIPTION OF THE SERIES 2023 BONDS**

### **General Description**

The Series 2023 Bonds are being issued only in fully registered form, in denominations of \$5,000 and any integral multiple thereof; provided, however, if any initial Beneficial Owner does not purchase at least \$100,000 of the Series 2023 Bonds at the time of initial delivery of the Series 2023 Bonds, such Beneficial Owner must either execute and deliver to the District and the Underwriter on the date of delivery of the Series 2023 Bonds an investor letter substantially in the form attached to the First Supplemental Indenture or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended. The Series 2023 Bonds will initially be sold only to "accredited investors" within the meaning of Chapter 517, Florida Statutes, as amended, and the rules promulgated thereunder by the Florida Department of Financial Services. The limitation of the initial offering to accredited investors does not denote restrictions on transfers in any secondary market for the Series 2023 Bonds.

Each Series 2023 Bond shall be dated the date of initial delivery. Each Series 2023 Bond shall also bear its date of authentication. Each Series 2023 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such Series 2023 Bond has been paid, in which event such Series 2023 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2023 Bonds, in which event such Series 2023 Bond shall bear interest from its date. Interest on the Series 2023 Bonds shall be due and payable on each May 1 and November 1, commencing May 1, 2023 and shall be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2023 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2023 Bond for each maturity thereof. Upon initial issuance, the ownership of each such Series 2023 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 First Supplemental Indenture, all of the Outstanding Series 2023 Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC. See "DESCRIPTION OF THE SERIES 2023 BONDS - Book-Entry System" herein.

The First Supplemental Indenture provides that, with respect to Series 2023 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 Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant.

U.S. Bank Trust Company, National Association is the Trustee, Registrar and Paying Agent for the Series 2023 Bonds.

### **Redemption Provisions**

#### **Optional Redemption**

The Series 2023 Bonds are subject to redemption prior to maturity at the option of the District, in whole or in part, on any date on or after May 1, 20\_\_ at the Redemption Price of the principal amount of the Series 2023 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

### **Mandatory Sinking Fund Redemption**

The Series 2023 Bonds maturing May 1, 20[\_\_\_], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2023 Sinking Fund Account established under the First Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below.

<b><u>Year</u></b>	<b><u>Amortization Installment</u></b>
--------------------	--

\$

\*

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\* Maturity

The Series 2023 Bonds maturing May 1, 20[\_\_\_], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2023 Sinking Fund Account established under the First Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below.

<b><u>Year</u></b>	<b><u>Amortization Installment</u></b>
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\$

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\* Maturity

[Remainder of page intentionally left blank.]

The Series 2023 Bonds maturing May 1, 20[ ], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2023 Sinking Fund Account established under the First Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below.

<u><b>Year</b></u>	<u><b>Amortization Installment</b></u>
	\$

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\* Maturity

The Series 2023 Bonds maturing May 1, 20[ ], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2023 Sinking Fund Account established under the First Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below.

<u><b>Year</b></u>	<u><b>Amortization Installment</b></u>
	\$

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\* Maturity

As more particularly set forth in the Indenture, any Series 2023 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2023 Bonds. Amortization Installments are also subject to recalculation, as provided in the First Supplemental Indenture, as the result of the redemption of Series 2023 Bonds other than from scheduled Amortization Installments so as to reamortize the remaining Outstanding principal balance of the Series 2023 Bonds as set forth in the First Supplemental Indenture.

### **Extraordinary Mandatory Redemption**

The Series 2023 Bonds are subject to extraordinary mandatory redemption prior to maturity in whole or in part on any Redemption Date at the Redemption Price of one hundred percent (100%) of the

principal amount thereof, without premium, together with 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 Assessment Area One Project, by application of moneys transferred from the Series 2023 Acquisition and Construction Account to the Series 2023 Prepayment Subaccount as provided for in the Indenture; or

(ii) from amounts, including Series 2023 Prepayments, required by the Indenture to be deposited into the Series 2023 Prepayment Subaccount; or

(iii) from amounts transferred from the Series 2023 Reserve Account to the Series 2023 Prepayment Subaccount resulting from a reduction in the Series 2023 Reserve Account Requirement as provided for in the Indenture; or

(iv) on the date on which the amount on deposit in the Series 2023 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2023 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2023 Bonds shall be called for redemption, the particular Series 2023 Bonds or portions of Series 2023 Bonds to be redeemed shall be selected by lot by the Bond Registrar as provided in the Indenture, or as provided or directed by DTC.

### **Notice of Redemption**

Notice of each redemption of Series 2023 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the date of redemption to each registered Owner of Series 2023 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2023 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2023 Bonds or such portions thereof on such date, interest on such Series 2023 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2023 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2023 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

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

### **Purchase of Series 2023 Bonds**

At the written direction of the District, the Trustee shall apply moneys from time to time available in the Series 2023 Fund Sinking Account to the purchase of Series 2023 Bonds, at prices not higher than the principal amount thereof, in lieu of redemption. See "APPENDIX B: PROPOSED FORMS OF

MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE" attached hereto for more information.

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

THE INFORMATION IN THIS CAPTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND NEITHER THE DISTRICT NOR THE UNDERWRITER MAKES ANY REPRESENTATION OR WARRANTY OR TAKES ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

DTC will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2023 Bonds and will be deposited with DTC. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard and Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2023 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2023 Bonds, except in the event that use of the book-entry system for the Series 2023 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial

ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Series 2023 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2023 Bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent for the Series 2023 Bonds. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2023 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2023 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2023 Bond certificates will be printed and delivered to DTC.

NEITHER THE DISTRICT NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2023 BONDS. THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2023 BONDS PAID TO DTC OR ITS NOMINEE, AS THE



REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM.

## **SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS**

### **General**

NEITHER THE SERIES 2023 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THE SERIES 2023 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2023 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2023 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2023 PLEDGED REVENUES AND THE SERIES 2023 PLEDGED FUNDS PLEDGED TO THE SERIES 2023 BONDS, ALL AS PROVIDED IN THE SERIES 2023 BONDS AND IN THE INDENTURE.

The Series 2023 Bonds are equally and ratably secured by the Series 2023 Trust Estate, without preference or priority of one Series 2023 Bond over another. The Series 2023 Trust Estate consists of all right, title and interest of the District in, to and under, subject to the terms and conditions of the Indenture, the revenues derived by the District from the Series 2023 Assessments (the "Series 2023 Pledged Revenues") and the Funds and Accounts (except for the Series 2023 Rebate Account) established under the First Supplemental Indenture (the "Series 2023 Pledged Funds") which shall constitute the Trust Estate securing the Series 2023 Bonds (the "Series 2023 Trust Estate"). The "Series 2023 Assessments" are the non-ad valorem special assessments imposed, levied and collected by the District in accordance with the Series 2023 Assessment Proceedings. The Series 2023 Bonds will be secured by assessments on Assessment Area One.

Non-ad valorem assessments are not based on millage and are not taxes, but can become a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. The Series 2023 Assessments will constitute a lien against the land as to which the Series 2023 Assessments are imposed. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

### **Covenant to Levy the Series 2023 Assessments**

The District will covenant in the Indenture to comply with the terms of the Series 2023 Assessment Proceedings heretofore adopted with respect to the Series 2023 Assessments, including the Assessment Methodology (as defined herein), and to levy Series 2023 Assessments and collect any required true-up payments set forth in the Assessment Methodology in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2023 Bonds when due.

If any Series 2023 Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any such Series 2023 Assessment is so

irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Series 2023 Assessment when it might have done so, the District has additionally covenanted to either (i) take all necessary steps to cause a new Series 2023 Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement, or (ii) in its sole discretion, make up the amount of such Series 2023 Assessment from legally available moneys, which moneys shall be deposited into the Series 2023 Revenue Account. See "BONDOWNERS' RISKS" herein. In case any such subsequent Series 2023 Assessment shall also be annulled, the District shall obtain and make other Series 2023 Assessments until a valid Series 2023 Assessment shall be made.

### **Prepayment of Series 2023 Assessments**

Pursuant to the Series 2023 Assessment Proceedings, an owner of property subject to the Series 2023 Assessments may pay all or a portion (up to two times) of the principal balance of such Series 2023 Assessments remaining due at any time if there is also paid an amount equal to the interest that would otherwise be due on such balance on the next succeeding Interest Payment Date for the Series 2023 Bonds, or, if prepaid during the forty-five (45) day period preceding such Interest Payment Date, on the second succeeding Interest Payment Date. See "BONDOWNERS' RISKS – Prepayment and Redemption Risk" herein.

Pursuant to the Act, an owner of property subject to the levy of Series 2023 Assessments may pay the entire balance of the Series 2023 Assessments remaining due, without interest, within thirty (30) days after the Assessment Area One Project has been completed or acquired by the District, and the Board has adopted a resolution accepting the Assessment Area One Project pursuant to Chapter 170.09, Florida Statutes. The Landowners, as the sole owners of the property within Assessment Area One, will covenant to waive this right with respect to the property they own in Assessment Area One in connection with the issuance of the Series 2023 Bonds pursuant to Declarations of Consent. Such declarations will be recorded in the public records of the County, and the covenants contained therein will be binding on their successors in interest. See "BONDOWNERS' RISKS – Prepayment and Redemption Risk" herein.

The Series 2023 Bonds are subject to extraordinary mandatory redemption as indicated under "DESCRIPTION OF THE SERIES 2023 BONDS – Redemption Provisions – Extraordinary Mandatory Redemption" from optional prepayments of Series 2023 Assessments by property owners. See "APPENDIX E: ASSESSMENT METHODOLOGY REPORT" attached hereto.

### **Limitation on Issuance of Additional Obligations**

Pursuant to the First Supplemental Indenture, other than Refunding Bonds issued to refund the then Outstanding Series 2023 Bonds, the issuance of which results in net present value Debt Service savings, the District shall not, while any Series 2023 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2023 Trust Estate. The District will further covenant and agree that so long as the Series 2023 Assessments have not been Substantially Absorbed, it will not issue Bonds or other debt obligations secured by Assessments on any lands subject to the Series 2023 Assessments without the written consent of the Majority Owners. Notwithstanding the immediately preceding sentence, the District may impose Assessments on property subject to the Series 2023 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 without the consent of the Majority Owners. "Substantially Absorbed" is defined in the First Supplemental Indenture to mean the date on which the principal amount of the Series 2023 Assessments equaling seventy-five percent (75%) of the then Outstanding principal amount of the Series 2023 Bonds is levied on tax parcels within Assessment Area One with respect to which a certificate of occupancy has been issued for a structure thereon and are owned by end users, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

The District and/or other public entities may impose taxes or other special assessments on the same properties encumbered by the Series 2023 Assessments without the consent of the Owners of the Series 2023 Bonds. The District is expected to impose certain non-ad valorem special assessments called maintenance assessments, which are of equal dignity with the Series 2023 Assessments, on the same lands upon which the Series 2023 Assessments are imposed, to fund the maintenance and operation of the District. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" and "BONDOWNERS' RISKS" herein.

### **Series 2023 Acquisition and Construction Account**

Pursuant to the First Supplemental Indenture, there is established within the Acquisition and Construction Fund held by the Trustee a Series 2023 Acquisition and Construction Account. Amounts on deposit in the Series 2023 Acquisition and Construction Account shall be applied to pay Costs of the Assessment Area One Project upon compliance with the requisition provisions set forth in the Master Indenture and on the form attached as an exhibit to the First Supplemental Indenture. The Trustee shall have no duty to verify that any requested disbursement from the Series 2023 Acquisition and Construction Account is for a Cost of the Assessment Area One Project. The Consulting Engineer shall establish a Date of Completion for the Assessment Area One Project, and any balance remaining in the Series 2023 Acquisition and Construction Account after such Date of Completion (taking into account the moneys then on deposit therein to pay any accrued but unpaid Costs of the Assessment Area One Project which are required to be reserved in the Series 2023 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineer delivered to the District and the Trustee establishing such Date of Completion), shall be transferred to the Series 2023 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2023 Bonds in accordance with the First Supplemental Indenture and in the manner prescribed in the form of Series 2023 Bond attached as an exhibit to the First Supplemental Indenture. Notwithstanding the foregoing, the District shall not establish a Date of Completion until both the Reserve Account Release Conditions #1 (as defined herein) and the Reserve Account Release Conditions #2 (as defined herein) have been satisfied and moneys have been transferred from the Series 2023 Reserve Account to the Series 2023 Acquisition and Construction Account as a result of such satisfaction pursuant to the First Supplemental Indenture. At such time as there are no amounts on deposit in the Series 2023 Acquisition and Construction Account, such Account shall be closed.

In accordance with the provisions of the Indenture, the Series 2023 Bonds are payable solely from the Series 2023 Pledged Revenues and the Series 2023 Pledged Funds held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District acknowledges that (i) the Series 2023 Pledged Funds includes, without limitation, all amounts on deposit in the Series 2023 Acquisition and Construction Account then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2023 Bonds, the Series 2023 Pledged Funds may not be used by the District (whether to pay Costs of the Assessment Area One Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the Trustee notifying the District of such declared Event of Default the District had incurred a binding obligation with third parties for work on the Assessment Area One Project and payment is for such work, and (iii) upon the occurrence of an Event of Default with respect to the Series 2023 Bonds, the Series 2023 Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Assessment Area One Project that will cause the expenditure of additional funds from the Series 2023 Trust Estate after the occurrence and during the continuance of an Event of Default unless authorized in writing by the Majority Owners.

## **Series 2023 Reserve Account**

The First Supplemental Indenture establishes a Series 2023 Reserve Account within the Reserve Fund for the Series 2023 Bonds, which shall be held for the benefit of all of the Series 2023 Bonds, without distinction as to Series 2023 Bonds and without privilege or priority of one Series 2023 Bond over another. The Series 2023 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2023 Reserve Account Requirement. "Series 2023 Reserve Account Requirement" is defined in the First Supplemental Indenture to mean an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2023 Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #1 are met, at which time and thereafter the Series 2023 Reserve Account Requirement shall be an amount equal to twenty-five percent (25%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2023 Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #2 are met, at which time and thereafter the Series 2023 Reserve Account Requirement shall be an amount equal to ten percent (10%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2023 Bonds, as of the time of any such calculation. On the date of initial issuance of the Series 2023 Bonds, the Series 2023 Reserve Account Requirement shall be \$\_\_\_\_\_.

"Reserve Account Release Conditions #1" shall mean, collectively, that (i) all lots subject to the Series 2023 Assessments have been developed and platted, and (ii) there are no Events of Default occurring or continuing under the Master Indenture. The Consulting Engineer shall provide a written certification to the District and the Trustee certifying that the event in clause (i) has occurred and the District Manager shall provide a written certification to the District and the Trustee affirming clause (ii) on which certifications the Trustee may conclusively rely.

"Reserve Account Release Conditions #2" shall mean, collectively, that (i) all of the Reserve Account Release Conditions #1 have been satisfied, (ii) all homes within Assessment Area One have been built, sold and closed with end-users, (iii) all of the principal portion of the Series 2023 Assessments have been assigned to such homes, and (iv) all Series 2023 Assessments are being collected pursuant to the Uniform Method. The District Manager shall provide a written certification to the District and the Trustee certifying that the events in clauses (i) through (iv) have occurred, on which certifications the Trustee may conclusively rely.

Except as otherwise provided in the Indenture, amounts on deposit in the Series 2023 Reserve Account shall be used only for the purpose of making payments into the Series 2023 Interest Account and the Series 2023 Sinking Fund Account to pay Debt Service on the Series 2023 Bonds, when due, without distinction as to Series 2023 Bonds and without privilege or priority of one Series 2023 Bond over another, to the extent the moneys on deposit in such Accounts available therefor are insufficient and for no other purpose. The Series 2023 Reserve Account shall consist only of cash and Series 2023 Investment Obligations.

Anything in the Indenture to the contrary notwithstanding, 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 first Business Day preceding such forty-fifth (45th) day), the Trustee is authorized and directed to recalculate the Series 2023 Reserve Account Requirement and to transfer any excess on deposit in the Series 2023 Reserve Account (i) resulting from Prepayments of Series 2023 Assessments into the Series 2023 Prepayment Subaccount, and applied to the extraordinary mandatory redemption of the Series 2023 Bonds, (ii) resulting from a reduction of the Series 2023 Reserve Account Requirement as the result of either the Reserve Account Release Conditions #1 or the Reserve Account Release Conditions #2 being met into the Series 2023 Acquisition and Construction Account and used for the purposes of such Account, or (iii) resulting from investment earnings as provided in the First Supplemental Indenture.

On the earliest date on which there is on deposit in the Series 2023 Reserve Account sufficient moneys, after taking into account other moneys available therefor, to pay and redeem all of the Outstanding Series 2023 Bonds, together with accrued interest and redemption premium, if any, on such Series 2023 Bonds to the earliest Redemption Date permitted therein and in the First Supplemental Indenture, then the Trustee shall transfer the amount on deposit in the Series 2023 Reserve Account into the Series 2023 Prepayment Subaccount to pay and redeem all of the Outstanding Series 2023 Bonds on the earliest Redemption Date permitted for redemption therein and in the First Supplemental Indenture.

Anything in the Indenture to the contrary notwithstanding, amounts on deposit in the Series 2023 Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

### **Deposit and Application of the Series 2023 Pledged Revenues**

(a) Pursuant to the First Supplemental Indenture, the Trustee is authorized and directed to deposit any and all amounts required to be deposited in the Series 2023 Revenue Account by the Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2023 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

(b) The Trustee shall deposit into the Series 2023 Revenue Account (i) Series 2023 Assessment Revenues other than Series 2023 Prepayments (which Series 2023 Prepayments shall be identified by the District to the Trustee as such in writing upon deposit, upon which certification the Trustee may conclusively rely, and which shall be deposited into the Series 2023 Prepayment Subaccount), (ii) Series 2023 Prepayment Interest, and (iii) any other revenues required by other provisions of the Indenture to be deposited into the Series 2023 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 preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the Series 2023 Prepayment Subaccount and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2023 Revenue Account for deposit into the Series 2023 Prepayment Subaccount an amount sufficient to increase the amount on deposit therein to the nearest integral multiple of \$5,000 (provided that there are sufficient funds remaining in the Series 2023 Revenue Account to pay Debt Service coming due on the Series 2023 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2023 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2023 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Series 2023 Bonds set forth in the form of Series 2023 Bonds attached to the First Supplemental Indenture and the provisions of the Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall first transfer from the Series 2023 Capitalized Interest Account to the Series 2023 Interest Account the lesser of (x) the amount of interest coming due on the Series 2023 Bonds on such May 1 or November 1, less the amount already on deposit in the Series 2023 Interest Account, or (y) the amount remaining in the Series 2023 Capitalized Interest Account. Following the foregoing transfer, on such May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall then

transfer amounts on deposit in the Series 2023 Revenue Account to the Accounts designated below in the following amounts and in the following order of priority:

FIRST, to the Series 2023 Interest Account, the amount, if any, equal to the difference between the amount of interest payable on all Series 2023 Bonds then Outstanding on such May 1 or November 1, and (i) the amount transferred from the Series 2023 Capitalized Interest Account in accordance with Section 408(d) of the First Supplemental Indenture and (ii) the amount already on deposit in the Series 2023 Interest Account not previously credited;

SECOND, on May 1, 2024, and on each May 1 thereafter, to the Series 2023 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2023 Bonds subject to mandatory sinking fund redemption on such May 1 and the amount already on deposit in the Series 2023 Sinking Fund Account not previously credited;

THIRD, to the Series 2023 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2023 Reserve Account Requirement with respect to the Series 2023 Bonds; and

FOURTH, the balance shall first be deposited into the Series 2023 Costs of Issuance Account to fund any deficiencies in the amount allocated to pay the costs of issuance relating to the Series 2023 Bonds, and then the balance shall be retained in the Series 2023 Revenue Account.

On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2023 Revenue Account to the Series 2023 Rebate Account the amount due and owing to the United States, which amount shall be paid to the United States when due in accordance with such Arbitrage Certificate.

## **Investments**

Anything in the Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2023 Bonds shall be invested only in Series 2023 Investment Obligations. Earnings on investments in the Series 2023 Acquisition and Construction Account, the Series 2023 Interest Account and the Series 2023 Capitalized Interest Account shall be retained, as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the Funds and Accounts other than the Series 2023 Reserve Account, and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2023 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2023 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in the Master Indenture) in the Series 2023 Reserve Account as of the most recent date on which amounts on deposit in the Series 2023 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2023 Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2023 Reserve Account shall be deposited into the Series 2023 Capitalized Interest Account through November 1, 2023, and thereafter shall be deposited into the Series 2023 Revenue Account and used for the purpose of such Account; or

(ii) if there was a deficiency (as defined in the Master Indenture) in the Series 2023 Reserve Account as of the most recent date on which amounts on deposit in the Series 2023 Reserve Account were valued by the Trustee, or if after such date withdrawals have been made from the Series 2023 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2023 Reserve

Account shall be retained in the Series 2023 Reserve Account until the amount on deposit therein is equal to the Series 2023 Reserve Account Requirement, and then earnings on investments in the Series 2023 Reserve Account shall be deposited into the Series 2023 Capitalized Interest Account through November 1, 2023, and thereafter shall be deposited into the Series 2023 Revenue Account and used for the purpose of such Account.

The foregoing determination and disbursement shall be made prior to any recalculation and transfer of excess amounts on deposit in the Series 2023 Reserve Account made pursuant to the First Supplemental Indenture.

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

The following provisions of the Master 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, or tax parcels which are in the aggregate, subject to at least five percent (5%) of the Series 2023 Assessments pledged to the Series 2023 Bonds then Outstanding (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding").

The District will acknowledge and agree in the Indenture that, although the Series 2023 Bonds were issued by the District, the Owners of the Series 2023 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 will agree that it shall make a reasonable attempt to timely seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2023 Bonds then Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2023 Assessments relating to the Series 2023 Bonds then Outstanding, the then Outstanding Series 2023 Bonds or any rights of the Trustee under the Indenture (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2023 Bonds then Outstanding, to the proposed action if the District does not receive a written response from the Trustee within sixty (60) days following delivery to the Trustee of a written request for consent);

(b) the District will agree 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 2023 Assessments relating to the Series 2023 Bonds then Outstanding, the Series 2023 Bonds then Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee;

(c) the District will agree that it shall make a reasonable attempt to timely seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2023 Bonds then Outstanding, to the proposed action if the District does not receive a written response from the Trustee within sixty (60) days following delivery to the Trustee of a written request for consent);

(d) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Series 2023 Assessments relating to the Series 2023 Bonds then Outstanding would have the right to pursue and, if the Trustee chooses to

exercise any such rights, the District shall not oppose the Trustee in seeking to exercise any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Series 2023 Assessments relating to the Series 2023 Bonds then Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and

(e) the District shall not challenge the validity or amount of any claim submitted in good faith by the Trustee in such Proceeding 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 the Trustee's enforcement of the District's claim and rights with respect to the Series 2023 Assessments relating to the Series 2023 Bonds then Outstanding or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District will agree that the Trustee shall have the right to (i) file a proof of claim with respect to the Series 2023 Assessments pledged to the Series 2023 Bonds then Outstanding, (ii) deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) defend any objection filed to said proof of claim.

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

Notwithstanding the provisions of the immediately preceding paragraphs, nothing in the Master Indenture 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 for Operation and Maintenance Assessments in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Series 2023 Assessments relating to the Series 2023 Bonds then Outstanding whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (d) above.

### **Events of Default and Certain Remedies upon an Event of Default**

The Master Indenture provides that each of the following shall be an "Event of Default" under the Indenture with respect to the Series 2023 Bonds, but no other Series of Bonds unless otherwise provided in the Supplemental Indenture relating to such Series:

- (a) any payment of Debt Service on the Series 2023 Bonds is not made when due;
- (b) the District shall for any reason be rendered incapable of fulfilling its obligations under the Indenture;
- (c) the District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the



appointment of a receiver or trustee for itself or for the whole or any part of the Assessment Area One Project;

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

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

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

(g) any portion of the Series 2023 Assessments shall have become Delinquent Assessments and, as the result thereof, the Indenture provides for the Trustee to withdraw funds in an amount greater than twenty-five percent (25%) of the amount on deposit in the Series 2023 Reserve Account to pay Debt Service on the Series 2023 Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners, actually withdraw such funds from the Series 2023 Reserve Account to pay Debt Service on the Series 2023 Bonds);

(h) the District shall default in the due and punctual performance of any of the material covenants, conditions, agreements and provisions contained in the Series 2023 Bonds or in the Indenture on the part of the District to be performed (other than a default in the payment of Debt Service on the Series 2023 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 the same to be remedied shall have been given to the District by the Trustee or, if the Trustee is unwilling or unable to act, by Owners of not less than ten percent (10%) in aggregate principal amount of the Series 2023 Bonds then Outstanding and affected by such default; and

(i) more than twenty percent (20%) of the Operation and Maintenance Assessments levied by the District on tax parcels subject to the Series 2023 Assessments are not paid by the date such are due and payable.

No Series of Bonds issued under the Master Indenture are subject to acceleration unless the Assessments securing such Bonds have been accelerated. Upon the happening and continuance of any Event of Default specified above with respect to the Series 2023 Bonds, the Trustee may protect and enforce the rights of the Owners of the Series 2023 Bonds under State law, and under the Indenture and the Series 2023 Bonds, by such proceedings in equity or at law, either for the specific performance of any covenant or agreement contained in the Master Indenture or in aid or execution of any power in the Indenture granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights.

The Majority Owners of the Series 2023 Bonds then Outstanding shall, subject to the requirements of the Master Indenture, have the right, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee under the Master Indenture, provided that such directions shall not be in conflict with any rule of law or the Master

Indenture and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unduly prejudicial to the rights of the Owners of such Series 2023 Bonds not parties to such direction or would subject the Trustee to personal liability or expense. Notwithstanding the foregoing, the Trustee shall have the right to select and retain legal counsel of its choosing to represent it in any such proceedings. The Trustee may take any other action which is not inconsistent with any direction under this paragraph.

No Owner of such Series 2023 Bonds shall have any right to pursue any other remedy under the Master Indenture or such Series 2023 Bonds unless: (a) an Event of Default shall have occurred and is continuing; (b) the Majority Owners of the Series 2023 Bonds then Outstanding have requested the Trustee, in writing, to exercise the powers granted in the Master Indenture or to pursue such remedy in its or their name or names; (c) the Trustee has been offered indemnity satisfactory to it against costs, expenses and liabilities reasonably anticipated to be incurred; (d) the Trustee has declined to comply with such request, or has failed to do so, within sixty (60) days after its receipt of such written request and offer of indemnity; and (e) no direction inconsistent with such request has been given to the Trustee during such sixty (60) day period by the Majority Owners of the Series 2023 Bonds then Outstanding. The exercise of such rights is further subject to the provisions of the Master Indenture. No Owner or Owners of such Series 2023 Bonds shall have any right in any manner whatsoever to enforce any right under the Master Indenture, except in the manner provided in the Master Indenture.

The District will covenant and agree in the Master Indenture that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, including delinquent Direct Billed Operation and Maintenance Assessments, the provisions for the foreclosure of liens of Delinquent Assessments, including delinquent Direct Billed Operation and Maintenance Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, the Majority Owners, from time to time, of the Series 2023 Bonds. Notwithstanding anything to the contrary in the Master Indenture, and unless otherwise directed by the Majority Owners of the Series 2023 Bonds and allowed pursuant to federal or State law, the District acknowledges and agrees that (y) upon failure of any property owner to pay an installment of Assessments collected directly by the District when due, that the entire Assessment on the tax parcel as to which such Delinquent Assessment appertains, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and the District shall promptly, but in any event within 120 days, cause to be brought the necessary legal proceedings for the foreclosure of liens of Delinquent Assessments, including interest and penalties with respect to such tax parcel and (z) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages. See "APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE" attached hereto for more information.

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## **ENFORCEMENT OF ASSESSMENT COLLECTIONS**

### **General**

The primary source of payment for the Series 2023 Bonds is the collection of the Series 2023 Assessments imposed on certain lands in the District that are specially benefited by the Assessment Area One Project pursuant to the Series 2023 Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein and "APPENDIX E: ASSESSMENT METHODOLOGY REPORT."

The imposition, levy, and collection of Series 2023 Assessments must be done in compliance with the provisions of Florida law. Failure by the District, the Manatee County Tax Collector ("Tax Collector") or the Manatee County Property Appraiser ("Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, the Series 2023 Assessments during any year. Such delays in the collection of the Series 2023 Assessments would have a material adverse effect on the ability of the District to make full or punctual payment of Debt Service on the Series 2023 Bonds. See "BONDOWNERS' RISKS." To the extent that landowners fail to pay the Series 2023 Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2023 Bonds. For the Series 2023 Assessments to be valid, the Series 2023 Assessments must meet two requirements: (1) the benefit from the Assessment Area One Project to the lands subject to the Series 2023 Assessments must exceed or equal the amount of the Series 2023 Assessments, and (2) the Series 2023 Assessments must be fairly and reasonably allocated across all such benefitted properties.

Pursuant to the Act, and the Series 2023 Assessment Proceedings, the District may collect the Series 2023 Assessments through a variety of methods. See "BONDOWNERS' RISKS." The Series 2023 Assessments levied on platted lots are expected to be added to the County tax roll and collected pursuant to the Uniform Method. For unplatted lands (and platted lots for the initial tax year), the District is expected to directly issue annual bills to the landowners requiring payment of the Series 2023 Assessments, and will enforce that bill through foreclosure proceedings. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" and "APPENDIX E: ASSESSMENT METHODOLOGY REPORT." The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

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

As noted above, and pursuant to Chapters 170 and 190 of the Florida Statutes, the District may directly levy, collect and enforce the Series 2023 Assessments. In this context, Section 170.10 of the Florida Statutes provides that upon the failure of any property owner to timely pay all or any part of the annual installment of principal and/or interest of a special assessment due, including the Series 2023 Assessments, the whole assessment, with the interest and penalties thereon, shall immediately become due and payable and subject to foreclosure. Generally stated, the governing body of the entity levying the special assessment, in this case the District, may foreclose by commencing a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or, alternatively, by commencing an action under Chapter 173, Florida Statutes, which relates to foreclosure of municipal tax and special assessment liens. Such proceedings are in rem, meaning that the action would be brought against the land, and not against the landowner. In light of the one year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay Series 2023 Assessments and the ability to foreclose the lien of such Series 2023 Assessments upon the failure to pay such Series 2023 Assessments may not be readily available or may be limited because enforcement is dependent upon judicial action which is often subject to discretion and delay. Additionally, there is no guarantee that there will be demand for any foreclosed lands sufficient to repay the Series 2023 Assessments. See " BONDOWNERS' RISKS."

### **Uniform Method Procedure**

Subject to certain conditions, and for developed lands (as described above), the District may alternatively elect to collect the Series 2023 Assessments using the Uniform Method. The Uniform Method of collection is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Series 2023 Assessments to be levied and then collected in this manner.

If the Uniform Method of collection is used, the Series 2023 Assessments will be collected together with County, school, special district, and other ad valorem taxes and non-ad valorem assessments (together, "Taxes and Assessments"), all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of Taxes and Assessments provide that such Taxes and Assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such Taxes and Assessments – including the Series 2023 Assessments – are to be billed, and landowners in the District are required to pay, all Taxes and Assessments without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2023 Assessments.

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by State law such as Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Therefore, in the event the Series 2023 Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Series 2023 Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of Debt Service on the Series 2023 Bonds.

Under the Uniform Method, if the Series 2023 Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. All unpaid Taxes and Assessments become delinquent on April 1 of the year following assessment.

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to the holders of the Series 2023 Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2023 Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2023 Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Series 2023 Assessment Proceedings to discharge the lien of the Series 2023 Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2023 Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Series 2023 Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax certificate process by paying the total amount of delinquent Taxes and Assessments plus all applicable interest, costs and charges. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates by public bid to the person who pays the delinquent Taxes and Assessments owing, and any applicable interest, costs and charges, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%).

If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest, which is currently 18%. The Tax Collector does not collect any money if tax certificates are issued, or struck off, to the County. The County may sell such certificates to the public at any time after issuance, but before a tax deed application is made, at the face amount thereof plus interest at the rate of not more than 18% per annum, costs and charges. Proceeds from the sale of tax certificates are required to be used to pay Taxes and Assessments (including the Series 2023 Assessments), interest, costs and charges on the real property described in the certificate.

Unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees, any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued, and at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, and charges due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 5%, unless the rate borne by the certificates is zero percent. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described above.

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

In any such public sale conducted by the Clerk of the Circuit Court, the private holder of the tax certificate who is seeking a tax deed for non-homestead property is deemed to submit a minimum bid equal to the amount required to redeem the tax certificate, charges for the cost of sale, including costs incurred for the service of notice required by statute, redemption of other tax certificates on the land, and all other costs to the applicant for the tax deed, plus interest thereon. In the case of homestead property, the minimum bid is also deemed to include, in addition to the amount of money required for the minimum bid on non-homestead property, an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bids, the holder receives title to the land, and the amounts paid for the certificate and in applying

for a tax deed are credited toward the purchase price. The holder is also responsible for payment of any amounts included in the bid not already paid, including but not limited to, documentary stamp tax, recording fees, and, if property is homestead property, the moneys to cover the one-half value of the homestead. If there are other bids, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate, together with all subsequent unpaid taxes plus the costs and expenses of the application for deed, with interest on the total of such sums, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholder of record, mortgagees of record, vendees of recorded contracts for deeds, and other lienholders and any other person to whom the land was last assessed on the tax roll for the year in which the land was assessed, all as their interest may appear. If the property is purchased for an amount in excess of the statutory bid of the certificate holder, but such excess is not sufficient to pay all governmental liens of record, the excess shall be paid to each governmental unit pro rata.

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

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

There can be no guarantee that the Uniform Method will result in the payment of Series 2023 Assessments. For example, the demand for tax certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful collection of the Series 2023 Assessments, which are the primary source of payment of the Series 2023 Bonds. Additionally, legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates. See "BONDOWNERS' RISKS."

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## **BONDOWNERS' RISKS**

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other sections of this Limited Offering Memorandum. Certain additional risks are associated with the Series 2023 Bonds offered hereby and are set forth below. Prospective investors in the Series 2023 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2023 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2023 Bonds, and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the Series 2023 Bonds.

### **Concentration of Land Ownership**

As of December 8, 2022, Horton owns 23 lots within Assessment Area One, and the Developer owns the remaining 93 platted lots. Payment of the Series 2023 Assessments is primarily dependent upon their timely payment by the Landowners and the other future landowners in Assessment Area One. Non-payment of the Series 2023 Assessments by any of the landowners could have a substantial adverse impact upon the District's ability to pay Debt Service on the Series 2023 Bonds. See "THE DEVELOPER AND THE BUILDER" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" herein.

### **Bankruptcy and Related Risks**

In the event of the institution of bankruptcy or similar proceedings with respect to either of the Landowners or any other owner of benefited property, delays could occur in the payment of Debt Service on the Series 2023 Bonds, as such bankruptcy could negatively impact the ability of: (i) either of the Landowners and any other landowner to pay the Series 2023 Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2023 Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Series 2023 Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2023 Bonds under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, State and local law and in the Indenture and the Series 2023 Bonds, including, without limitation, enforcement of the obligation to pay Series 2023 Assessments and the ability of the District to foreclose the lien of the Series 2023 Assessments if not being collected pursuant to the Uniform Method, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2023 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to the Series 2023 Bonds could have a material adverse impact on the interest of the Owners thereof.

A 2011 bankruptcy court decision in Florida held that the governing body of a community development district, and not the bondholders or indenture trustee, was the creditor of the landowners/debtors in bankruptcy with respect to claims for special assessments, and thus only the district could vote to approve or disapprove a reorganization plan submitted by the debtors in the case. The district voted in favor of the plan. The governing body of the district was at that time elected by the landowners rather than qualified electors. Under the reorganization plan that was approved, a two-year moratorium was placed on the debtor landowners' payment of special assessments. As a result of this non-payment of

assessments, debt service payments on the district's bonds were delayed for two years or longer. The Master Indenture provides for the delegation of certain rights from the District to the Trustee in the event of a bankruptcy or similar proceeding with respect to an insolvent Landowner. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Indenture Provisions Relating to Bankruptcy or Insolvency of a Landowner" herein. The District cannot express any view whether such delegation would be enforceable.

### **Series 2023 Assessments Are Non-Recourse**

The principal security for the payment of the principal and interest on the Series 2023 Bonds is the timely collection of the Series 2023 Assessments. The Series 2023 Assessments do not constitute a personal indebtedness of the landowners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the Landowners or other landowners will be able to pay the Series 2023 Assessments or that they will pay such Series 2023 Assessments even though financially able to do so. Neither the Landowners nor any other landowners have any personal obligation to pay the Series 2023 Assessments. Neither the Landowners nor any other landowners are guarantors of payment of any Series 2023 Assessments, and the recourse for the failure of the Landowners or any landowners to pay the Series 2023 Assessments is limited to the collection proceedings against the land subject to such unpaid Series 2023 Assessments, as described herein. Therefore the likelihood of collection of the Series 2023 Assessments may ultimately depend on the market value of the land subject to the Series 2023 Assessments. While the ability of the Landowners and other landowners to pay the Series 2023 Assessments is a relevant factor, the willingness of the Landowners and other landowners to pay the Series 2023 Assessments, which may also be affected by the value of the land subject to the Series 2023 Assessments, is also an important factor in the collection of Series 2023 Assessments. The failure of either of the Landowners or any other landowners to pay the Series 2023 Assessments could render the District unable to collect delinquent Series 2023 Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of Debt Service on the Series 2023 Bonds.

### **Regulatory and Environmental Risks**

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

The value of the land within the District, the success of the Development, the development of Assessment Area One and the likelihood of timely payment of principal and interest on the Series 2023 Bonds could be affected by environmental factors with respect to the land in the District. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the District, which could materially and adversely affect the success of the development of the lands within the District and the likelihood of the timely payment of the Series 2023 Bonds. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the District. See "THE DEVELOPMENT – Environmental" for information on environmental site assessments obtained or received. Nevertheless, it is possible that hazardous environmental conditions could exist within the District or in the vicinity of the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District. No assurance can be given that unknown hazardous materials, protected animals or vegetative



species, etc., do not currently exist or may not develop in the future, whether originating within the District or from surrounding property, and what effect such may have on the development or sale of the lands in Assessment Area One.

The value of the lands subject to the Series 2023 Assessments could also be adversely impacted by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the District Lands unable to support future development. The occurrence of any such events could materially adversely impact the District's ability to pay principal and interest on the Series 2023 Bonds. The Series 2023 Bonds are not insured, and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

### **Economic Conditions and Changes in Development Plans**

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

### **Other Taxes and Assessments**

The willingness and/or ability of an owner of benefited land to pay the Series 2023 Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the County or any other local special purpose or general purpose governmental entities. County, school, special district taxes and special assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, including the Series 2023 Assessments, collected pursuant to the Uniform Method are payable at one time. Public entities whose boundaries overlap those of the District could, without the consent of the owners of the land within the District, impose additional taxes on the property within the District. The District anticipates imposing operation and maintenance assessments encumbering the same property encumbered by the Series 2023 Assessments. In addition, lands within the District may also be subject to assessments by property owners' and homeowners' associations. See "THE DEVELOPMENT – Taxes, Fees and Assessments" herein for additional information.

Under Florida law, a landowner may contest the assessed valuation determined for its property that forms the basis of ad-valorem taxes such landowner must pay. During this contest period, the sale of a tax certificate under the Uniform Method will be suspended. If the Series 2023 Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to such Series 2023 Assessment, even though the landowner is not contesting the amount of the Series 2023 Assessment. However, Section 194.014, Florida Statutes, requires taxpayers challenging the assessed value of their property to pay all non-ad valorem assessments and at least 75% of their ad valorem taxes before they become delinquent. Likewise, taxpayers who challenge the denial of an exemption or classification or a determination that their improvements were substantially complete must pay all non-ad valorem assessments and the amount of ad valorem taxes that they admit in good faith to be owing. If a taxpayer fails to pay property taxes as set forth above, the Value Adjustment Board considering the taxpayer's challenge is required to deny such petition by written decision by April 20 of such year.

## **Limited Secondary Market for Series 2023 Bonds**

The Series 2023 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2023 Bonds in the event an Owner thereof determines to solicit purchasers for the Series 2023 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2023 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2023 Bonds, depending on the progress of development of the lands within Assessment Area One, existing real estate and financial market conditions and other factors.

## **Inadequacy of Reserve Account**

Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Series 2023 Assessments, may not adversely affect the timely payment of Debt Service on the Series 2023 Bonds because of the Series 2023 Reserve Account. The ability of the Series 2023 Reserve Account to fund deficiencies caused by delinquencies in the Series 2023 Assessments is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in the Series 2023 Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys in such Reserve Account to make up deficiencies. If the District has difficulty in collecting the Series 2023 Assessments, the Series 2023 Reserve Account would be rapidly depleted and the ability of the District to pay Debt Service on the Series 2023 Bonds could be materially adversely affected. In addition, during an Event of Default under the Indenture, the Trustee may withdraw moneys from the Series 2023 Reserve Account and such other Funds, Accounts and subaccounts created under the Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If in fact the Series 2023 Reserve Account is accessed for any purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2023 Assessments in order to provide for the replenishment of the Series 2023 Reserve Account. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Series 2023 Reserve Account" herein for more information about the Series 2023 Reserve Account.

## **Legal Delays**

If the District should commence a foreclosure action against a landowner for nonpayment of Series 2023 Assessments that are not being collected pursuant to the Uniform Method, such landowner and/or its mortgagee(s) may raise affirmative defenses to such foreclosure action. Although the District expects that such affirmative defenses would likely be proven to be without merit, they could result in delays in completing the foreclosure action. In addition, the District is required under the Indenture to fund the costs of such foreclosure. It is possible that the District will not have sufficient funds and will be compelled to request the Holders of the Series 2023 Bonds to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Internal Revenue Code of 1986, as amended (the "Code"), there are limitations on the amounts of proceeds from the Series 2023 Bonds that can be used for such purpose.

## **IRS Examination and Audit Risk**

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. In 2016, the IRS concluded its lengthy examination of certain issues of bonds (for purposes of this subsection, the "Audited Bonds") issued by Village Center Community Development District (the "Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a

political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015, which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements were closed without change to the tax exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in the Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS letter to the Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that the Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption. Although the TAMs and the letters to the Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to the Village Center CDD.

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

It has been reported that the IRS has closed audits of other community development districts in the State with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within the timeframe established by the applicable state law or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six years from the date of establishment of the community development district or the time at which there are at least 250 qualified electors in the district. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. Currently, all of the members of the Board of the District were elected by the Developer and none were elected by qualified electors. The Developer will certify as to its expectations as to the timing of the transition of control of the Board of the District to qualified electors pursuant to the Act. Such certification by the Developer does not ensure that such certification shall be determinative of, or may influence the outcome of any audit by the IRS, or any appeal

from such audit, that may result in an adverse ruling that the District is not a political subdivision for purposes of Section 103(a) of the Code. Further, there can be no assurance that an audit by the IRS of the Series 2023 Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable State or federal law.

Owners of the Series 2023 Bonds are advised that, if the IRS does audit the Series 2023 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Series 2023 Bonds may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Series 2023 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2023 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2023 Bonds would adversely affect the availability of any secondary market for the Series 2023 Bonds. Should interest on the Series 2023 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2023 Bonds be required to pay income taxes on the interest received on such Series 2023 Bonds and related penalties, but because the interest rate on such Series 2023 Bonds will not be adequate to compensate Owners of the Series 2023 Bonds for the income taxes due on such interest, the value of the Series 2023 Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATES ON THE SERIES 2023 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2023 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2023 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2023 BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2023 BONDS BECOMES TAXABLE AND/OR THE DISTRICT IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

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

The Series 2023 Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, because of the exemption for securities issued by political subdivisions. It is possible that federal or state regulatory authorities could in the future determine that the District is not a political subdivision for purposes of federal and state securities laws, including without limitation as the result of a determination by the IRS, judicial or otherwise, of the District's status for purposes of the Code. In such event, the District and purchasers of Series 2023 Bonds may not be able to rely on the exemption from registration under the Securities Act relating to securities issued by political subdivisions. In that event, the Owners of the Series 2023 Bonds would need to ensure that subsequent transfers of the Series 2023 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act and applicable state securities laws.

### **Federal Tax Reform**

Various legislative proposals are mentioned from time to time by members of Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the IRS may, in the future, issue rulings that have the effect of challenging the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such

as the Series 2023 Bonds, by eliminating or changing the tax-exempt status of interest on such bonds. Whether any such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the Series 2023 Bonds cannot be predicted. However, it is possible that any such law or interpretation could have a material and adverse effect upon the availability of a liquid secondary market and/or the value of the Series 2023 Bonds. Prospective purchasers of the Series 2023 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation. See also "TAX MATTERS" herein.

### **State Tax Reform**

It is impossible to predict what new proposals may be presented regarding tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. On October 31, 2014, the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for community development district bonds. This report renewed requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the "Executive Order") directing the Office of Policy and Budget in the Executive Office of the Governor ("OPB") to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the Series 2023 Bonds. It should be noted that Section 190.16(14) of the Act provides in pertinent part that "The state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the ... assessments... and to fulfill the terms of any agreement made with the holders of such bonds ... and that it will not impair the rights or remedies of such holders."

### **Insufficient Resources or Other Factors Causing Failure to Complete the Assessment Area One Project or the Construction of Homes within Assessment Area One**

The cost to finish the Assessment Area One Project will exceed the net proceeds from the Series 2023 Bonds. There can be no assurance, in the event the District does not have sufficient moneys on hand to complete the Assessment Area One Project, that the District will be able to raise, through the issuance of additional bonds or otherwise, the moneys necessary to complete the Assessment Area One Project. Further, the Indenture sets forth certain limitations on the issuance of additional bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Limitation on Issuance of Additional Obligations" for more information.

Although the Developer will agree to fund or cause to be funded the completion of the Assessment Area One Project regardless of the insufficiency of proceeds from the Series 2023 Bonds and will enter into a completion agreement with the District as evidence thereof, there can be no assurance that the Developer will have sufficient resources to do so. Such obligation of the Developer is an unsecured obligation. See "THE DEVELOPER AND THE BUILDER" herein for more information on the Developer.

Further, there is a possibility that the Builder may not close on any more of the lots in Assessment Area One or enter into a contract to acquire the remaining lots in Assessment Area One, either of which could negatively impact the construction and sale of additional homes in Assessment Area One. The Builder Contract (as hereinafter defined) may also be terminated by the Builder upon the occurrence or failure to occur of certain conditions set forth therein. See "THE DEVELOPMENT – Builder Contract" herein for more information about the Builder Contract.

## **COVID-19 and Related Matters**

In addition to the general economic conditions discussed above, the timely and successful completion of the Development, the purchase of additional lots therein by the Builder 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 and the County have all previously imposed certain health and public safety restrictions in response to COVID-19 in the past. The District cannot predict whether new actions may be taken by government authorities in the future 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 Developer and the Builder may experience delays in obtaining certain development approvals as a result of the implementation of certain government actions and/or restrictions. The District and the Developer cannot predict the duration of the current COVID-19 outbreak, and the ultimate impact the COVID-19 outbreak may have on the Development is unknown. It is possible that delays in lot purchases by the Builder, construction delays, delays in the receipt of permits or other government approvals, supply chain delays, increased costs, 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 Development. See also "BONDOWNERS' RISKS – Economic Conditions and Changes in Development Plans" and "–Insufficient Resources or Other Factors Causing Failure to Complete the Assessment Area One Project or the Construction of Homes within Assessment Area One herein.

## **Cybersecurity**

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 parties' 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 Series 2023 Bonds.

## **Prepayment and Redemption Risk**

In addition to being subject to optional and mandatory sinking fund redemptions, the Series 2023 Bonds are subject to extraordinary mandatory redemption as a result of prepayments of the Series 2023 Assessments by the landowners within Assessment Area One. Any such redemptions of the Series 2023 Bonds would be at the principal amount of such Series 2023 Bonds being redeemed plus accrued interest to the date of redemption. In such event, owners of the Series 2023 Bonds may not realize their anticipated rate of return on the Series 2023 Bonds and owners of any Premium Bonds (as defined herein) may receive less than the price they paid for the Series 2023 Bonds. See "DESCRIPTION OF THE SERIES 2023 BONDS – Redemption Provisions," "– Purchase of Series 2023 Bonds" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Prepayment of Series 2023 Assessments" herein for more information.

### **Payment of Series 2023 Assessments after Bank Foreclosure**

In the event a bank forecloses on property because of a default on a mortgage in favor of such bank on any of the assessable lands within the District, and then the bank itself fails, the Federal Deposit Insurance Corporation (the "FDIC"), as receiver, will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Series 2023 Assessments levied on such property. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

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## ESTIMATED SOURCES AND USES OF SERIES 2023 BOND PROCEEDS

### Source of Funds

Principal Amount of Series 2023 Bonds	\$ _____
[Plus/Less: Net Original Issue Premium/Discount]	_____
Total Sources	\$ _____

### Use of Funds

Deposit to Series 2023 Acquisition and Construction Account	\$ _____
Deposit to Series 2023 Reserve Account	_____
Deposit to Series 2023 Capitalized Interest Account <sup>(1)</sup>	_____
Costs of Issuance, including Underwriter's Discount <sup>(2)</sup>	_____
Total Uses	\$ _____

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(1) Interest is expected to be capitalized through and including November 1, 2023.

(2) Costs of issuance include, without limitation, legal fees and other costs associated with the issuance of the Series 2023 Bonds.

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## DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled Debt Service on the Series 2023 Bonds:

Period Ending <u>November 1</u>	Principal ( <u>Amortization</u> )	<u>Interest</u>	<u>Total Debt Service</u>
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### TOTALS

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\* The final maturity of the Series 2023 Bonds is May 1, 20\_\_.

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## **THE DISTRICT**

### **General Information**

The District, which is the issuer of the Series 2023 Bonds, is a local unit of special purpose government of the State, created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance No. 22-38 of the Board of County Commissioners of Manatee County, Florida (the "County"), adopted on May 5, 2022 and effective on May 9, 2022 (the "Ordinance"). The District encompasses approximately 39.651 gross acres that are located within the County. The District is located east of North Rye Road and north of Rye Wilderness Trail.

The District has filed with the County a petition to amend the boundaries of the District to include an additional approximately 152.3 acres. The District anticipates these lands, which are expected to be acquired by the Developer in mid-January 2023, will be added to the District in the first calendar quarter of 2023. The District anticipates issuing additional bonds in the future to finance a portion of the development costs associated with such lands and such additional bonds are expected to be secured by special assessments levied on lands outside of Assessment Area One. The expansion lands will not be subject to the Series 2023 Assessments that secure the Series 2023 Bonds.

### **Legal Powers and Authority**

The District is an independent unit of local government created pursuant to, and established in accordance with, the Act. The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State. The Act provides legal authority for community development districts (such as the District) to finance the acquisition, construction, operation and maintenance of the major infrastructure for community development pursuant to its general law charter.

Among other provisions, the Act gives the District's Board of Supervisors the authority to, among other things, (a) finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems, facilities, and basic infrastructure for, among other things: (i) water management and control for lands within the District and to connect any of such facilities with roads and bridges; (ii) water supply, sewer and waste-water management, reclamation and reuse systems or any combination thereof and to construct and operate connecting intercept or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue, or other byproducts of such system or sewer system; (iii) District roads equal to or exceeding the specifications of the county in which such District roads are located and street lights, landscaping, hardscaping and undergrounding of electric utility lines; (iv) conservation areas, mitigation areas, and wildlife habitat; (v) any other project, facility, or service required by a development approval, interlocal agreement, zoning condition, or permit issued by a governmental authority with jurisdiction in the District, and (vi) with the consent of the local general-purpose government within the jurisdiction of which the power is to be exercised, parks and facilities for indoor and outdoor recreational uses, and security; (b) borrow money and issue bonds of the District; (c) impose and foreclose special assessment liens as provided in the Act; and (d) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District stated in the Act.

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

The Act exempts all property owned by the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any bondholders to pursue any remedy for enforcement of any lien or pledge of the District in connection with its bonds, including the Series 2023 Bonds.

### **Board of Supervisors**

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. Initially, the Supervisors were appointed in the Ordinance. Within 90 days after formation of the District, an election was held pursuant to which new Supervisors were 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 (with fractions thereof rounded upward to the nearest whole number). A Supervisor serves until expiration of his or her term and until his or her successor is chosen and qualified. If, during a term of office, a vacancy occurs, the remaining Supervisors may fill the vacancy by an appointment of an interim Supervisor for the remainder of the unexpired term.

At the initial election held within 90 days after formation of the District, the landowners in the District elected two Supervisors to four-year terms and three Supervisors to two-year terms. Thereafter, the elections take place every two years, with the first such election being held on the first Tuesday in November, and subsequent elections being held on a date in November established by the Board. Upon the later of six years after the initial appointment of Supervisors and the year when the District next attains at least 250 qualified electors, Supervisors whose terms are expiring will begin to be elected (as their terms expire) by qualified electors of the District. A qualified elector is a registered voter who is at least eighteen years of age, a resident of the District and the State and a citizen of the United States. At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors, each elected to four-year terms. The seat of the remaining Supervisor whose term is expiring at such election shall be filled by a Supervisor who is elected by the landowners for a four-year term and who is not required to be a qualified elector. Thereafter, as terms expire, all Supervisors must be qualified electors and must be elected by qualified electors to serve staggered four-year terms.

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

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

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

<u><b>Name</b></u>	<u><b>Title</b></u>	<u><b>Term Expires</b></u>
Christian Cotter*	Chairperson	November 2026
Mary Moulton*	Vice-Chairperson	November 2026
Andre Carmack*	Assistant Secretary	November 2024
Ted Gadoury*	Assistant Secretary	November 2024
Vacant	Assistant Secretary	November 2024

\* Employee of, or affiliated with, the Developer.

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

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

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

The District has retained Wrathell, Hunt & Associates, LLC, Boca Raton, Florida, to serve as its district manager ("District Manager"). The District Manager's office is located at 2300 Glades Rd., Ste. #410W, Boca Raton, Florida 33431.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Bond Counsel; Atwell, LLC, Maitland, Florida, as District Engineer; and KE Law Group, PLLC, Tallahassee, Florida, as District Counsel. The Board has also retained Wrathell, Hunt & Associates, LLC, to serve as Methodology Consultant for the Series 2023 Bonds.

### **No Outstanding Bond Indebtedness**

The District has not previously issued any bonds or other similar debt obligations.

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## THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA ONE PROJECT

Atwell, LLC (the "District Engineer") prepared a report entitled Engineer's Report for the Rye Crossing Community Development District, dated October 13, 2022 (the "Engineer's Report"). The Engineer's Report sets forth certain public infrastructure improvements for the development of the 450 residential lots planned for the District, including without limitation, the improvements set forth below, as more particularly described in the Engineer's Report attached hereto as APPENDIX A. The District Engineer, in the Engineer's Report, estimates that the public infrastructure associated with all 450 lots totals \$25,970,000 (the "Capital Improvement Plan").

Land development associated with the Development is scheduled to occur in phases. The first phase of land development which is currently located within the boundaries of the District consists of 39.651 acres of land and is planned to contain 116 single-family homes ("Assessment Area One"). The second phase of land development which is currently located outside the boundaries of the District but is expected to be annexed into the District consists of 152.319 acres of land which are planned to contain 334 single-family homes ("Assessment Area Two").

The Series 2023 Bonds are being issued in order to finance a portion of the public infrastructure improvements associated with Assessment Area One (the "Assessment Area One Project"). The District Engineer in the Engineer's Report estimates the total cost of the Assessment Area One Project to be approximately \$4,311,000, as more particularly described below.

<u>Assessment Area One Description</u>	<u>Estimated Costs</u>
Perimeter Roads, Landscape, Hardscape, Irrigation	\$ 760,000
Stormwater System	1,407,000
Water, Sewer, Reclaim Utilities	1,655,000
Undergrounding of Electrical Conduit	59,000
Conservation/Mitigation	10,000
Off-Site Improvements	330,000
Professional Fees	90,000
Total	<u>\$4,311,000</u>

Land development associated with Assessment Area One is substantially complete, with final completion expected by April 2023. A plat for the 116 lots planned for Assessment Area One was recorded in March 2022. To date, the Developer has spent approximately \$5.56 million towards land development, a portion of which includes the Assessment Area One Project. See "THE DEVELOPMENT – Land Acquisition and Finance Plan" herein for the Developer's anticipated costs to complete development of Assessment Area One.

The net proceeds of the Series 2023 Bonds to be deposited in the Series 2023 Acquisition and Construction Account will be approximately \$1.96 million\*, and such proceeds will be used by the District towards the funding and/or acquisition of a portion of the Assessment Area One Project from the Developer. The Developer will enter into a completion agreement that will obligate the Developer to complete any portions of the Assessment Area One Project not funded with proceeds of the Series 2023 Bonds. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Assessment Area One Project or the Construction of Homes within Assessment Area One" herein.

The District anticipates issuing additional bonds in the future in order to finance land development associated with future phases of the Development which will be on lands the District anticipates being

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\* Preliminary, subject to change.

added to the District in the future. Such lands would be separate and distinct from the lands comprising Assessment Area One. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Limitation on Issuance of Additional Obligations" herein for more information.

The District Engineer has indicated that all engineering permits necessary to construct the Assessment Area One Project that are set forth in the Engineer's Report have been obtained or will be obtained in the ordinary course of business. In addition to the Engineer's Report, please refer to "THE DEVELOPMENT – Zoning and Permitting" for a more detailed description of the zoning and permitting status of the District Lands. See "APPENDIX A – ENGINEER'S REPORT" attached hereto for more information regarding the above improvements.

[Remainder of page intentionally left blank.]

## ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS

Wrathell, Hunt & Associates, LLC, Boca Raton, Florida (the "Methodology Consultant"), has prepared the Master Special Assessment Methodology Report dated October 13, 2022 (the "Master Assessment Methodology"), as supplemented by the Preliminary First Supplemental Special Assessment Methodology Report dated January 5, 2023, included herein as APPENDIX E (the "Supplemental Assessment Methodology" and together with the Master Assessment Methodology, the "Assessment Methodology"). The Assessment Methodology sets forth an overall method for allocating the Series 2023 Assessments to be levied against the lands within the District benefited by the Assessment Area One Project and collected by the District as a result thereof. Once the final terms of the Series 2023 Bonds are determined, the Supplemental Assessment Methodology will be revised to reflect such final terms. Once levied and imposed, the Series 2023 Assessments are a first lien on the land against which assessed until paid or barred by operation of law, co-equal with other taxes and assessments levied by the District, including the operation and maintenance assessments, and other units of government. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

As set forth in the Assessment Methodology, the Series 2023 Assessments are being levied on the 116 platted lots which comprise Assessment Area One and will be allocated on a per unit basis below and as set forth in the Assessment Methodology. See "APPENDIX E: ASSESSMENT METHODOLOGY REPORT" attached hereto for more information.

<u>Product Type</u>	<u>No. of Units</u>	Annual Series 2023	Series 2023 Bonds Par <u>Debt Per Unit*</u>
		<u>Assessments Per Unit**</u>	
Single-Family 50'	116	\$1,613	\$20,086

\*Preliminary, subject to change.

\*\*Assessment amounts have been grossed up to include costs of collection of 3% (subject to change) and an early payment discount of 4% (subject to change). See "APPENDIX E: ASSESSMENT METHODOLOGY REPORT" attached hereto for more information.

The District anticipates levying assessments to cover its operation and maintenance costs that will initially be approximately \$500 per 50' unit annually; which amount is subject to change. The land within the District has been and is expected to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate imposed on taxable properties in the District for 2022 was approximately 13.8306 mills, which millage rate is subject to change. These taxes would be payable in addition to the Series 2023 Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Manatee County, Florida may each levy ad valorem taxes and/or special assessments upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year. See "BONDOWNERS' RISKS" and "THE DEVELOPMENT – Taxes, Fees and Assessments" for more information, including proposed homeowners associations' assessments.

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*The information appearing below under the captions "THE DEVELOPMENT" and "THE DEVELOPER AND THE BUILDER" has been furnished by the Developer for inclusion in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by Bond Counsel, the District or its counsel, or the Underwriter or its counsel, and no persons other than the Developer make any representation or warranty as to the accuracy or completeness of such information supplied by it. The following information is provided by the Developer as a means for the prospective bondholders to understand the anticipated development plan and risks associated with the Development. Neither of the Landowners are guaranteeing payment of the Series 2023 Bonds or the Series 2023 Assessments.*

## **THE DEVELOPMENT**

### **General**

The District currently contains approximately 39.651 gross acres of land (the "District Lands" or "Assessment Area One") located entirely within an unincorporated area of Manatee County, Florida (the "County") which are being developed into 116 residential units. The District Lands have been platted and the development work is substantially complete. The District anticipates amending its boundaries to include an additional 152.319 acres of land, which are planned to be developed into 334 residential units (the "Expansion Lands"). The District anticipates this boundary amendment will be completed in the first quarter of 2023. The District Lands and the Expansion Lands are being developed as a 450-unit residential community to be known as "Rye Crossing" (the "Development"). The Development is generally located in an eastern portion of the County, approximately 8 miles to the east of Interstate-75. More specifically, the Development is located east of North Rye Road and north of Rye Wilderness Trail.

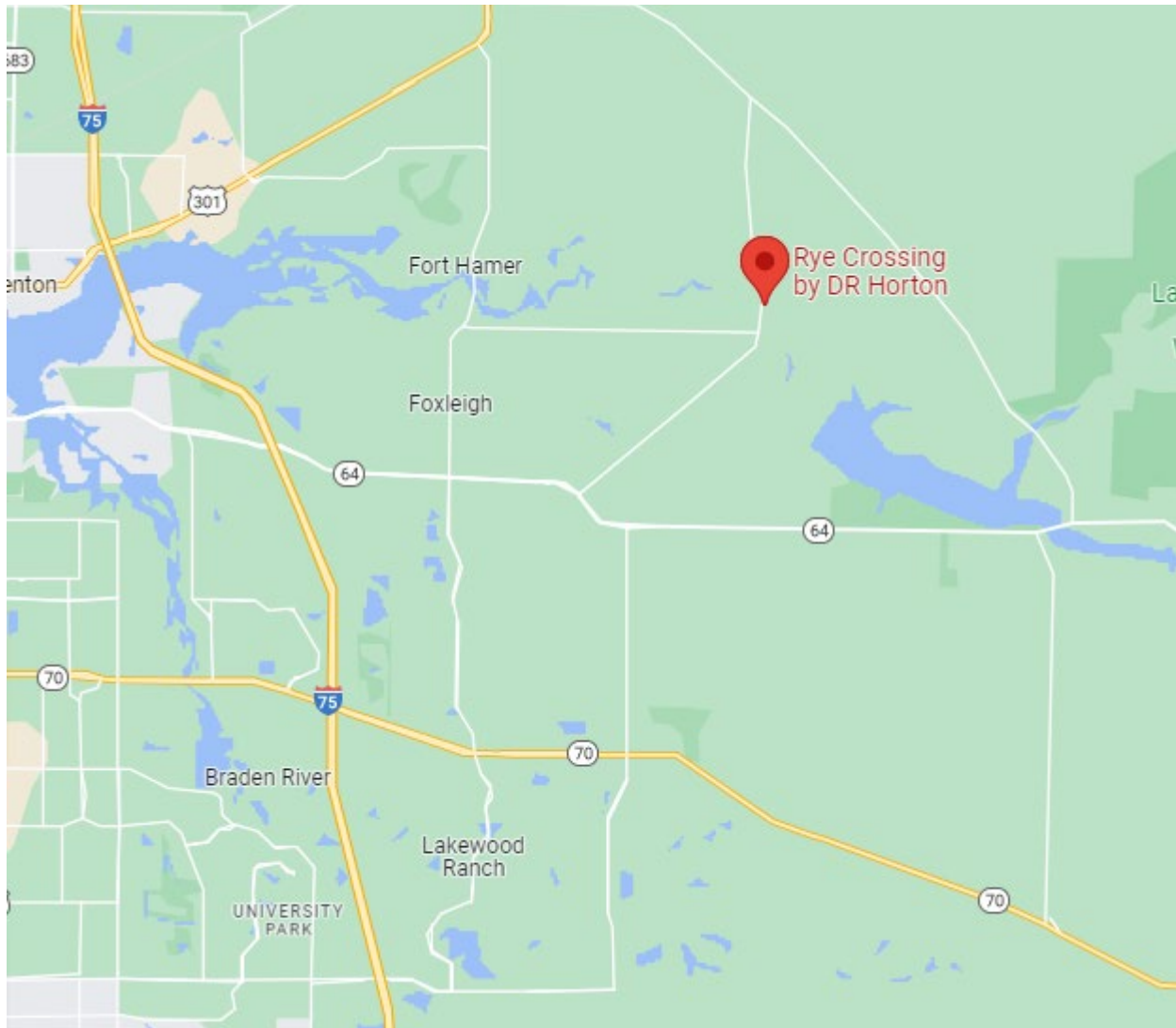
The Series 2023 Bonds are being issued in order to finance certain public infrastructure improvements for the development of the 116 residential lots planned for Assessment Area One. The Series 2023 Bonds will be secured by the Series 2023 Assessments. The Series 2023 Assessments are being levied on the 116 platted lots within Assessment Area One. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" and "– Taxes, Fees and Assessments" herein for more information.

Forestar (USA) Real Estate Group Inc., a Delaware corporation (the "Developer"), is a landowner and the developer of the lands in the District and is selling developed lots to D.R. Horton, Inc., a Delaware corporation ("Horton" or the "Builder" and together with the Developer, the "Landowners") who intends to market and construct homes for sale to homebuyers. Horton currently owns 23 lots and the Developer owns the remaining 93 lots planned for Assessment Area One. See "THE DEVELOPMENT – Builder Contract" and "THE DEVELOPER AND THE BUILDER" herein for additional information.

At build-out, Assessment Area One is planned to contain approximately 116 residential units, consisting entirely of single-family homes on 50' wide lots. Homes will range in size from approximately 1,672 square feet to 2,605 square feet and starting price points will range from approximately \$375,000 to \$434,000. The target customers for residential units within the Development are first time homebuyers. See "– Residential Product Offerings" herein for more information.

Set forth on the following page is a map that shows the general location of the Development.





### Land Acquisition and Finance Plan

The Developer acquired the existing District Lands (which is Assessment Area One) on June 23, 2021 for approximately \$2,950,000, which was paid for with equity.

The Developer estimates that the total land development costs associated with the District Lands will be approximately \$7.8 million, consisting of the costs of the Assessment Area One Project, certain offsite costs and other hard and soft costs, but which amount does not include the Amenity (as defined herein). To date, the Developer has spent approximately \$5.56 million towards land development, a portion of which has been spent towards the Assessment Area One Project. The net proceeds from the Series 2023 Bonds to be deposited in the Series 2023 Acquisition and Construction Account will be approximately \$1.96 million\* and such proceeds will be used by the District towards the funding and/or acquisition of a portion of the Assessment Area One Project from the Developer. The Developer will enter into a completion agreement that will obligate the Developer to complete any portions of the Assessment Area One Project not funded with proceeds of the Series 2023 Bonds. See "BONDOWNERS' RISKS – Insufficient Resources

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\* Preliminary, subject to change.

or Other Factors Causing Failure to Complete the Assessment Area One Project or the Construction of Homes within Assessment Area One" herein.

### **Development Plan / Status**

Land development associated with Assessment Area One is substantially complete, with final completion expected by April 2023. A plat for the 116 lots planned for Assessment Area One was recorded in March 2022. Sales and vertical construction for the District are expected to commence in the first quarter of 2023. Closings with homebuyers are expected by the second quarter of 2023.

The Developer anticipates that approximately 75 lots will be sold and closed by the Builder with homebuyers per annum until build out. This anticipated absorption is based upon estimates and assumptions made by the Developer that are inherently uncertain, though considered reasonable by the Developer, and are subject to significant business, economic, and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Developer or the Builder. As a result, there can be no assurance such absorption rate will occur or be realized in the time frame anticipated.

### **Builder Contract**

The Developer has entered into a Purchase and Sale Agreement dated May 17, 2022 (the "Builder Contract"), with Horton for the sale of 60 lots within Assessment Area One, for a purchase price of approximately \$117,500 per single-family 50' lot plus an additional consideration of 6% per annum per lot, which additional consideration begins to accrue on any lots remaining after the first takedown described below until the closing of such lots. In connection therewith, Horton has made a deposit of \$705,000, which deposit is secured by a mortgage on certain District Lands. Pursuant to the Builder Contract, Horton will acquire the homebuilding development rights for the 60 units within Assessment Area One which are subject to the Builder Contract. Lots will be purchased in several takedowns, the first takedown for 23 lots occurred on December 8, 2022. Each subsequent takedown of 23 lots is expected to occur within 30 days of the prior takedown. Horton's obligation to close on lots under the Builder Contract is conditioned, among other things, upon the completion of the development of such lots. In the event the Developer is not able to satisfy the conditions in the Builder Contract, there is a risk that Horton will not close on additional lots within Assessment Area One. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Assessment Area One Project or the Construction of Homes within Assessment Area One" herein.

### **Residential Product Offerings**

The target customers for units within the District are first time homebuyers. The following is a summary of the expected types of units and price points for units in the District.

<u>Product Type</u>	<u>Square Footage</u>	<u>Beds/Baths</u>	<u>Starting Price Point</u>
Single-Family	1,672 – 2,605	3 to 5 Bedrooms / 2 to 3 Baths	\$375,000 - \$434,000

### **Zoning and Permitting**

The land within the District, including, without limitation, the land therein subject to the Series 2023 Assessments, is zoned to allow for the contemplated residential uses described herein. All permits have been received by jurisdictional agencies to allow for the development contemplated herein or are reasonably expected to be received in the ordinary course.

**Environmental**

A Phase I Environmental Site Assessment was performed on the District Lands in April 2021 (the "ESA"). The ESA revealed no recognized environmental conditions in connection with the District Lands. See "BONDOWNERS' RISKS - Regulatory and Environmental Risks" herein for more information regarding potential environmental risks.

**Amenities**

The Development is planned to contain an approximately three acre community site with an approximately 4,400 square foot clubhouse, a resort-style swimming pool, tot lot, various recreation fields, dog park and sport courts (collectively, the "Amenity"). Construction of the Amenity is expected to commence in 2024 and is expected to be completed by 2025 at a total approximate cost of \$2.3 million, which will be funded by the Developer.

**Utilities**

Potable water and wastewater treatment for the Development are expected to be provided by the County. Electric power is expected to be provided by Florida Power & Light. All utility services are available to the property.

**Taxes, Fees and Assessments**

As set forth in the Assessment Methodology, the Series 2023 Assessments are being levied on the 116 platted lots which comprise Assessment Area One and will be allocated on a per unit basis below and as set forth in the Assessment Methodology. See "APPENDIX E: ASSESSMENT METHODOLOGY REPORT" attached hereto for more information.

		Annual Series 2023	
<u>Product Type</u>	<u>No. of Units</u>	<u>Assessments</u>	<u>Series 2023 Bonds Par</u>
		<u>Per Unit*/**</u>	<u>Debt Per Unit*</u>
Single-Family 50'	116	\$1,613	\$20,086

\*Preliminary, subject to change.  
\*\*Assessment amounts have been grossed up to include costs of collection of 3% (subject to change) and an early payment discount of 4% (subject to change). See "APPENDIX E: ASSESSMENT METHODOLOGY REPORT" attached hereto for more information.

The District anticipates levying assessments to cover its operation and maintenance costs that will initially be approximately \$500 per unit annually; which amount is subject to change. In addition, residents will be required to pay homeowners association fees, which are currently estimated to be \$1,200 per month per unit in the aggregate. The land within the District has been and is expected to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate imposed on taxable properties in the District for 2022 was approximately 13.8306 mills, which millage rate is subject to change. These taxes would be payable in addition to the Series 2023 Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Manatee County, Florida may each levy ad valorem taxes and/or special assessments upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year.

## **Education**

The public schools for children residing in the Development are expected to be Gene Witt Elementary School, Buffalo Creek Middle School, and Parrish Community High School, which are located approximately 1.9 miles, 8.5 miles, and 6.4 miles from the Development, respectively, and were ranked A, C, and C, respectively, by the Florida Department of Education in 2022. The Manatee County School Board may change school boundaries from time to time and there is no requirement that students residing in the Development be permitted to attend the schools which are closest to the Development.

## **Competition**

The following communities have been identified by the Developer as being competitive with the Development, because of their proximity to the Development, price ranges and product types. Those communities include Coddington, Aviary at Rutland Ranch, Lakewood Ranch, Glen Creek, Bella Lago, Saltmeadows, and Summerwoods.

The information under this heading does not purport to list all of the existing or planned communities in the area of the Development, but rather provide a list of those that the Developer feels pose primary competition to the Development.

## **Developer Agreements**

The Developer will enter into a completion agreement that will obligate the Developer to complete any portions of the Assessment Area One Project not funded with proceeds of the Series 2023 Bonds. In addition, the Developer will execute and deliver to the District a Collateral Assignment and Assumption of Development Rights (the "Collateral Assignment"), pursuant to which the Developer will collaterally assign to the District, to the extent assignable and to the extent that they are solely owned or controlled by the Developer, development rights relating the Assessment Area One Project. Notwithstanding such Collateral Assignment, in the event the District forecloses on the lands subject to the Series 2023 Assessments as a result of a Developer's or subsequent landowners' failure to pay such assessments, there is a risk that the District will not have all permits and entitlements necessary to complete the Assessment Area One Project or the development of Assessment Area One. Such obligations of the Developer are unsecured obligations. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Assessment Area One Project or the Construction of Homes within Assessment Area One" and "THE DEVELOPER AND THE BUILDER" herein for more information regarding the Developer.

## **THE DEVELOPER AND THE BUILDER**

Forestar (USA) Real Estate Group Inc., a Delaware corporation (the "Developer"), is a wholly-owned subsidiary of Forestar Group Inc. ("Forestar"). Forestar is a residential lot company with operations in 53 markets in 21 states as of September 30, 2022. As of the date hereof, Forestar is a majority-owned subsidiary of D.R. Horton, Inc. ("Horton" or the "Builder" and together with the Developer, the "Landowners").

Both Forestar's (under the symbol FOR), and Horton's (under the symbol DHI), common stock trades on the New York Stock Exchange. Forestar and Horton are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith file reports, proxy statements and other information, including financial statements, with the Securities and Exchange Commission (the "SEC"). Such filings, particularly Forestar's and Horton's annual and quarterly reports filed on Form 10-K and Form 10-Q, set forth certain data relative to the consolidated results of operations and financial position of Horton, Forestar, and their subsidiaries as of such date. The SEC

maintains an Internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including Forestar and Horton. The address of such Internet web site is [www.sec.gov](http://www.sec.gov). All documents subsequently filed by Forestar or Horton pursuant to the requirements of the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in such manner as the SEC prescribes.

*Neither the Developer, the Builder nor any of the other entities listed above are guaranteeing payment of the Series 2023 Bonds or the Series 2023 Assessments. None of the entities listed herein, other than the Developer and Horton, has entered into any agreements in connection with the issuance of the Series 2023 Bonds.*

## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Bond Counsel, the form of which is attached hereto as APPENDIX C, the interest on the Series 2023 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax under existing statutes, regulations, rulings and court decisions; provided, however, with respect to certain corporations, interest on the Series 2023 Bonds is taken into account in determining the "annual adjusted financial statement income" for the purpose of computing the alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. Failure by the District to comply subsequent to the issuance of the Series 2023 Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (as previously defined, the "Code"), including but not limited to requirements regarding the use, expenditure and investment of Series 2023 Bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2023 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance. The District has covenanted to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2023 Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

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

The Code contains a number of provisions that apply to the Series 2023 Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the Series 2023 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2023 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2023 Bonds being included in gross income for federal income tax purposes retroactive to their date of issuance.

### **Collateral Tax Consequences**

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2023 Bonds. Prospective purchasers of the Series 2023 Bonds should be aware that the ownership of the Series 2023 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2023 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2023 Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2023 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2023 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2023 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES REFERRED TO ABOVE. PROSPECTIVE SERIES 2023 BONDHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR INFORMATION IN THAT REGARD.

## **Florida Taxes**

In the opinion of Bond Counsel, the Series 2023 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

## **Other Tax Matters**

Interest on the Series 2023 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2023 Bonds should consult their tax advisors as to the income tax status of interest on the Series 2023 Bonds in their particular state or local jurisdictions.

The Inflation Reduction Act, H.R. 5376 (the "IRA"), was passed by both houses of the U.S. Congress and was signed by the President on August 16, 2022. As enacted, the IRA includes a 15 percent alternative minimum tax to be imposed on the "adjusted financial statement income", as defined in the IRA, of certain corporations for tax years beginning after December 31, 2022. Interest on the Series 2023 Bonds will be included in the "adjusted financial statement income" of such corporations for purposes of computing the corporate alternative minimum tax. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential tax consequences of owning the Series 2023 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 Series 2023 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the Series 2023 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2023 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2023 Bonds.

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

## **Original Issue Discount**

Certain of the Series 2023 Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount, which is the excess of the principal amount of the Discount Bonds over the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity was sold. Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent as interest on the Discount Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded semi-annually. An initial purchaser who acquires a Discount Bond at 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 such purchaser holds such Discount Bond and will increase its adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond. The federal income tax consequences of the purchase, ownership and prepayment, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of such Discount Bonds and with respect to the state and local tax consequences of owning and disposing of such Discount Bonds.

## **Bond Premium**

Certain of the Series 2023 Bonds (the "Premium Bonds") may be offered and sold to the public at a price in excess of the principal amount of such Premium Bond, which excess 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 Bonds which term ends on the earlier of the maturity or call date for each Premium Bond which minimizes the yield on said Premium Bonds 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 to the public at the initial offering price 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 Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

## **AGREEMENT BY THE STATE**

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2023 Bonds, that it will not limit or alter the rights of the District to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

## **LEGALITY FOR INVESTMENT**

The Act provides that the Series 2023 Bonds are legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State, and constitute securities which may be deposited by banks or trust companies as security for deposits of state, county, municipal or other public funds, or by insurance companies as required or voluntary statutory deposits.

## **SUITABILITY FOR INVESTMENT**

In accordance with applicable provisions of State law, the Series 2023 Bonds may initially be sold by the District only to "accredited investors" within the meaning of Chapter 517, Florida Statutes and the rules promulgated thereunder. The limitation of the initial offering to "accredited investors" does not denote restrictions on transfers in any secondary market for the Series 2023 Bonds. Investment in the Series 2023 Bonds poses certain economic risks. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the Owners of the Series 2023 Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Series 2023 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2023 Bonds will be qualified as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

## **LITIGATION**

### **The District**

There is no litigation of any nature now pending or, to the knowledge of the District threatened, against the District, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2023 Bonds, or in any way contesting or affecting (i) the validity of the Series 2023 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge or application of any moneys or security provided for the payment of the Series 2023 Bonds, (iii) the existence or powers of the District or (iv) the validity of the Series 2023 Assessment Proceedings.

### **The Developer**

The Developer has represented that there is no litigation of any nature now pending or, to the knowledge of the Developer, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Developer to complete the development of the Development or to complete the Assessment Area One Project as described herein, or materially and adversely affect the ability of the Landowners to pay the Series 2023 Assessments imposed against the land within Assessment Area One of the District owned by the Landowners.



## **CONTINGENT FEES**

The District has retained Bond Counsel, District Counsel, the District Engineer, the District Manager/Methodology Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (which has retained Trustee's counsel), with respect to the authorization, sale, execution and delivery of the Series 2023 Bonds. Except for the payment of certain fees to District Counsel, the District Engineer and the District Manager, the payment of fees of the other professionals is each contingent upon the issuance of the Series 2023 Bonds.

## **NO RATING**

No application for a rating for the Series 2023 Bonds has been made to any rating agency, nor is there any reason to believe that an investment grade rating for the Series 2023 Bonds would have been obtained if application had been made.

## **EXPERTS**

The Engineer's Report included in APPENDIX A to this Limited Offering Memorandum has been prepared by Atwell, LLC, Maitland, Florida, the District Engineer. APPENDIX A should be read in its entirety for complete information with respect to the subjects discussed therein. Wrathell, Hunt & Associates, LLC, Boca Raton, Florida, as Methodology Consultant, has prepared the Assessment Methodology set forth as APPENDIX E hereto. APPENDIX E should be read in its entirety for complete information with respect to the subjects discussed therein.

## **FINANCIAL INFORMATION**

This District will covenant in the Disclosure Agreement (as defined herein), the proposed form of which is set forth in APPENDIX D hereto, to provide its annual audited financial statements to certain information repositories as described in APPENDIX D, commencing with the audit for the District Fiscal Year ending September 30, 2023. The District does not have audited financial statements because the District has only recently been established. As of the date hereof, the District does not have any significant assets or liabilities and the District has not previously issued any debt obligations. The Series 2023 Bonds are not general obligation bonds of the District and are payable solely from the Series 2023 Trust Estate.

Beginning October 1, 2015, or by the end of the first full fiscal year after its creation, each community development district in Florida must have a separate website with certain information as set forth in Section 189.069, Florida Statutes, including, without limitation, the district's proposed and final budgets and audit. Additional information regarding the District's website is available from the District Manager at the address set forth under "THE DISTRICT – The District Manager and Other Consultants."

## **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Section 517.051, Florida Statutes, and the regulations promulgated thereunder requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or private activity bonds issued on behalf of private business). The District has not previously issued any debt obligations and, therefore, is not and has never been in default as to principal and interest on its bonds or other debt obligations.

## **CONTINUING DISCLOSURE**

The District and the Landowners will enter into the Continuing Disclosure Agreement (the "Disclosure Agreement") in the proposed form of APPENDIX D, for the benefit of the Series 2023 Bondholders (including owners of beneficial interests in such Series 2023 Bonds), to provide certain financial information and operating data relating to the District and the Development by certain dates prescribed in the Disclosure Agreement (the "Reports") with the MSRB through the MSRB's EMMA system. The specific nature of the information to be contained in the Reports is set forth in "APPENDIX D: PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT." Under certain circumstances, the failure of the District or either Landowner to comply with their respective obligations under the Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement would allow the Series 2023 Bondholders (including owners of beneficial interests in such Series 2023 Bonds) to bring an action for specific performance.

The District has not previously issued any bonds and has not previously entered into any continuing disclosure obligations pursuant to Rule 15c2-12, promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"). The District anticipates satisfying all future disclosure obligations required pursuant to the Disclosure Agreement and the Rule. The District will appoint the District Manager as the dissemination agent in the Disclosure Agreement. The Landowners have previously entered into continuing disclosure undertakings pursuant to the Rule in connection with other special districts. A review of filings made pursuant to such prior undertakings indicates that certain filings required to be made by each of the Landowners were not timely filed and that notice of such late filings was not always provided. The Landowners anticipate satisfying all future disclosure obligations required pursuant to its continuing disclosure undertakings and the Rule.

## **UNDERWRITING**

FMSbonds, Inc. (the "Underwriter") has agreed, pursuant to a contract with the District, subject to certain conditions, to purchase the Series 2023 Bonds from the District at a purchase price of \$\_\_\_\_\_ (representing the par amount of the Series 2023 Bonds [plus/less net original issue premium discount of \$\_\_\_\_\_ and] less an Underwriter's discount of \$\_\_\_\_\_). The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the Series 2023 Bonds if any are purchased.

The Underwriter intends to offer the Series 2023 Bonds to accredited investors at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Series 2023 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

## **VALIDATION**

Bonds issued pursuant to the terms of the Master Indenture have been validated by a judgment of the Circuit Court of the Twelfth Judicial Circuit Court of Florida in and for Manatee County, Florida, rendered on October 31, 2022. The period of time during which an appeal can be taken from such judgment has expired without an appeal having been taken.

## **LEGAL MATTERS**

Certain legal matters related to the authorization, sale and delivery of the Series 2023 Bonds are subject to the approval of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel KE Law Group, PLLC, Tallahassee, Florida, for the Developer by its counsel, J. Wayne Crosby, P.A., Winter Park, Florida, and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida. GrayRobinson, P.A. represents the Developer in unrelated matters.

The legal opinions of Bond Counsel to be delivered concurrently with the delivery of the Series 2023 Bonds 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 of such opinions. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

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## **MISCELLANEOUS**

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

The references herein to the Series 2023 Bonds and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions.

This Limited Offering Memorandum is submitted in connection with the limited offering of the Series 2023 Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. This Limited Offering Memorandum is not to be construed as a contract with the purchaser or the Beneficial Owners of any of the Series 2023 Bonds.

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### **AUTHORIZATION AND APPROVAL**

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

#### **RYE CROSSING COMMUNITY DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Chairperson, Board of Supervisors

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**APPENDIX A**  
**ENGINEER'S REPORT**

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**ENGINEER'S REPORT  
FOR THE  
RYE CROSSING  
COMMUNITY DEVELOPMENT DISTRICT**

PREPARED BY:



CONSULTING. ENGINEERING. CONSTRUCTION.

ENGINEER:  
Kyle Clawson, P.E.

October 13, 2022

## RYE CROSSING COMMUNITY DEVELOPMENT DISTRICT

### ENGINEER'S REPORT

#### 1. INTRODUCTION

The purpose of this report is to provide a description of the capital improvement plan (“CIP”) and estimated costs of the CIP, for the Rye Crossing Community Development District (“District”).

#### 2. GENERAL SITE DESCRIPTION

The District is located entirely within Manatee County, Florida, and consists of approximately 39.651 acres of land, but is planned to include a total of approximately 191.97 acres upon completion of a boundary amendment (“**Boundary Amendment**”). The site is located east of North Rye Road and north of Rye Wilderness Trail. This report assumes – for purposes of the planned units and construction costs – that the Boundary Amendment will be completed.

#### 3. PROPOSED CAPITAL IMPROVEMENT PLAN

The CIP is intended to provide public infrastructure improvements for the lands within the District, which lands are planned for 450 homes. The CIP includes multiple phases, the first of which includes 116 planned homes. The following chart shows the planned product types and land uses for the District:

Product Type	Phase 1 CIP Units	Boundary Amendment CIP Units	TOTAL CIP Units
Single Family 40' Lot	0	118	118
Single Family 50' Lot	116	106	222
Single Family 60' Lot	0	110	110
<b>TOTALS</b>	<b>116</b>	<b>334</b>	<b>450</b>

The CIP infrastructure includes:

##### **Perimeter Roads, Hardscape, Landscape, and Irrigation:**

The developer intends to finance and install the internal subdivision roadways to County standard for the general public's use. It is contemplated that certain portions of roadway may be gated and dedicated to a homeowner's association for ownership, operation and maintenance. As such, the District will be limited to financing only utilities, conservation/mitigation and stormwater improvements behind such gated areas, as well as other improvements external to the gated areas.

The entries will be a 4-lane divided subdivision road which then tapers to a 2-lane undivided road which loops through the community. Such roads include the roadway asphalt, base, and

subgrade, roadway curb and gutter, striping and signage and sidewalks within rights-of-way abutting non-lot lands. Sidewalks abutting lots will be constructed by the homebuilders. All roads will be designed in accordance with County standards.

That said, the District may elect to finance certain roadways external to the entry gate, along with perimeter hardscaping, landscaping and irrigation improvements. The District would own and operate all such perimeter improvements.

#### **Stormwater Management System:**

The stormwater collection and outfall system is a combination of roadway curbs, curb inlets, pipe, control structures, conveyance structures and open lakes designed to treat and attenuate stormwater runoff from District lands. The stormwater system will be designed consistent with the criteria established by the applicable Water Management District and the County for stormwater/floodplain management systems. The District will finance, own, operate and maintain the stormwater system, with the exception that the County will own, operate and maintain the inlets and storm sewer systems within County right-of-way.

NOTE: No private earthwork is included in the CIP. Accordingly, the District will not fund any costs of mass grading of lots, or the costs of transporting any fill to private lots.

#### **Water, Wastewater and Reclaim Utilities:**

As part of the CIP, the District intends to construct and/or acquire water, wastewater and reclaim infrastructure. In particular, the on-site water supply improvements include water mains that will be located within rights-of-way and used for potable water service and fire protection.

Wastewater improvements for the project will include an onsite gravity collection system, offsite and onsite force main and onsite lift stations.

Similarly, the reclaim water distribution system will be constructed to provide service for irrigation throughout the community.

The water and reclaim distribution and wastewater collection systems for all phases will be constructed and/or acquired by the District and then dedicated to the County for operation and maintenance. The CIP will only include laterals to the lot lines (i.e., point of connection).

#### **Undergrounding of Electrical Utility Lines**

The CIP includes the differential cost of the undergrounding of electrical utility lines within right-of-way utility easements throughout the community. Any lines and transformers located in such areas would be owned by the local power utility, and not paid for by the District as part of the CIP.

### **Environmental Conservation/Mitigation**

The District will be responsible for the design, permitting, construction, maintenance, and government reporting of the environmental mitigation. These costs are included within the CIP.

### **Off-Site Improvements**

The CIP also includes certain off-site improvements which provide benefit to the District. The District has (2) two entry points from North Rye Road for the public to access. Each entry requires a northbound right turn lane and a southbound left turn lane in order to facilitate traffic.

### **Professional Services**

The CIP also includes various professional services. These include: (i) engineering, surveying, geotechnical engineering, environmental scientist and architectural fees, (ii) permitting and plan review costs, and (iii) development/construction management services fees that are required for the design, permitting, construction, and maintenance acceptance of the public improvements and community facilities.

Note that there are no impact fee or similar credits available from the construction of any such improvements, or, if there are, any such impact fee or similar credits will be governed by a separate agreement between the District and the developer.

## **4. PERMITTING/CONSTRUCTION COMMENCEMENT**

All necessary permits for the construction of the CIP have either been obtained or are currently under review by respective governmental authorities. Please refer to Attachment 3 for greater permitting information.

## 5. OPINION OF PROBABLE CONSTRUCTION COSTS

The table below presents, among other things, the Opinion of Probable Cost for the CIP. It is our professional opinion that the costs set forth in the table are reasonable and consistent with market pricing, both for the CIP.

Improvement	Phase 1 Estimated Cost	Boundary Amendment Future Phases Estimated Cost	TOTAL CIP Estimated Cost	O&M Entity
Perimeter Roads, Hardscape, Landscape and Irrigation	\$760,000.00	\$4,040,000.00	\$4,800,000.00	County (Roads)/CDD
Stormwater System	\$1,407,000.00	\$5,723,000.00	\$7,130,000.00	CDD
Water, Sewer, Reclaim Utilities	\$1,655,000.00	\$5,145,000.00	\$6,800,000.00	County
Incremental Cost of Undergrounding of Electric Conduit	\$59,000.00	\$241,000.00	\$300,000.00	CDD
Conservation/Mitigation	\$10,000.00	\$580,000.00	\$590,000.00	CDD
Off-Site Improvements	\$330,000.00	\$230,000.00	\$560,000.00	County
Professional Fees	\$90,000.00	\$1,660,000.00	\$1,750,000.00	CDD
Contingency	\$0.00	\$4,040,000.00	\$4,040,000.00	As above
<b>TOTAL</b>	<b>\$4,311,000.00</b>	<b>\$21,659,000.00</b>	<b>\$25,970,000.00</b>	<b>-</b>

1. The probable costs estimated herein includes planned infrastructure improvements that will provide benefit to all assessable land within the District.
2. The probable costs include contingency for unexpected field conditions, unforeseen government requirements, inflationary market of infrastructure materials and other unknown factors that may occur throughout the course of development.
3. The probable costs estimated herein do not include anticipated carrying cost, interest reserves or other anticipated CDD expenditures that may be incurred.
4. The developer reserves the right to finance any of the improvements outlined above, and have such improvements owned and maintained by a property owner's or homeowner's association (in which case such items would not be part of the CIP), the District or a third-party.
5. A third-party, or an applicable property owner's or homeowner's association may elect to maintain any District-owned improvements, subject to the terms of an agreement with the District.
6. Land acquisition costs have potential to be included in the probable costs upon further review by the District.

## 6. CONCLUSIONS

The CIP will be designed in accordance with current governmental regulations and requirements. The CIP will serve its intended function so long as the construction is in substantial compliance with the design.

It is further our opinion that:

- the estimated cost to the CIP as set forth herein is reasonable based on prices currently being experienced in the County in which the District is located, and is not greater than the lesser of the actual cost of construction or the fair market value of such infrastructure;
- All of the improvements comprising the CIP are required by applicable development approvals issued pursuant to Section 380.06, Florida Statutes;
- the CIP is feasible to construct, there are no technical reasons existing at this time that would prevent the implementation of the CIP, and it is reasonable to assume that all necessary regulatory approvals will be obtained in due course;
- The District will pay the lesser of the actual cost of the improvements or fair market value; and
- the assessable property within the District will receive a special benefit from the CIP that is at least equal to such costs.

Also, the CIP will constitute a system of improvements that will provide benefits, both general, and special and peculiar, to all lands within the District. The general public, property owners, and property outside the District will benefit from the provisions of the District's CIP; however, these are incidental to the District's CIP, which is designed solely to provide special benefits peculiar to property within the District. Special and peculiar benefits accrue to property within the District and enables properties within its boundaries to be developed.

The professional service for establishing the Construction Cost Estimate is consistent with the degree of care and skill exercised by members of the same profession under similar circumstances.

The CIP will be owned by the District or other governmental units and such CIP is intended to be available and will reasonably be available for use by the general public (either by being part of a system of improvements that is available to the general public or is otherwise available to the general public) including nonresidents of the District. All of the CIP is or will be located on lands owned or to be owned by the District or another governmental entity or on public easements in favor of the District or other governmental entity. The CIP, and any cost estimates set forth herein, do not include any earthwork, grading or other improvements on private lots or property. Regarding any fill generated by construction of the CIP, and that is not used as part of the CIP, such fill will only be placed on-site where the cost of doing so is less expensive than hauling such fill off-site.

Please note that the CIP as presented herein is based on current plans and market conditions which are subject to change. Accordingly, the CIP, as used herein, refers to sufficient public infrastructure of the kinds described herein (i.e., stormwater/floodplain management, sanitary sewer, potable water, etc.) to support the development and sale of the planned residential units in the District, which (subject to true-up determinations) number and type of units may be changed with the development of the site. Stated differently, during development and implementation of the public infrastructure improvements as described for the District, it may be necessary to make modifications and/or deviations for the plans, and the District expressly reserves the right to do so.



Kyle Clawson, P.E.

Date: October 13, 2022

FL License No. 89260

Attachments Enclosed;

1. District Location Map
2. District Layout
3. Permit Tracker

# **ATTACHMENT 1**





# **ATTACHMENT 2**



# **ATTACHMENT 3**

**Rye Crossing CDD**  
**Attachment 3 - Permit Tracking Chart**

Permit Name	Project	Assigned To	Agency	Approval Date	Reference #
Zoning/PSP	Rye Crossing	Forestar	Manatee	Original 12/5/2019; PSP modification submittal pending	PDR-19-09(Z)(P)
USACE	Rye Crossing	Forestar	USACE	9/6/2019	SAJ-2019-01594 (NW-RGH)
Individual ERP	Rye Crossing	Forestar	SWFWMD	6/10/2020	ERP No. 43044456.000
ERP Minor Modification (Transfer)	Rye Crossing	Forestar	SWFWMD	8/27/2021	ERP No. 43044456.001
Project Evaluation - Project Exempt	Rye Crossing Off-site Turn Lane	Forestar	SWFWMD	1/14/2020	File No. 796132
FSP/PP (original)	Rye Crossing	Forestar	Manatee	3/29/2021	PDR-19-09(P) / 19-S-60(P) / FSP- 19-115
FSP/PP (modification)	Rye Crossing	Forestar	Manatee	6/17/2022	PDR-19-09 / 19-S-60(P)(R) / FSP- 19-115(R)
CP (original)	Rye Crossing	Forestar	Manatee	3/28/2021	PDR-19-09(P) / 19-S-60(P) / FSP- 19-115
CP (modification)	Rye Crossing	Forestar	Manatee	7/5/2022	PDR-19-09 / 19-S-60(P)(R) / FSP- 19-115(R)
CLOS	Rye Crossing	Forestar	Manatee	Original 12/6/2019; revised 11/30/21;	CLOS-19-092
FDEP Wastewater Permit	Rye Crossing	Forestar	FDEP	2/25/2021	CS41-0182186-325-DWC/CM
FDEP Potable Water Permit	Rye Crossing	Forestar	FDEP	3/30/2021	#0133068-1439-DS/C
Stormwater NPDES	Rye Crossing	Forestar	FDEP	7/22/2021	FLR20EQ34
Final Plat	Rye Crossing	Forestar	Manatee	3/8/2022	PB73; PG081
Zoning/GPD	Rutland	Forestar	Manatee	In Review	PLN2201-0114
Wetland JD	Rutland	Forestar	SWFWMD	In Review	App # 852986
Individual ERP	Rutland	Forestar	SWFWMD	In Review	App # 852986
Phase 1 PSP/FSP	Rutland	Forestar	Manatee	In Review	PLN2208-0115
Phase 1 CP	Rutland	Forestar	Manatee	In Review	PLN2208-0116
Phase 2 PSP/FSP	Rutland	Forestar	Manatee	Future	TBD
Phase 2 CP	Rutland	Forestar	Manatee	Future	TBD
FDEP Wastewater Permit	Rutland	Forestar	FDEP	Future	TBD
FDEP Potable Water Permit	Rutland	Forestar	FDEP	Future	TBD
Stormwater NPDES	Rutland	Forestar	FDEP	Future	TBD
Final Plat	Rutland	Forestar	Manatee	Future	TBD
LOMR	Rutland	Forestar	FEMA	Future	TBD



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## **APPENDIX B**

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

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**MASTER TRUST INDENTURE**

**BETWEEN**

**RYE CROSSING COMMUNITY DEVELOPMENT DISTRICT**

**AND**

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

**AS TRUSTEE**

**Dated as of January 1, 2023**

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EXHIBIT A – FORM OF REQUISITION

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

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

**IN TRUST NEVERTHELESS**, upon the terms and trusts herein set forth (a) for the equal and proportionate benefit and security of all present and future Owners of the Bonds of a Series, without preference of any Bond of such Series over any other Bond of such Series, (b) for enforcement of the payment of the Bonds of a Series, in accordance with their terms and the terms of this Master Indenture and the Supplemental Indenture authorizing the issuance of such Series of Bonds, and

**MASTER TRUST INDENTURE**

**THIS MASTER TRUST INDENTURE** is dated as of January 1, 2023, between **RYE CROSSING COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government organized and existing under the laws of the State of Florida (the "District"), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association and having the authority to exercise corporate trust powers, with its designated corporate trust office located at 500 West Cypress Creek Road, Suite 460, Fort Lauderdale, Florida 33309, Attention: Corporate Trust Department.

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

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

**WHEREAS**, additionally, the District has the power and authority under the Act to levy and collect Benefit Special Assessments (hereinafter defined) and Operation and Maintenance Assessments (hereinafter defined); and

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

**WHEREAS**, the execution and delivery of the Bonds (hereinafter defined) and of this Master Indenture (hereinafter defined) have been duly authorized by the Governing Body (hereinafter defined) of the District and all things necessary to make the Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Master Indenture a valid and binding agreement and a valid and binding lien on the Trust Estate (hereinafter defined) have been done;

all other sums payable hereunder, under the Supplemental Indenture authorizing such Series of Bonds or on the Bonds of such Series, and (c) for the enforcement of and compliance with the obligations, covenants and conditions of this Master Indenture except as otherwise expressly provided herein, as if all the Bonds at any time Outstanding (hereinafter 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** that (a) this Master Indenture creates a continuing lien equally and ratably to secure the payment in full of the principal of, premium, if any, and interest on all Bonds of a Series which may from time to time be Outstanding hereunder, except as otherwise expressly provided herein, (b) the Trust Estate shall immediately be subject to the lien of this pledge and assignment without any physical delivery thereof or further act, (c) 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) the Bonds of a Series are to be issued, authenticated and delivered, and 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 Supplemental Indenture authorizing the issuance of such Series of Bonds 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 hereunder or pursuant to a Supplemental Indenture, except the Series Rebate Account within the Rebate Fund.

**"Accreted Value"** shall mean, as of the date of computation with respect to any Capital Appreciation Bonds, an amount (truncated to three (3) decimal places)

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

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

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

**"Additional Bonds"** shall mean Bonds ranking on a parity with a Series of Bonds issued under a Supplemental Indenture, provided that such Supplemental Indenture allows for the issuance of parity Bonds.

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

**"Assessments"** shall mean all assessments levied and collected by or on behalf of the District pursuant to Section 190.022 of the Act, together with the interest specified by resolution adopted by the Governing Body, the interest specified in Chapter 170, Florida Statutes, if any such interest is collected by or on behalf of the Governing Body, and any applicable penalties collected by or on behalf of the District, together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Delinquent Assessments

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of the Trustee or the Paying Agent are located are authorized or required by law or other governmental action to close and on which the Trustee or Paying Agent, or both, is closed.

**"Capital Appreciation Bonds"** shall mean Bonds issued under this Master Indenture and any Supplemental Indenture as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding and payable in an amount equal to the then-current Accreted Value only at the maturity or earlier redemption thereof, all as so designated in a Supplemental Indenture of the District providing for the issuance thereof.

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

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

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

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

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

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

**"Continuing Disclosure Agreement"** shall mean a Continuing Disclosure Agreement, by and among the District, the dissemination agent named therein, and any other "obligated person" under the Rule, in connection with the issuance of one or more Series of Bonds hereunder, pursuant to the requirements of the Rule.

**"Cost"** or **"Costs"** as applied to a Series Project, shall include the cost of acquisition and construction thereof and all obligations and expenses relating

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and which are referred to as such and pledged to a Series of Bonds pursuant to the Supplemental Indenture authorizing the issuance of such Series of Bonds.

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

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

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

**"Benefit Special Assessments"** shall mean benefit special assessments levied and collected in accordance with Section 190.021(2) 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 and which are referred to as such and pledged to a Series of Bonds pursuant to the Supplemental Indenture authorizing the issuance of such Series of Bonds.

**"Bond Anticipation Notes"** shall mean bond anticipation notes issued pursuant to a Supplemental Indenture in anticipation of the sale of an authorized Series of Bonds and in a principal amount not exceeding the principal amount of such anticipated Series of Bonds.

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

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

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

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

**"Business Day"** shall mean any day excluding Saturday, Sunday or any other day on which banks in the cities in which the designated corporate trust office

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thereto including, but not limited to, those items of cost which are set forth in Section 403 hereof.

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

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

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

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

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

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

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

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

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

**"DTC"** shall mean The Depository Trust Company, and its successors and assigns.

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

**"Event of Default"** shall mean any of the events described in Section 902 hereof.

**"Federal Securities"** shall mean, to the extent permitted by law for investment as contemplated in this Master Indenture and any Supplemental Indenture, (a) Government Obligations, (b) 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, (c) certificates of ownership of the principal or interest of Government Obligations, which Government Obligations are held in trust, and (d) investment agreements at least one hundred percent (100%) collateralized by obligations described in clauses (a), (b) or (c) above.

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

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

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

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

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

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

(g) Any short-term government fund or any money market fund whose assets consist of (a), (b) and (c) above;

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

(i) Certificates evidencing a direct ownership interest in non-callable Government Obligations or in future interest or principal payments thereon held in a custody account by a custodian satisfactory to the Trustee;

(j) Obligations of any state of the United States of America or any political subdivision, public instrumentality or public authority of any such state which are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and which are fully secured by and payable solely from non-callable Government Obligations held pursuant to an escrow agreement; and

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

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

**"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.

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

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

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

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

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

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

(a) Government Obligations;

(b) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government-sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by the Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Federal Home Loan Mortgage Corporation and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by both Moody's and S&P at the time of purchase;

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

(d) Money market deposit accounts, time deposits, and certificates of deposits issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated, at the time of purchase, in one of the two highest rating categories, without regard to gradation, by Moody's and S&P;

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

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

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

**"Operation and Maintenance Assessments"** shall mean assessments described in Section 190.021(3) of the Act, for the maintenance of District facilities or the operations of the District.

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

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

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

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

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

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

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

**"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 Benefit Special Assessments, or portions thereof, which shall be paid to the District prior to the time such amounts become due, including but not limited to "true-up payments" due as part of the Assessments or an applicable agreement. Interest may be required to be paid with a Prepayment, but for purposes of this definition, Prepayments shall not include any interest paid on such Assessments.

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

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

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

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

**"Record Date"** shall mean the fifteenth (15th) day of the calendar month next preceding any Debt Service payment date or, in the case of any proposed redemption of Bonds, the fifth (5th) day next preceding the date of mailing of notice

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

**"Series Capitalized Interest Account"** shall mean the account within a Series Debt Service Account with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

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

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

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

**"Series Optional Redemption Subaccount"** shall mean the subaccount within a Series Redemption Account with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

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

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

**"Series Prepayment Subaccount"** shall mean the subaccount within a Series Redemption Account with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

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

**"Series Project"** or **"Series Projects"** shall mean the acquisition, construction, equipping and/or improvement of capital projects to be located within

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of such redemption, or if either of the foregoing days is not a Business Day, then the Business Day immediately preceding such day.

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

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

**"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.

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

**"S&P"** shall mean S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, a limited liability company organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such entity is dissolved or liquidated or no longer performs the functions of a securities rating agency, S&P will be deemed to refer to any other nationally recognized securities rating agency designated by the District by written notice to the Trustee.

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

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

**"Series"** shall mean all of the Bonds authenticated and delivered on original issuance of a stipulated aggregate principal amount in a simultaneous transaction under and pursuant to the same Supplemental Indenture and any Bonds thereafter authenticated and delivered in lieu of or in substitution therefor pursuant to this Master Indenture and such Supplemental Indenture regardless of variations in maturity, interest rate or other provisions; provided, however, two or more Series of Bonds may be issued simultaneously under the same Supplemental Indenture if designated as separate Series of Bonds by the District upon original issuance.

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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 within the Rebate Fund with respect to a Series of Bonds so designated in, and created pursuant to, a Supplemental Indenture.

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

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

**"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 a 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) the Maximum Annual Debt Service Requirement for all Bonds of such Series then Outstanding, (b) 125% of the average annual debt service for all Bonds of such Series then Outstanding, or (c) the aggregate of ten percent (10%) of the proceeds of the Bonds of such Series calculated as of the date of original issuance thereof. In computing the Series Reserve Account Requirement in respect of any Series of Bonds that constitute Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be the greater of (y) 110% of the daily average interest rate on such Variable Rate Bonds during the twelve (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 (z) the actual rate of interest borne by such Variable Rate Bonds on such date of calculation; provided, in no event shall the Series Reserve Account Requirement as adjusted on such date of calculation exceed the lesser of the amounts specified in the immediately preceding sentence. In computing the Series Reserve Account Requirement in accordance with clause (c) of this definition in respect of any Capital Appreciation Bonds, the principal amount of such Bonds shall be the original principal amount thereof, not the Accreted Value. A Supplemental Indenture may provide that the Series Reserve Account Requirement for a Series is zero.

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

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

**"Series Trust Estate"** shall mean the Trust Estate for a Series of Bonds established by Supplemental Indenture for such Series of Bonds.

**"State"** shall mean the State of Florida.

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

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

**"Tax Collector"** shall mean the Tax Collector of Manatee County, Florida, or the person succeeding to such officer's 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 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 covenants of the District necessary for the preservation of the excludability of interest thereon from gross income for federal income tax purposes, as such covenants shall be amended from time to time upon written instructions from Bond Counsel.

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

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

**"Time Deposits"** shall mean time deposits, certificates of deposit or similar arrangements with any bank or trust company, including the Trustee or an affiliate thereof, which is a member of the Federal Deposit Insurance Corporation and any

federal or State savings and loan association which is a member of the Federal Deposit Insurance Corporation or its successors and which are secured or insured in the manner required by State law.

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

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

**"Uniform Method"** shall mean the uniform method for the levy, collection and enforcement of Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, or any successor statutes.

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

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

## ARTICLE II FORM, EXECUTION, DELIVERY AND DESIGNATION OF BONDS

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

from time to time, Additional Bonds, Completion Bonds and Refunding Bonds of a Series under and pursuant to the terms of the Supplemental Indenture authorizing the issuance of such Series of Bonds.

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

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

**Section 203. Execution and Form of Bonds.** The Bonds shall be signed by or bear the facsimile signature of the Chairman, shall be attested and countersigned by the Secretary, and the certificate of authentication appearing on

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

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

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

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

**Section 207. Authorization of Bonds.**

(a) There shall be issued from time to time in Series, under and secured by this Master Indenture, Bonds without limitation as to aggregate principal amount for the purposes of:

(i) paying all or part of the Cost of a Series Project or Series Projects or refunding a Series of Bonds or any portion thereof then Outstanding; and

(ii) depositing the Series Reserve Account Requirement to the Series Reserve Account for such Series of Bonds.

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

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

(ii) an executed and attested original or certified copy of the Supplemental Indenture fixing the amount of and security for the Series of Bonds authorized to be issued thereby and establishing, among other things, the dates on which, and the amounts in which, such Series of Bonds will mature (provided that the final maturity date of such Series of Bonds shall be not later than permitted by the Act with respect to such Series of Bonds), designating the Paying Agent and Bond Registrar, fixing the Amortization

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

**Section 209. Parity 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 on parity 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 210. Bond Anticipation Notes.** Whenever the District shall authorize the issuance of a Series of Bonds, the District may by resolution authorize the issuance of Bond Anticipation Notes in anticipation of the sale of such authorized Series of Bonds in a principal amount not exceeding the principal amount of such Series of Bonds. 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 Series Projects for which the proceeds of the Bond Anticipation Notes will be applied shall not exceed such Cost. The interest on such Bond Anticipation Notes may be payable out of the related Series Interest Account to the extent provided in the resolution of the District authorizing such Bond Anticipation Notes. The principal of and interest on such Bond Anticipation Notes and renewals thereof shall be payable from any moneys of the District available therefor or from

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Installments, if any, for the Term Bonds of such Series, awarding the Series of Bonds, specifying the interest rates or the method for calculating such interest rates with respect to such Series of Bonds, specifying the redemption provisions and prices thereupon, specifying other details of such Series of Bonds, and directing the delivery of such Series of Bonds to or upon the order of the initial purchaser thereof upon payment of the purchase price therefor set forth in such Supplemental Indenture;

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

(iv) an opinion of Bond Counsel for the District substantially to the effect that the signer is of the opinion that the Bonds of such Series are valid, binding and enforceable obligations of the District and, if such Series of Bonds are Tax-Exempt 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 the initial purchasers.

Execution of a Series of Bonds by the District shall be conclusive evidence of satisfaction of the conditions precedent set forth in this Section 207(b) as to the District and payment to the Trustee of the initial purchase price for a Series of Bonds shall be conclusive evidence of satisfaction of the conditions precedent set forth in this Section 207(b) as to the underwriter of such Series of Bonds.

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

(c) To the extent not set forth in the Supplemental Indenture authorizing the issuance of a Series of Bonds, 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:

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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 Capitalized 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 unless the Trustee accepts in writing such duties and obligations.

**Section 211. Tax Status of Bonds.** Any Series of Bonds issued under this Master Indenture may be issued either as Tax-Exempt Bonds or Taxable Bonds. The intended tax status of any Series of Bonds to be issued may be referenced in any Supplemental Indenture authorizing the issuance of such Series of Bonds.

**ARTICLE III  
REDEMPTION OF BONDS**

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

Unless otherwise provided in the Supplemental Indenture relating to a Series of Bonds, if less than all of the Bonds of a Series shall be called for redemption, the particular Bonds of such 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

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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 hereinafter referred to as the "unit of principal amount").

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

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

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

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thereof, except to receive payment of the Redemption Price thereof, and interest, if any, accrued thereon to the redemption date, and such Bonds shall no longer be deemed to be Outstanding.

**Section 304. Cancellation.** Bonds called for redemption shall be canceled upon the surrender thereof pursuant to the provisions of Section 511 hereof.

#### 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 there shall be deposited to the credit of the Series Acquisition and Construction Accounts the amounts specified in the Supplemental Indenture relating to such Series of Bonds.

**Section 402. Payments from Acquisition and Construction Fund.** Payments of the Cost of constructing and acquiring a Series Project shall be made from the Acquisition and Construction Fund as herein provided. All such payments shall be subject to the provisions and restrictions set forth in this Article IV 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 a Series Project.** For the purposes of this Master Indenture, the Cost of a Series Project shall include, without intending thereby to limit or to restrict or expand any proper definition of such cost under the Act, other applicable provisions of State law, 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 Facility or Liquidity Facility fees and costs, attorneys' fees, underwriting fees and discounts, the Trustee's acceptance fees and costs, Trustee's counsel fees and costs, rating agency fees, fees of financial advisors, engineer's fees and costs, administrative expenses of the District, the costs of preparing audits and engineering reports, the costs of preparing reports, surveys, and studies, and the costs of printing the Bonds and preliminary and final disclosure documents.

(b) **Accrued and Capitalized Interest.** Any interest accruing on the Bonds from their date through the first Interest Payment Date received from the

Owner who has not submitted his Bond to the Paying Agent for payment on or before the date sixty (60) days following the date fixed for redemption of such Bond, in each case stating: (a) the numbers of the Bonds to be redeemed, by giving the individual certificate number of each Bond to be redeemed (or stating that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption); (b) the CUSIP numbers of all Bonds being redeemed; (c) in the case of a partial redemption of Bonds, the principal amount of each Bond being redeemed; (d) the date of issue of each Bond as originally issued and the complete official name of the Bonds including the Series designation; (e) the rate or rates of interest borne by each Bond being redeemed; (f) the maturity date of each Bond being redeemed; (g) the place or places where amounts due upon such redemption will be payable; and (h) the notice date, redemption date, and Redemption Price. The notice shall require that such Bonds be surrendered at the designated corporate trust office of the Paying Agent for redemption at the Redemption Price and shall state that further interest on such Bonds will not accrue from and after the redemption date; provided, however, that such presentation shall not be required while such Bonds are registered in book-entry only format. CUSIP number identification with appropriate dollar amounts for each CUSIP number also shall accompany all redemption payments.

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

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

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

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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 Series 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 Series Acquisition and Construction Account, together with earnings thereon, will be sufficient to pay for the remaining Costs of the related Series Project which are to be funded from such Series 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, plans and specifications and similar items and other interests in property, whether real or personal, tangible or intangible, which themselves constitute a Series Project or which are necessary or convenient to acquire, install and construct a Series Project and payments, contributions, dedications, taxes, assessments or permit fees or costs and any other exactions required as a condition to receive any government approval or permit necessary to accomplish any District purpose.

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

(e) **Other Professional Fees and Miscellaneous Expenses.**

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

(ii) Expenses of determining the feasibility or practicality of acquisition, construction, installation, or reconstruction of a Series Project.

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

(iv) Costs of improvements.

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- (v) Financing charges.
- (vi) Creation of initial reserve and debt service funds.
- (vii) Working capital.
- (viii) Amounts to repay Bond Anticipation Notes or loans made to finance any costs permitted under the Act.
- (ix) Costs incurred to enforce remedies against contractors, subcontractors, any provider of labor, material, services or any other person for a default or breach under the corresponding contract, or in connection with any dispute.
- (x) Premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same.
- (xi) Expenses of management and supervision of a Series Project.
- (xii) Costs of effecting compliance with any and all governmental permits relating to a Series Project.
- (xiii) Payments, contributions, dedications, fair share or concurrency obligations and any other exactions as a condition to receive any government approval or permit necessary to accomplish any District purpose (including but not limited to impact fees, utility connection fees, school concurrency fees, etc.).
- (xiv) Any other "cost" or expense as provided by the Act.
- (f) **Refinancing Costs.** All costs described in (a) through (e) above or otherwise permitted by the Act associated with refinancing or repaying any loan or other debt obligation of the District.

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

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for each such Series of Bonds issued hereunder;

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

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

#### **Section 503. Acquisition and Construction Fund.**

(a) **Deposits.** The District shall pay to the Trustee, for deposit into the related Series 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) the balance of insurance proceeds with respect to the loss or destruction of the Series Project or any portion thereof;
- (iv) amounts received from a governmental entity pursuant to an interlocal agreement or other similar agreement between the District and such governmental entity providing for the payment by such governmental entity of a portion of the Costs of a Series Project;
- (v) amounts received from impact fee credits and/or utility connection fee credits; and
- (vi) such other amounts as may be provided in a Supplemental Indenture.

Amounts in such Series Acquisition and Construction Account shall be applied to the Cost of the Series Project.

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## **ARTICLE V ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF**

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

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

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

- (a) Acquisition and Construction Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Acquisition and Construction Account and a separate 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,
  - (i) a Series Debt Service Account, and therein a Series Interest Account, a Series Principal Account, a Series Sinking Fund Account and a Series Capitalized Interest Account, and
  - (ii) a Series Redemption Account and therein a Series Prepayment Subaccount and a Series Optional Redemption Subaccount,

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

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

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

(d) **Completion of Series Project.** On the Date of Completion of a Series Project, the balance in the related Series 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. The Trustee shall have no duty to determine whether the Date of Completion has occurred and the Trustee shall not be deemed to have knowledge that the Date of Completion has occurred until the Trustee has received the certificate of the Consulting Engineer establishing such Date of Completion as specified in the definition of Date of Completion in Section 101 hereof.

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

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## Section 505. Debt Service Fund.

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

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

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

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

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

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

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

Notwithstanding the foregoing, so long as there are moneys on deposit in the related Series Capitalized Interest Account on the date required for any transfer into the Series Interest Account as set forth above, the Trustee shall, prior to making any transfer into the related Series Interest Account from the related Series Revenue Account, transfer to the related Series Interest Account from the related Series Capitalized Interest Account, the lesser of the interest on such Series of

Bonds coming due on the next succeeding Interest Payment Date or the amount remaining on deposit in the related Series Capitalized Interest Account.

(b) **Disposition of Remaining Amounts on Deposit in Series Revenue Account.** The District shall authorize the withdrawal, from time to time, from the Series Revenue Account an amount sufficient to pay the fees and charges of the Trustee, Bond Registrar, and Paying Agent, when due. Subject to the provisions of Section 604 hereof, if (i) the amount on deposit in the Series Interest Account, Series Principal Account, Series Sinking Fund Account and Series Redemption Account in each Bond Year equals the interest payable on the Bonds of such Series in such Bond Year, the principal amount of all Serial Bonds payable in such Bond Year, the Maturity Amount of all Capital Appreciation Bonds due in such Bond Year and the Amortization Installments required to be paid in such Bond Year, and (ii) any amounts remain in the Series Revenue Account on November 2 of such Bond Year, then such amounts shall, at the written direction of the District, be applied to pay the commissions, fees, costs and any other charges of the Tax Collector and the Property Appraiser or, if such commissions, fees, costs, or other charges have been paid by the District, then to reimburse the District for such payment upon written request of an Authorized Officer. If, after such amounts have been withdrawn, paid and provided for as provided above, any amounts remain in the Series Revenue Account, such amounts shall be disbursed to the District on written request of an Authorized Officer and applied to pay the operating and administrative costs and expenses of the District. After making the payments provided for in this subsection (b), the balance, if any, remaining in the Series Revenue Account shall be retained therein or, at the written direction of an Authorized Officer to the Trustee, transferred into the Series Prepayment Subaccount of the Series Redemption Account. Upon the occurrence and continuance of an Event of Default hereunder, the foregoing transfer to the Series Prepayment Subaccount shall not be made.

(c) **Series Reserve Account.** Except as otherwise provided for herein or in a Supplemental Indenture, moneys held for the credit of a Series Reserve Account shall be used for the purpose of paying interest or principal or Amortization Installment or Maturity Amount on the Bonds of the related Series whenever amounts on deposit in the Series Debt Service Account shall be insufficient for such purpose.

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

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

(f) **Payment to the District.** When no Bonds of a Series remain Outstanding, and after all expenses and charges herein and in the related Supplemental Indenture required to be paid have been paid as certified to the Trustee in writing by an Authorized Officer, and after all amounts due and owing to the Trustee have been paid in full, the Trustee shall pay any balance in the Accounts for such Series of Bonds to the District upon the written direction of an Authorized Officer, free and clear of any lien and pledge created by this Master Indenture; provided, however, that if an Event of Default has occurred and is continuing in the payment of the principal or Maturity Amount of, or interest or premium on the Bonds of any other Series, the Trustee shall pay over and apply any such excess pro rata (based upon the ratio of the aggregate principal amount of such Series of Bonds to the aggregate principal amount of all Series of Bonds then Outstanding and for which such an Event of Default has occurred and is continuing) to each other Series of Bonds for which such an Event of Default has occurred and is continuing.

## Section 506. Optional Redemption.

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

(b) **Purchase of Bonds of a Series.** The District may purchase Bonds of a Series then Outstanding at any time, whether or not such Bonds shall then be subject to redemption, at the most advantageous price obtainable with reasonable

diligence, having regard to maturity, option to redeem, rate and price, provided however, that consistent with Section 301, such price does not exceed the highest Redemption Price, which is 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 from the related Series Principal Account, but no such purchase shall be made after the Record Date in any Bond Year in which Bonds have been called for redemption. To the extent that insufficient moneys are on deposit in a related Series Interest Account to pay the accrued interest portion of the purchase price of any Bonds or in a related Series Principal Account to pay the principal amount of the purchase price of any Serial Bond, the Trustee shall transfer into such Accounts from the related Series Revenue Account sufficient moneys to pay such respective amounts. In the event that there are insufficient moneys on deposit in the related Series Sinking Fund 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 Sinking Fund 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 of the District to the Trustee accompanied by a certificate of an Authorized Officer: (A) stating that sufficient moneys are on deposit in the Series Redemption Account to pay the purchase price of such Bonds; (B) setting forth the amounts and maturities of Bonds of such Series which are to be redeemed from such amounts; and (C) containing cash flows which demonstrate that, after giving effect to the purchase of Bonds in the amounts and maturities set forth in clause (B) 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 Sinking Fund 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 Sinking Fund Account and the Trustee may transfer moneys from the related Series Revenue Account to the related Series Sinking Fund 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: (X) stating that sufficient moneys are on deposit in the Series Sinking Fund 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; (Y) 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 (Z) 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 (Y) 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 Prepayment Subaccount of a Series Redemption Account, against the principal coming due or Amortization Installments set forth in the certificate of the Authorized Officer accompanying the direction of the District to effect such purchase; or
- (ii) if the Bonds are Term Bonds of a Series, against the Amortization Installments 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 Bonds.

#### **Section 507. Rebate Fund.**

(a) **Creation.** There is created and established by Section 502 hereof 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.

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

(c) **Deficiencies.** If the Trustee does not have on deposit in the Series Rebate Account sufficient amounts to make the payments required by this Section 507, the District shall pay, from any legally available source, the amount of any such deficiency to the United States as provided in paragraph (b) above. The Trustee shall have no duty to pay such deficiency from its own funds.

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

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

(a) **Series Acquisition and Construction Account, Series Revenue Account and Series Debt Service Account.** Moneys held for the credit of a Series Acquisition and Construction Account, a Series Revenue Account, and a 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 Account will be required for the purposes intended.

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

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

(d) **Valuation.** In computing the value of the assets of any Fund or Account, investments and earnings thereon shall be deemed a part thereof. The Trustee shall value the assets in each of the Funds and Accounts established hereunder as of September 30 of each Fiscal Year, and as soon as practicable after each such valuation date (but no later than ten (10) days after each such valuation date) shall provide the District a report of the status of each Fund and Account as of the valuation date. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder, with the exception of a Series Reserve Account, obligations in which money in such Fund or Account shall have been invested shall be valued at the market value or the amortized cost thereof, whichever is lower, or at the Redemption Price thereof, to the extent that any such obligation is then redeemable at the option of the holder. For the purpose of determining the amount on deposit to the credit of a Series Reserve Account, obligations in which money in such Account shall have been invested shall be valued at par, if purchased at par, or at amortized cost, if purchased at other than par, plus, in each case, accrued interest. Amortized cost, when used with respect to an obligation purchased at a premium above or a discount below par, means the

value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase; and (i) in the case of an obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (ii) in the case of an obligation purchased at a discount by adding the product thus obtained to the purchase price.

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

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

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

**Section 510. Investment Income.** Unless otherwise provided in a Supplemental Indenture, earnings on Investments in a Series Acquisition and Construction Account, a Series Interest Account, a Series Capitalized Interest Account and a Series Revenue Account shall be retained, as realized, to the credit of such Account and used for the purpose of such Account. Unless otherwise provided in a Supplemental Indenture, earnings on investments in the Funds and Accounts other than a Series Reserve Account and other than as set forth above shall be deposited, as realized, to the credit of such Series Revenue Account and used for the purpose of such Account.

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

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

(b) if there was a 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, 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 retained in the Series Reserve Account until the amount on deposit therein equals the Series Reserve Account Requirement and thereafter shall be deposited to the Series Revenue Account.

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

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

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

**Section 603. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Gross Negligence.** The Trustee may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers

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provided for therein) or if the Trustee, based upon the advice of counsel upon which the Trustee is entitled to rely, determines that the giving of such notice is not in the best interests of the Owners of the Bonds. The Trustee will be deemed to have actual knowledge of any payment default under this Master Indenture or under any Supplemental Indenture and after receipt of written notice thereof by a Credit Facility issuer or Liquidity Facility issuer of a default under its respective reimbursement agreement, but shall not be deemed to have actual knowledge of any other default unless notified in writing of such default by the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding and affected by such default. 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 Default.** Before taking any action under this Master Indenture or any Supplemental Indenture in respect of an Event of Default, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability resulting from its own gross negligence or willful misconduct in connection with any such action.

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

**Section 609. Trustee May Deal in Bonds.** The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Owners may be entitled to take with like effect as if the Trustee were not a party to this Master Indenture or any Supplemental Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the District.

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

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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 whatsoever in connection with the trust hereunder, except only its own gross negligence or willful misconduct.

**Section 604. Compensation and Indemnity.** The District shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, including the reasonable fees and expenses of Trustee's counsel, and to the extent permitted under State law shall indemnify the Trustee and hold the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder except with respect to its own negligence or misconduct. The Trustee shall have no duty in connection with its responsibilities hereunder to advance its own funds nor shall the Trustee have any duty to take any action hereunder without first having received indemnification satisfactory to it. If the District defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys received or held by the Trustee under this Master Indenture or any Supplemental Indenture other than moneys from a Credit Facility or Liquidity Facility. This Section 604 shall survive termination of this Master Indenture and any Supplemental Indenture, and as to any Trustee, its resignation or removal thereof. As security for the foregoing, the District hereby grants to the Trustee a security interest in and to the amounts on deposit in all Series Funds and Accounts (other than the Rebate Fund) thereby, in effect, granting the Trustee a first charge against these moneys following an Event of Default for its fees and expenses (including legal counsel and default administration costs and expenses), subordinate and inferior to the security interest granted to the Owners of the Bonds from time to time secured thereby, but nevertheless payable in the order of priority as set forth in Section 905(a) upon the occurrence of an Event of Default.

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

**Section 606. Notice of Default; Right to Investigate.** The Trustee shall give written notice, as soon as practicable, by first-class mail to registered Owners of Bonds of all defaults of which the Trustee has actual knowledge, unless such defaults have been remedied (the term "defaults" for purposes of this Section 606 and Section 607 being defined to include the events specified as "Events of Default" in Section 902 hereof, but not including any notice or periods of grace

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

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

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

**Section 613. Appointment of Successor Trustee.** If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the District shall appoint a successor and shall mail notice of such appointment, including the name and address of the applicable corporate trust office of the successor Trustee, by first-class mail to each Owner as its name and address appears on the Bond Register, and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer; provided, however, that the District shall not appoint a successor Trustee if an Event of Default has occurred and is continuing, unless the

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District shall have received the prior written consent, which consent shall not be unreasonably withheld, of any Credit Facility issuer and any Liquidity Facility issuer, to the appointment of such successor Trustee. If an Event of Default has occurred hereunder and is continuing and the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and a successor may be appointed by any court of competent jurisdiction upon the application of the Owners of not less than twenty percent (20%) in aggregate principal amount of the Bonds then Outstanding and such successor Trustee shall mail notice of its appointment, including the name and address of the applicable corporate trust office of the successor Trustee, by first-class mail to each Owner as its name and address appears on the Bond Registrar, and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer.

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

**Section 615. Instruments of Succession.** Except as provided in Section 616 hereof, any successor Trustee shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein, except for the predecessor's rights under Section 604 hereof. After withholding from the funds on hand any amounts owed to itself hereunder, the Trustee ceasing to act hereunder shall pay over to the successor Trustee all moneys held by it hereunder; and the Trustee ceasing to act and the District shall execute and deliver an instrument or instruments transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the Trustee ceasing to act except for the rights granted under Section 604 hereof. The successor Trustee shall mail notice of its appointment, including the name and address of the applicable corporate trust office of the successor Trustee, by first-class mail to each Owner as its name and address appears on the Bond Registrar, and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer.

**Section 616. Merger of Trustee.** Any corporation, entity or purchaser into which any Trustee hereunder may be merged or with which it may be consolidated or into which all or substantially all of its corporate trust assets shall be sold or its operations conveyed, or any corporation, entity or purchaser resulting from any merger, consolidation or sale 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

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

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

**Section 622. Successor by Merger or Consolidation.** Any corporation, entity or purchaser into which any Paying Agent or Bond Registrar hereunder may be merged, converted or sold or with which it may be consolidated or into which substantially all of its corporate trust assets shall be sold or otherwise conveyed, or any corporation, entity or purchaser resulting from any merger, consolidation or sale 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.

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

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successor corporation, entity or purchaser continuing to act as Trustee hereunder shall meet the requirements of Section 614 hereof, and if such corporation, entity or purchaser does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article VI.

**Section 617. Resignation of Paying Agent or Bond Registrar.** The Paying Agent or Bond Registrar may resign and be discharged of the duties created by this Master Indenture by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the District and the Trustee not less than sixty (60) days before the date specified in such instrument when such resignation shall take effect, and by giving written notice of such resignation mailed not less than sixty (60) days prior to such resignation date to each Owner as its name and address appear on the registration books of the District maintained by the Bond Registrar. Such resignation shall take effect on the date specified in such notice, unless a successor Paying Agent or Bond Registrar is previously appointed in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Bond Registrar. If a 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 the Trustee, an instrument or instruments in writing executed by an Authorized Officer appointing a successor. Such removal shall be effective thirty (30) days after delivery of the instrument (or such longer period as may be set forth in such 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

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**Section 624. Patriot Act Requirements of the Trustee.** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

**Section 625. Public Records Laws.** The Trustee understands and agrees that all documents of any kind provided to the District in connection with this Indenture may be public records, and, accordingly, the Trustee agrees to comply with all applicable provisions of Florida law (if any) in handling such records, including but not limited to Section 119.0701, Florida Statutes.

IF THE TRUSTEE HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE TRUSTEE'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS INDENTURE, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (877) 276-0889, GILLYARD@WHHASSOCIATES.COM AND 2300 GLADES ROAD, SUITE 410W, BOCA RATON, FLORIDA 33431.

## ARTICLE VII FUNDS CONSTITUTE TRUST FUNDS

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

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

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

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

(d) until applied for the purposes provided herein, be subject to a first lien in favor of the Owners of such Series of Bonds and any parity obligations to issuers of Credit Facilities or Liquidity Facilities with respect to such Series of Bonds,

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

(e) shall not be subject to lien or attachment by any creditor of the Trustee or any creditor of the District or any other Series of Bonds other than the Owners of such Series of Bonds and the issuers of Credit Facilities 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 Series Trust Estate with respect to each Series of Bonds, Debt Service on the dates, at the places, and in the amounts stated herein, in any Supplemental Indenture, and in the Bonds of such Series.

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

**Section 803. Further Assurance.** At any and all times the District shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, moneys, securities and funds hereby pledged or assigned, or intended so to be, or which the District may become bound to pledge or assign after the date of execution of this Master Indenture.

**Section 804. Power to Issue Bonds and Create a Lien.** The District hereby represents to the Trustee and to the Owners that it is and will be duly authorized under all applicable laws to issue the Bonds of each Series, to execute this Master Indenture, to adopt Supplemental Indentures, and to pledge its moneys, securities and funds in the manner and to the extent provided herein. Except as provided herein, the District hereby represents that such moneys, securities and funds of the District are and will be free and clear of any pledge, lien, charge or

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either of the foregoing or the United States Government; and/or (b) 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 (c) 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 thirty (30) days of receipt and approval by the District, so long as any Bonds are Outstanding, deliver to each Requesting Owner (hereinafter defined), and otherwise as provided by law, a copy of its annual audit for such year, accompanied by an Accountant's Certificate, including (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, or at the option of the Trustee, such summary can be made on a monthly basis. For purposes of the foregoing, the term "Requesting Owner" shall mean the Owner (or Beneficial Owner in the case of Bonds held in book-entry form) of more than \$1,000,000 aggregate principal amount of any Series of Bonds who requests such information in writing to the District.

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

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encumbrance thereon and all action on the part of the District to that end has been and will be duly and validly taken. The Bonds of each Series, this Master Indenture and any Supplemental Indenture are and will be the valid and legally enforceable obligations of the District, enforceable in accordance with their terms except to the extent that enforcement thereof may be subject to bankruptcy and other similar laws affecting creditors' rights generally. The District shall at all times, to the extent permitted by law, defend, preserve and protect the pledge and lien created by this Master Indenture and all the rights of the Owners hereunder against all claims and demands of all other persons whomsoever.

**Section 805. Power to Undertake Series Projects and to Collect Pledged 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: (a) 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 (b) to fix, levy and collect or cause to be collected any and all Pledged Revenues.

**Section 806. Sale of Series Projects.** The District covenants that, until such time as there are no Bonds of a Series Outstanding, it will not sell, lease or otherwise dispose of or encumber the related Series Project or any part thereof other than as provided herein. The District may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments, or other movable property acquired by the District in connection with a Series Project, or any materials used in connection therewith, if the District shall determine that such articles are no longer needed or are no longer useful in connection with the acquisition, construction, operation or maintenance of a Series Project, and the proceeds thereof may be applied to the replacement of the properties so sold or disposed of and, if not so applied, shall be deposited to the credit of the related Series Acquisition and Construction Account or, after the Date of Completion of the Series Project, shall be applied as provided in the corresponding Supplemental Indenture. The District may from time to time sell or lease such other property forming part of a Series Project which it may determine is not needed or serves no useful purpose in connection with the maintenance and operation of such Series Project, if the Consulting Engineer shall in writing approve such sale or lease, and the proceeds of any such sale shall be disposed of as hereinabove provided for the proceeds of the sale or disposal of movable property. The proceeds of any lease as described above shall be applied as provided in the corresponding Supplemental Indenture.

Notwithstanding the foregoing, the District may: (a) dispose of all or any part of a Series Project, other than a Series Project the revenues to be derived from the operation of which are pledged to a Series of Bonds, by gift or dedication thereof to any unit of local government, or to the State or any agency or instrumentality of

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

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

**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 any Tax-Exempt Bonds to become "arbitrage bonds" as defined in Section 148 of the Code. 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 Code) of the Owners. Without limiting the generality of the foregoing, the District hereby covenants that it will to the extent not remitted by the Trustee from funds held in the Rebate Account, remit to the United States the Rebate Amount at the time and place required by this Master Indenture, any Supplemental Indenture, and the Tax Regulatory Covenants.

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

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

**Section 812. Delinquent 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 the provisions of Chapters 170

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and/or 197, Florida Statutes, including but not limited to the sale of tax certificates and tax deeds as regards such Delinquent Assessment. In the event the provisions of Chapter 197, Florida Statutes, are inapplicable or unavailable, or in the event that an Assessment or Benefit Special Assessment was directly collected by the District, as permitted by a Supplemental Indenture, then upon the delinquency of any such Assessment or Benefit Special Assessment, the District either on its own behalf, or through the actions of the Trustee may, and shall, if so directed in writing by the Majority Owners of the Bonds of such Series then Outstanding, 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 Chapters 170 and 173, and Section 190.026, Florida Statutes, or otherwise as provided by law. The District further covenants to furnish, at its expense, to any Owner of Bonds of the related Series so requesting, sixty (60) days after the due date of each annual installment, a list of all Delinquent Assessments together with a copy of the District's annual audit (if available), and a list of foreclosure actions currently in progress and the current status of such Delinquent Assessments.

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

**Section 814. Sale of Tax Deed or Foreclosure of Assessment or Benefit Special Assessment Lien.** If any property shall be offered for sale for the nonpayment of any Assessment or Benefit Special Assessment, which is pledged to a Series of Bonds, and no person or persons shall purchase such property for an amount less than or equal to the full amount due on the Assessments or Benefit Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Assessments or Benefit Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special purpose entity title to the property for the benefit of the Owners of the Series of Bonds to which such Assessments or Benefit Special Assessments were pledged; provided that the Trustee shall have the right, acting at the direction of the Majority Owners of the applicable Series of Bonds secured by such Assessments or Benefit Special Assessments, but shall not be obligated, to direct the District

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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, such Series of Bonds shall be within every debt and other limit prescribed by the laws of the State applicable to the District.

The District shall not enter into any contract or take any action by which the rights of the Trustee or the Owners may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Master Indenture and any Supplemental Indenture. For so long as any Bonds are Outstanding hereunder, unless otherwise provided by the Act, the District shall maintain its corporate existence as a local unit of special purpose government under the Act and shall provide for or otherwise require all Series Projects, and all parts thereof owned by the District to be (a) continuously operated, repaired, improved and maintained as shall be necessary to provide adequate service to the lands benefited thereby, and (b) in compliance with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority.

**Section 818. Continuing Disclosure.** The District covenants and agrees that it will comply with and carry out all of the provisions of any Continuing Disclosure Agreement. Notwithstanding any other provision of this Master Indenture or any Supplemental Indenture, failure of the District or any other obligated person to comply with any Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; however, the Trustee may (and, at the request of any participating underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Bonds of a Series then Outstanding and receipt of indemnity to its satisfaction, shall) or any Owner or Beneficial Owner of the Bonds of a Series then Outstanding may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the District to comply with its obligations under this Section 818. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

## ARTICLE 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

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

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

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

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

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Indenture unless the aggregate principal amount of such Bonds then Outstanding and of all accrued interest the time for payment of which shall not have been extended, shall have previously been paid in full.

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

- (a) Any payment of Debt Service on such Series of Bonds is not made when due;
- (b) The District shall for any reason be rendered incapable of fulfilling its obligations hereunder or under the Supplemental Indenture relating to such Series of Bonds;
- (c) The District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of the related Series Project;
- (d) The District is adjudged insolvent by a court of competent jurisdiction, or is adjudged bankrupt on a petition in bankruptcy filed against the District, or an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the District, a receiver or trustee of the District or of the whole or any part of its property and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof;
- (e) The District shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;
- (f) Under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District's assets or any part thereof, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control;
- (g) Any portion of the Assessments or Benefit Special Assessments pledged to a Series of Bonds shall have become Delinquent Assessments and, as the result thereof, the Indenture provides for the Trustee to withdraw funds in an amount greater than twenty-five percent (25%) of the amount on deposit in a Series Reserve Account to pay Debt Service on the corresponding Series of Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners, actually withdraw such funds from the Series Reserve Account to pay Debt Service on the corresponding Series of Bonds);

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

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

**Section 903. Acceleration of Maturities of Bonds of a Series Under Certain Circumstances.** Upon the happening and continuance of any Event of Default specified in clauses (a) through (i) of Section 902 above with respect to a Series of Bonds, the Trustee shall, upon written direction of the Majority Owners 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 of Bonds to the contrary notwithstanding; provided, however, that no such declaration of acceleration shall occur in the case of Bonds of a Series secured by Assessments, except to the extent that the Assessments have been accelerated and are currently due and payable in accordance with applicable law; and provided further, however, that if at any time after the aggregate principal amount of the Bonds of any Series then Outstanding shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Master Indenture or the related Supplemental Indenture, moneys shall have accumulated in the related Series Revenue Account sufficient to pay the principal of all matured Bonds of such Series and all arrears of interest, if any, upon all Bonds of such Series then Outstanding (except the aggregate principal amount of any Bonds of such Series then Outstanding that is only due because of a declaration under this Section 903, 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

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sentence of this Section 904 are conditions precedent to the exercise by any Owner of such Series of Bonds of any remedy hereunder. The exercise of such rights is further subject to the provisions of Sections 907, 909, 910, 912 and the second paragraph of this Section 904. No Owner or Owners of such Series of Bonds shall have any right in any manner whatsoever to enforce any right under this Master Indenture, except in the manner herein provided.

The District covenants and agrees that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, including delinquent Direct Billed Operation and Maintenance Assessments, the provisions for the foreclosure of liens of Delinquent Assessments, including delinquent Direct Billed Operation and Maintenance Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, the Majority Owners, from time to time, of the Bonds of a Series. Notwithstanding anything to the contrary herein, and unless otherwise directed by the Majority Owners of the Bonds of a Series and allowed pursuant to federal or State law, the District acknowledges and agrees that (y) upon failure of any property owner to pay an installment of Assessments collected directly by the District when due, that the entire Assessment on the tax parcel as to which such Delinquent Assessment appertains, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and the District shall promptly, but in any event within 120 days, cause to be brought the necessary legal proceedings for the foreclosure of liens of Delinquent Assessments, including interest and penalties with respect to such tax parcel and (z) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages.

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

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

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Series then Outstanding that is due only because of a declaration under this Section 903) shall have been remedied, then the Trustee or, if the Trustee is unable or unwilling to act, the Majority Owners of such Series of Bonds then Outstanding not then due except by virtue of a declaration under this Section 903, may, by written notice to the District, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

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

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

No Owner of such Series of Bonds shall have any right to pursue any other remedy under this Master Indenture or such Series of Bonds unless: (a) an Event of Default shall have occurred and is continuing; (b) the Majority Owners of the Bonds of such Series then Outstanding have requested the Trustee, in writing, to exercise the powers granted in the first paragraph of this Section 904 or to pursue such remedy in its or their name or names; (c) the Trustee has been offered indemnity satisfactory to it against costs, expenses and liabilities reasonably anticipated to be incurred; (d) the Trustee has declined to comply with such request, or has failed to do so, within sixty (60) days after its receipt of such written request and offer of indemnity; and (e) no direction inconsistent with such request has been given to the Trustee during such sixty (60) day period by the Majority Owners of the Bonds of such Series then Outstanding. The provisions of the immediately preceding

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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 hereof, all such moneys shall be applied first to the payment of any fees and expenses of the Trustee, including reasonable counsel fees and expenses, to the extent not otherwise paid, and then the payment of the whole amount of principal and interest then due and unpaid upon the Bonds of such Series, without preference or priority of principal or of interest or of any installment of interest over any other, or of any Bond over any other Bond of such Series, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds of such Series.

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

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The provisions of this Section 905 are in all respects subject to the provisions of Section 901 hereof.

Whenever moneys are to be applied pursuant to this Section 905, such moneys shall be applied by the Trustee at such times as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application. The deposit of such moneys with the Paying Agent shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to any Owner or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies such moneys in accordance with such provisions of this Master Indenture as may be applicable at the time of application. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to any Owner until such Bond shall be surrendered to him for appropriate endorsement.

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

**Section 907. Restriction on Individual Owner Actions.** Except as provided in Section 910 below, no Owner of any Bonds of a Series shall have any right in any manner whatsoever 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

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(i) the District hereby agrees that it shall make a reasonable attempt to timely seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Bonds of a Series then Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Assessments relating to the Bonds of a Series then Outstanding, the Bonds of such Series then Outstanding or any rights of the Trustee under the Indenture (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Bonds of such Series then Outstanding, to the proposed action if the District does not receive a written response from the Trustee within sixty (60) days following delivery to the Trustee of a written request for consent);

(ii) the District hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Assessments relating to the Bonds of a Series then Outstanding, the Bonds of such Series then Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee;

(iii) the District hereby agrees that it shall make a reasonable attempt to timely seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Bonds of such Series then Outstanding, to the proposed action if the District does not receive a written response from the Trustee within sixty (60) days following delivery to the Trustee of a written request for consent);

(iv) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Assessments relating to the Bonds of a Series then Outstanding, would have the right to pursue, and, if the Trustee chooses to exercise any such rights, the District shall not oppose the Trustee in seeking to exercise any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including, without limitation, the right to file and/or prosecute and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Assessments relating to the Bonds of a Series then Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods

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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 IX shall affect or impair the right of any Owner to enforce the payment of Debt Service on the Bond of which such person is the registered Owner, or the obligation of the District to pay Debt Service to the Owner at the time and place specified in such Bond.

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

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

**Section 913. Provisions Relating to Bankruptcy or Insolvency of Landowner.**

(a) The provisions of this Section 913 shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel, or tax parcels which are in the aggregate, subject to at least five percent (5%) of the Assessments pledged to the Bonds of a Series then Outstanding (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding").

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

or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and

(v) the District shall not challenge the validity or amount of any claim submitted in good faith by the Trustee in such Proceeding 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 the Trustee's enforcement of the District's claim and rights with respect to the Assessments relating to the Bonds of a Series then Outstanding or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right to (A) file a proof of claim with respect to the Assessments pledged to the Bonds of a Series then Outstanding, (B) deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (C) defend any objection filed to said proof of claim.

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

(c) Nothing in this Section 913 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 for Operation and Maintenance Assessments in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Assessments relating to the Bonds of a Series then Outstanding whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (b)(iv) above.

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

**Section 1001. Execution of Instruments by Owners and Proof of Ownership of Bonds.** Any request, direction, consent or other instrument in writing required or permitted by this Master Indenture or any Supplemental Indenture to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor and may be signed or executed by Owners or their

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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 X 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 Owner 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; 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 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

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

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

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

(d) 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 then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture or indenture supplemental to a Supplemental Indenture described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Governing Body and the Trustee may approve such Supplemental Indenture and

(d) to grant to the Owners or to the Trustee on behalf of the Owners any additional rights or security that may lawfully be granted; or

(e) to add to the covenants and agreements of the District in this Master Indenture other covenants and agreements thereafter to be observed by the District to the benefit of the Owners of the Bonds then Outstanding; or

(f) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190, 197 and 298, Florida Statutes, or any other 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 Bonds then Outstanding, upon which opinion the Trustee may conclusively rely.

### Section 1102. Supplemental Indentures With Owner Consent.

(a) Subject to the provisions contained in this Section 1102, and not otherwise, the Majority Owners of 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; provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent of all Owners of Bonds then Outstanding and affected by such supplement or amendment,

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

(b) In addition to the foregoing, the Majority Owners of any Series of Bonds 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

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cause it to be executed, in substantially such form, without liability or responsibility to any Owner.

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

**Section 1104. Supplemental Indenture Part of Indenture.** Any Supplemental Indenture executed in accordance with this Article XI and approved as to legality by counsel to the District shall thereafter, except as otherwise provided therein, form a part of this Master Indenture. Except as applicable only to Bonds of a Series, all of the terms and conditions contained in any such Supplemental Indenture amendatory of this Master Indenture shall be part of the terms and conditions hereof. The Trustee is not obligated to execute any amendment that is adverse to the interests of the Trustee.

### Section 1105. Insurer or Issuer of a Credit Facility or Liquidity Facility as Owner of Bonds.

(a) As long as a Credit Facility or Liquidity Facility securing all or a portion of the Bonds of a Series then Outstanding is in effect and the issuer thereof is not in default of any of its obligations under such Credit Facility or Liquidity Facility, as the case may be, the issuer of the Credit Facility 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 Facility or Liquidity Facility:

- (i) at all times for the purpose of the execution and delivery of a Supplemental Indenture or of any amendment, change or modification of the Master Indenture or the applicable Supplemental Indenture or the initiation by Owners of any action to be undertaken by the Trustee at the Owner's request, which under the Master Indenture or the applicable Supplemental Indenture requires the written approval or consent of or can be initiated by the Majority Owners of the Bonds of such Series then Outstanding;

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(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.

(b) Notwithstanding the foregoing, neither an Insurer nor the issuer of a Credit Facility 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 then 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 pays or causes to be paid all other moneys owing hereunder and under any Supplemental Indenture (including, without limitation the fees and expenses of the Trustee, including reasonable counsel fees and expenses), then the lien of this Master Indenture and all covenants, agreements and other obligations of the District to the Owners and the issuer of any Credit Facility or Liquidity Facility shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee upon the request of the District shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee and the Paying Agent shall pay over or deliver, as directed by the District, all moneys or securities held by them pursuant to this Master Indenture

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(iii) the District shall have given the Trustee or the Bond Registrar in form satisfactory to it irrevocable instructions to mail, postage prepaid, to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registration books of the District, a notice to the registered Owners of such Bonds and to the Bond Registrar that the deposit required by (ii) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section 1201 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on such Bonds; and

(iv) an opinion of Bond Counsel to the effect that such defeasance is permitted under this Master Indenture and the Supplemental Indenture relating to the Series of Bonds so defeased and that, in the case of Tax-Exempt Bonds, such defeasance will not adversely affect the tax-exempt status of such Series of Bonds.

(c) 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, and to the extent all obligations under any Letter of Credit Agreement and any Liquidity Agreement are satisfied, as determined by an Insurer or an issuer of any Credit Facility or 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 and 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.

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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 Bonds then Outstanding 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 1201. All Bonds of any particular maturity or Series then Outstanding 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 hereof notice of redemption of such Bonds on such date;

(ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Federal Securities, the principal of and the interest on which when due shall, as demonstrated in an Accountant's Certificate, provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be;

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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.

(d) 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 1201, 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, any Letter of Credit Agreement or any Liquidity Agreement.

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

(f) 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

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

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

(h) Anything in this Master Indenture to the contrary notwithstanding, the provisions of the foregoing subsections (b) through (g) 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 then Outstanding" were a reference to the "Bonds of such Series then Outstanding."

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

### ARTICLE XIII MISCELLANEOUS PROVISIONS

**Section 1301. Effect of Covenant.** All covenants, stipulations, obligations and agreements of the District contained in this Master Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the District and of the

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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 in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of his office by reason of sickness, absence from the District or otherwise, all powers conferred and all obligations and duties imposed upon such officer shall be performed by the officer succeeding to the principal functions thereof or by the officer upon whom such powers, obligations and duties shall be imposed by law.

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

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

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

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

**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

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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 the Governing Body, by this Master Indenture shall be exercised or performed by the Governing Body, or by such other officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

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

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

To the District, addressed to:

Rye Crossing Community Development District  
c/o Wrathell, Hunt & Associates, LLC  
2300 Glades Road  
Suite 410W  
Boca Raton, Florida 33431

To the Trustee, addressed to:

U.S. Bank Trust Company, National Association  
500 West Cypress Creek Road  
Suite 460  
Fort Lauderdale, Florida 33309  
Attention: Corporate Trust Department

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

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contained therein. The Bonds are issued and this Master Indenture is adopted with the intent that the laws of the State shall govern their construction.

**Section 1309. Attorneys' Fees.** Any reference herein to the term "attorneys' fees," "counsel 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.

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

(SEAL)

**RYE CROSSING COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Chairman/Vice Chairman

ATTEST:

By: \_\_\_\_\_  
Secretary/Assistant Secretary

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION,  
as Trustee**

By: \_\_\_\_\_  
Vice President

**EXHIBIT A**

**FORM OF REQUISITION**

The undersigned, an Authorized Officer of Rye Crossing Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), dated as of January 1, 2023, as amended and supplemented by the [ ] Supplemental Trust Indenture between the District and the Trustee, dated as of [ ] (collectively, the "Indenture"). All capitalized terms used herein shall have the meaning ascribed to such term in the Indenture.

(A) Requisition Number:

(B) Name of Payee:

(C) Amount Payable:

(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments or state Costs of Issuance, if applicable):

(E) Fund, Account or subaccount from which disbursement is to be made:

The undersigned hereby certifies that:

☐ obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the [ ] 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/or construction of the [ ] Project and each represents a Cost of the [ ] Project, and has not previously been paid out of such Account or subaccount;

OR

☐ this requisition is for Costs of Issuance payable from the [ ] Costs of Issuance Account that has not previously been paid out of such Account.

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.

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The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Originals or copies of the invoice(s) from the contractor of the improvements acquired or services rendered (or other equivalent supporting documents) with respect to which disbursement is hereby requested are on file with the District.

**RYE CROSSING COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Authorized Officer

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

If this requisition is for a disbursement from other than the [ ] Costs of Issuance Account, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the [ ] Project and is consistent with (i) the applicable acquisition or construction contract, (ii) the plans and specifications for the portion of the [ ] Project with respect to which such disbursement is being made, and (iii) the report of the Consulting Engineer attached as an Exhibit to the [ ] Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

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\_\_\_\_\_  
Consulting Engineer

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\_\_\_\_\_  
\_\_\_\_\_  
  
**FIRST SUPPLEMENTAL TRUST INDENTURE**  
  
**BETWEEN**  
  
**RYE CROSSING COMMUNITY DEVELOPMENT DISTRICT**  
  
**AND**  
  
**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,**  
**AS TRUSTEE**  
  
**Dated as of January 1, 2023**  
  
\_\_\_\_\_  
\_\_\_\_\_

**[\$(Bond Amount)] Capital Improvement Revenue Bonds, Series 2023  
(Assessment Area One)**

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**FIRST SUPPLEMENTAL TRUST INDENTURE**

**THIS FIRST SUPPLEMENTAL TRUST INDENTURE** (this "First Supplemental Indenture") is dated as of January 1, 2023, between **RYE CROSSING COMMUNITY DEVELOPMENT DISTRICT** (the "District") and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association, authorized to accept and execute trusts of the character herein set forth, with its designated corporate trust office located at 500 West Cypress Creek Road, Suite 460, Fort Lauderdale, Florida 33309, Attention: Corporate Trust Department.

**WHEREAS**, the District entered into a Master Trust Indenture, dated as of January 1, 2023 (the "Master Indenture" and together with this First Supplemental Indenture, the "Indenture") with the Trustee to secure the issuance of its Rye Crossing Community Development District Capital Improvement Revenue Bonds (the "Bonds"), issuable in one or more Series from time to time; and

**WHEREAS**, pursuant to Resolution No. 2022-26, adopted by the Governing Body of the District on July 5, 2022, the District has authorized the issuance, sale and delivery of not to exceed \$34,985,000 of Bonds, to be issued in one or more Series of Bonds as authorized under the Master Indenture, which Bonds were validated by final judgment of the Twelfth Judicial Circuit of Florida, in and for Manatee County on October 31, 2022, the appeal period for which expired with no appeal having been taken; and

**WHEREAS**, the Governing Body of the District duly adopted Resolution No. 2023-03, on October 12, 2022, providing for the acquisition, construction and installation of assessable capital improvements (the "Capital Improvement Plan"), providing estimated Costs of the Capital Improvement Plan, defining assessable property to be benefited by the Capital Improvement Plan, defining the portion of the Costs of the Capital Improvement Plan with respect to which Assessments will be imposed and the manner in which such Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll, and stating the intent of the District to issue Bonds of the District secured by such Assessments to finance the Costs of the acquisition, construction and installation of the Capital Improvement Plan and the Governing Body of the District duly adopted Resolution No. 2023-06, on December 12, 2022, following a public hearing conducted in accordance with the Act, to fix and establish the Assessments and the benefited property; and

**WHEREAS**, pursuant to Resolution No. 2023-07, adopted by the Governing Body of the District on December 12, 2022, the District has authorized the issuance, sale and delivery of, among other things, its **[\$(Bond Amount)] Rye Crossing Community Development District Capital Improvement Revenue Bonds, Series 2023 (Assessment Area One)** (the "Series 2023 Bonds"), which are issued hereunder as an issue of Bonds under the Master Indenture, and has authorized the execution

and delivery of the Master Indenture and this First Supplemental Indenture to secure the issuance of the Series 2023 Bonds and to set forth the terms of the Series 2023 Bonds; and

**WHEREAS**, the District will apply the proceeds of the Series 2023 Bonds to (a) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area One Project (as defined herein), (b) pay certain costs associated with the issuance of the Series 2023 Bonds, (c) make a deposit into the Series 2023 Reserve Account to be held for the benefit of all of the Series 2023 Bonds, and (d) pay a portion of the interest to become due on the Series 2023 Bonds; and

**WHEREAS**, the Series 2023 Bonds will be payable from and secured in part by revenues derived from Assessments imposed, levied and collected by the District with respect to property specially benefited by the Assessment Area One Project (the "Series 2023 Assessments"); and

**WHEREAS**, the execution and delivery of the Series 2023 Bonds and of this First Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the Series 2023 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this First Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the Series 2023 Trust Estate (hereinafter defined) have been done;

**NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS 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 Series 2023 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, all Series 2023 Bonds Outstanding from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this First Supplemental Indenture and in the Series 2023 Bonds (a) has executed and delivered this First Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in the trusts established 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

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## 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 (a) expressly given a different meaning herein or (b) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

**"Arbitrage Certificate"** shall mean the Certificate as to Arbitrage and Certain Other Tax Matters of the District dated as of [Closing Date].

**"Assessment Area One"** shall mean the 116 residential units within the District, as more fully described in the Engineer's Report and the Assessment Methodology.

**"Assessment Area One Project"** shall mean that portion of the Capital Improvement Plan to be financed in part with the proceeds of the Series 2023 Bonds on deposit in the Series 2023 Acquisition and Construction Account, as more particularly described in the Engineer's Report.

**"Assessment Methodology"** shall mean the Master Special Assessment Methodology Report, dated October 13, 2022, as supplemented by the Final First Supplemental Special Assessment Methodology Report, dated January [ ], 2023, each prepared by the Methodology Consultant.

**"Authorized Denomination"** shall mean, with respect to the Series 2023 Bonds, on the date of issuance, the denomination of \$5,000 and any integral multiple thereof; provided, however, if any initial Beneficial Owner does not purchase at least \$100,000 of the Series 2023 Bonds at the time of initial delivery of the Series 2023 Bonds, such Beneficial Owner must either execute and deliver to the District and the Underwriter on the date of delivery of the Series 2023 Bonds an investor letter substantially in the form attached hereto as Exhibit D or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

**"Beneficial Owners"** shall have the meaning given such term by DTC so long as it is the registered Owner through its Nominee, Cede & Co., of the Series 2023 Bonds as to which such reference is made to enable such Series 2023 Bonds to be held in book-entry only form, and shall otherwise mean the registered Owner on the registration books of the District maintained by the Bond Registrar.

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by the District from the Series 2023 Assessments (the "Series 2023 Pledged Revenues") and the Funds and Accounts (except for the Series 2023 Rebate Account) established hereby (the "Series 2023 Pledged Funds") which shall constitute the Trust Estate securing the Series 2023 Bonds (the "Series 2023 Trust Estate");

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

**IN TRUST NEVERTHELESS**, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2023 Bonds issued or to be issued under and secured by this First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one Series 2023 Bond over any other Series 2023 Bond by reason of priority in their issue, sale or execution;

**PROVIDED HOWEVER**, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2023 Bonds or any Series 2023 Bond of a particular maturity issued, secured and Outstanding under this First Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2023 Bonds and this First Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this First Supplemental Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of the Master Indenture and this First Supplemental Indenture, then upon such final payments, this First Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2023 Bonds or any Series 2023 Bond of a particular maturity, otherwise this First Supplemental Indenture shall remain in full force and effect;

**THIS FIRST SUPPLEMENTAL INDENTURE FURTHER WITNESSETH**, and it is expressly declared, that all Series 2023 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as expressed in the Master Indenture (except as amended directly or by implication by this First Supplemental Indenture) and this First Supplemental Indenture, 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 Series 2023 Bonds, as follows:

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

**"Bond Participants"** shall mean those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds Series 2023 Bonds as securities depository.

**"Collateral Assignment"** shall mean the Collateral Assignment Agreement (2023 Bonds / Assessment Area One) between the District and the Developer, dated as of [Closing Date].

**"Completion Agreement"** shall mean the Completion Agreement (2023 Bonds / Assessment Area One) between the District and the Developer, dated as of [Closing Date].

**"Continuing Disclosure Agreement"** shall mean the Continuing Disclosure Agreement, by and among the District, the Developer and Wrathell, Hunt & Associates, LLC, as dissemination agent, dated as of [Closing Date].

**"Delinquent Assessment Interest"** shall mean Series 2023 Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in which such Series 2023 Assessment Interest has, or would have, become delinquent under State law or the Series 2023 Assessment Proceedings applicable thereto.

**"Delinquent Assessment Principal"** shall mean Series 2023 Assessment Principal deposited by the District with the Trustee on or after May 1 of the year in which such Series 2023 Assessment Principal has, or would have, become delinquent under State law or the Series 2023 Assessment Proceedings applicable thereto.

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

**"Developer"** shall mean Forestar (USA) Real Estate Group Inc., a Delaware corporation.

**"DTC"** shall mean The Depository Trust Company, and its successors and assigns.

**"Engineer's Report"** shall mean the Engineer's Report, dated October 13, 2022, prepared by Atwell, LLC, a copy of which is attached hereto as Exhibit A.

**"Interest Payment Date"** shall mean each May 1 and November 1, commencing May 1, 2023.

**"Majority Owners"** shall mean the Beneficial Owners of more than fifty percent (50%) in principal amount of the Outstanding Series 2023 Bonds.

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**"Methodology Consultant"** shall mean Wrathell, Hunt & Associates, LLC.

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

**"Quarterly Redemption Date"** shall mean each February 1, May 1, August 1 and November 1.

**"Redemption Date"** shall mean a Quarterly Redemption Date in the case of a partial redemption of Outstanding Series 2023 Bonds, or any date in the case of the redemption of all of the Outstanding Series 2023 Bonds.

**"Reserve Account Release Conditions #1"** shall mean, collectively, that (i) all lots subject to the Series 2023 Assessments have been developed and platted, and (ii) there are no Events of Default occurring or continuing under the Master Indenture. The Consulting Engineer shall provide a written certification to the District and the Trustee certifying that the event in clause (i) has occurred and the District Manager shall provide a written certification to the District and the Trustee affirming clause (ii), on which certifications the Trustee may conclusively rely.

**"Reserve Account Release Conditions #2"** shall mean, collectively, that (i) all of the Reserve Account Release Conditions #1 have been satisfied, (ii) all homes within Assessment Area One have been built, sold and closed with end-users, (iii) all of the principal portion of the Series 2023 Assessments have been assigned to such homes, and (iv) all Series 2023 Assessments are being collected pursuant to the Uniform Method. The District Manager shall provide a written certification to the District and the Trustee certifying that the events in clauses (i) through (iv) have occurred, on which certifications the Trustee may conclusively rely.

**"Series 2023 Assessment Interest"** shall mean the interest on the Series 2023 Assessments which is pledged to the Series 2023 Bonds.

**"Series 2023 Assessment Principal"** shall mean the principal amount of Series 2023 Assessments received by the District which represents a proportionate amount of the principal of and Amortization Installments of the Series 2023 Bonds, other than applicable Delinquent Assessment Principal and Series 2023 Prepayments.

**"Series 2023 Assessment Proceedings"** shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2023 Assessments which include Resolution Nos. 2023-03, 2023-06 and 2023-08, adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the District with respect to the Series 2023 Assessments and the Assessment Methodology as approved thereby.

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

**"Series 2023 Prepayment Interest"** shall mean the interest on the Series 2023 Prepayments received by the District.

**"Series 2023 Prepayments"** shall mean the excess amount of Series 2023 Assessment Principal received by the District over the Series 2023 Assessment Principal included within a Series 2023 Assessment appearing on any outstanding and unpaid tax bill or direct collect invoice, whether or not mandated to be prepaid in accordance with the Series 2023 Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2023 Prepayments shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

**"Series 2023 Reserve Account Requirement"** shall mean an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2023 Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #1 are met, at which time and thereafter the Series 2023 Reserve Account Requirement shall be an amount equal to twenty-five percent (25%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2023 Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #2 are met, at which time and thereafter the Series 2023 Reserve Account Requirement shall be an amount equal to ten percent (10%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2023 Bonds, as of the time of any such calculation. On the date of initial issuance of the Series 2023 Bonds, the Series 2023 Reserve Account Requirement shall be \$[RAR].

**"Substantially Absorbed"** shall mean the date on which the principal amount of the Series 2023 Assessments equaling seventy-five percent (75%) of the then Outstanding principal amount of the Series 2023 Bonds is levied on tax parcels within Assessment Area One with respect to which a certificate of occupancy has been issued for a structure thereon and are owned by end users, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

**"True-Up Agreement"** shall mean the True-Up Agreement between the District and the Developer, dated as of [Closing Date].

**"Underwriter"** shall mean FMSBonds, Inc., the underwriter of the Series 2023 Bonds.

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**"Series 2023 Assessment Revenues"** shall mean all revenues derived by the District from the Series 2023 Assessments, including Delinquent Assessments, proceeds from any foreclosure of the lien of Delinquent Assessments and any statutory interest on the Delinquent Assessments collected by the District in excess of the rate of interest on the Series 2023 Bonds.

**"Series 2023 Assessments"** shall mean the non-ad valorem special assessments imposed, levied and collected by the District in accordance with the Series 2023 Assessment Proceedings.

**"Series 2023 Investment Obligations"** shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District:

(a) Government Obligations;

(b) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government – sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by the Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Federal Home Loan Mortgage Corporation and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by both Moody's and S&P at the time of purchase;

(c) Both (i) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for such funds by Moody's and S&P, and (ii) shares of money market mutual funds that invest only in the obligations described in (a) and (b) above;

(d) Money market deposit accounts, time deposits, and certificates of deposits issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated, at the time of purchase, in one of the two highest rating categories, without regard to gradation, by Moody's and S&P; and

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

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## ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2023 BONDS

**Section 201. Authorization of Series 2023 Bonds; Book-Entry Only Form.** The Series 2023 Bonds are hereby authorized to be issued in one Series in the aggregate principal amount of \$[Bond Amount] for the purposes enumerated in the recitals hereto to be designated "Rye Crossing Community Development District Capital Improvement Revenue Bonds, Series 2023 (Assessment Area One)." The Series 2023 Bonds shall be substantially in the form attached hereto as Exhibit B. Each Series 2023 Bond shall bear the designation "2023R" and shall be numbered consecutively from 1 upwards.

The Series 2023 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2023 Bond for each maturity thereof. Upon initial issuance, the ownership of each such Series 2023 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2023 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to Series 2023 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Bond Participant with respect to any ownership interest in the Series 2023 Bonds, (ii) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Series 2023 Bonds, including any notice of redemption, or (iii) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2023 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose name each Series 2023 Bond is registered in the registration books kept by the Bond Registrar as the absolute Owner of such Series 2023 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2023 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2023 Bond, for the purpose of registering transfers with respect to such Series 2023 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2023 Bonds only to or upon the order of the

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respective Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2023 Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Series 2023 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in this 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, the Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC (i) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding Series 2023 Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the Beneficial Owners of the Series 2023 Bonds, or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, the Series 2023 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the Series 2023 Bonds shall designate, in accordance with the provisions hereof.

**Section 202. Terms.** The Series 2023 Bonds shall be issued as [ ] ( ) Term Bonds, shall be dated as of the date of their issuance and delivery to the initial purchasers thereof, shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

Number	Principal Amount	Maturity Date	Interest Rate	CUSIP
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**Section 203. Dating; Interest Accrual.** Each Series 2023 Bond shall be dated [Closing Date]. Each Series 2023 Bond shall also bear its date of authentication. Each Series 2023 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

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(i) an executed Collateral Assignment, Completion Agreement and True-Up Agreement.

Payment to the Trustee of the net proceeds of the Series 2023 Bonds in the amount of \$[NP] shall conclusively evidence that the foregoing conditions precedent have been met to the satisfaction of the District and the Underwriter.

### ARTICLE III REDEMPTION OF SERIES 2023 BONDS

**Section 301. Bonds Subject to Redemption.** The Series 2023 Bonds are subject to redemption prior to maturity as provided in the form thereof attached hereto as Exhibit B. Interest on Series 2023 Bonds which are called for redemption shall be paid on the date of redemption from the Series 2023 Interest Account or from the Series 2023 Revenue Account to the extent moneys in the Series 2023 Interest Account are insufficient for such purpose. Moneys in the Series 2023 Optional Redemption Subaccount shall be applied in accordance with Section 506 of the Master Indenture to the optional redemption of Series 2023 Bonds.

### ARTICLE IV DEPOSIT OF SERIES 2023 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

**Section 401. Establishment of Accounts.** There are hereby established, as needed, the following Accounts:

(a) within the Acquisition and Construction Fund held by the Trustee: (i) a Series 2023 Acquisition and Construction Account; and (ii) a Series 2023 Costs of Issuance Account;

(b) within the Debt Service Fund held by the Trustee: (i) a Series 2023 Debt Service Account and therein a Series 2023 Sinking Fund Account, a Series 2023 Interest Account and a Series 2023 Capitalized Interest Account; and (ii) a Series 2023 Redemption Account and therein a Series 2023 Prepayment Subaccount and a Series 2023 Optional Redemption Subaccount;

(c) within the Reserve Fund held by the Trustee a Series 2023 Reserve Account, which shall be held for the benefit of all of the Series 2023 Bonds, without distinction as to Series 2023 Bonds and without privilege or priority of one Series 2023 Bond over another;

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to which interest on such Series 2023 Bond has been paid, in which event such Series 2023 Bond shall bear interest from its date of authentication, or (ii) is prior to the first Interest Payment Date for the Series 2023 Bonds, in which event such Series 2023 Bond shall bear interest from its date. Interest on the Series 2023 Bonds shall be due and payable on each May 1 and November 1, commencing May 1, 2023, and shall be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months.

**Section 204. Denominations.** The Series 2023 Bonds shall be issued in Authorized Denominations.

**Section 205. Paying Agent.** The District appoints the Trustee as Paying Agent for the Series 2023 Bonds.

**Section 206. Bond Registrar.** The District appoints the Trustee as Bond Registrar for the Series 2023 Bonds.

**Section 207. Conditions Precedent to Issuance of Series 2023 Bonds.** In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2023 Bonds, all the Series 2023 Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of:

- (a) certified copies of the Series 2023 Assessment Proceedings;
- (b) executed copies of the Master Indenture and this First Supplemental Indenture;
- (c) a customary Bond Counsel opinion;
- (d) the District Counsel opinion required by the Master Indenture;
- (e) a certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2023 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this First Supplemental Indenture;
- (f) an Engineer's Certificate and a copy of the Engineer's Report, which sets forth the estimated Costs of the Assessment Area One Project;
- (g) a certificate of the Methodology Consultant addressing the validity of the Series 2023 Assessments;
- (h) a certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal; and

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(d) within the Revenue Fund held by the Trustee a Series 2023 Revenue Account; and

(e) within the Rebate Fund held by the Trustee a Series 2023 Rebate Account.

**Section 402. Use of Series 2023 Bond Proceeds.** The net proceeds of sale of the Series 2023 Bonds in the amount of \$[NP] (consisting of \$[Bond Amount].00 principal amount of Series 2023 Bonds [less/plus] [net] original issue [discount/premium] in the amount of \$[OID/OIP] and less underwriter's discount in the amount of \$[UD]), shall as soon as practicable upon the delivery thereof to the Trustee by the District pursuant to Section 207 of the Master Indenture, be applied as follows:

(a) \$[RAR], representing the Series 2023 Reserve Account Requirement at the time of issuance of the Series 2023 Bonds, shall be deposited to the credit of the Series 2023 Reserve Account;

(b) \$[COI], representing the costs of issuance relating to the Series 2023 Bonds, shall be deposited to the credit of the Series 2023 Costs of Issuance Account;

(c) \$[CAPI], representing Capitalized Interest on the Series 2023 Bonds through and including November 1, 2023, shall be deposited to the credit of the Series 2023 Capitalized Interest Account; and

(d) \$[CD] shall be deposited to the credit of the Series 2023 Acquisition and Construction Account.

**Section 403. Series 2023 Acquisition and Construction Account; Series 2023 Costs of Issuance Account.**

(a) Amounts on deposit in the Series 2023 Acquisition and Construction Account shall be applied to pay Costs of the Assessment Area One Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture and on the form attached hereto as Exhibit C. The Trustee shall have no duty to verify that any requested disbursement from the Series 2023 Acquisition and Construction Account is for a Cost of the Assessment Area One Project. The Consulting Engineer shall establish a Date of Completion for the Assessment Area One Project, and any balance remaining in the Series 2023 Acquisition and Construction Account after such Date of Completion (taking into account the moneys then on deposit therein to pay any accrued but unpaid Costs of the Assessment Area One Project which are required to be reserved in the Series 2023 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineer delivered to the District and the Trustee establishing such Date of Completion), shall be transferred to the Series 2023 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series

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2023 Bonds in accordance with Section 301 hereof and in the manner prescribed in the form of Series 2023 Bond attached hereto as Exhibit B. Notwithstanding the foregoing, the District shall not establish a Date of Completion until both the Reserve Account Release Conditions #1 and the Reserve Account Release Conditions #2 have been satisfied and moneys have been transferred from the Series 2023 Reserve Account to the Series 2023 Acquisition and Construction Account as a result of such satisfaction pursuant to Section 405 hereof. At such time as there are no amounts on deposit in the Series 2023 Acquisition and Construction Account, such Account shall be closed.

(b) The amount deposited in the Series 2023 Costs of Issuance Account shall, at the written direction of an Authorized Officer to the Trustee, be used to pay the costs of issuance relating to the Series 2023 Bonds. On the earlier to occur of (x) the written direction of an Authorized Officer or (y) six (6) months from the date of issuance of the Series 2023 Bonds, any amounts deposited in the Series 2023 Costs of Issuance Account for which the Trustee has not received a requisition to pay such costs shall be transferred over and deposited into the Series 2023 Acquisition and Construction Account and used for the purposes permitted therefor. Any deficiency in the amount allocated to pay the costs of issuance relating to the Series 2023 Bonds shall be paid from excess moneys on deposit in the Series 2023 Revenue Account pursuant to Section 408(d) hereof. When such deficiency has been satisfied and no moneys remain therein, the Series 2023 Costs of Issuance Account shall be closed.

**Section 404. Series 2023 Capitalized Interest Account.** Amounts on deposit in the Series 2023 Capitalized Interest Account shall, until and including November 1, 2023, be transferred into the Series 2023 Interest Account and applied to the payment of interest first coming due on the Series 2023 Bonds in accordance with Section 408(d) hereof, and thereafter transferred into the Series 2023 Acquisition and Construction Account, whereupon the Series 2023 Capitalized Interest Account shall be closed.

**Section 405. Series 2023 Reserve Account.** The Series 2023 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2023 Reserve Account Requirement. Except as otherwise provided herein or in the Master Indenture, amounts on deposit in the Series 2023 Reserve Account shall be used only for the purpose of making payments into the Series 2023 Interest Account and the Series 2023 Sinking Fund Account to pay Debt Service on the Series 2023 Bonds, when due, without distinction as to Series 2023 Bonds and without privilege or priority of one Series 2023 Bond over another, to the extent the moneys on deposit in such Accounts available therefor are insufficient and for no other purpose. The Series 2023 Reserve Account shall consist only of cash and Series 2023 Investment Obligations.

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**Section 407. Tax Covenants.** The District shall comply with the Arbitrage Certificate, including but not limited to the Tax Regulatory Covenants set forth as an exhibit to the Arbitrage Certificate, as amended and supplemented from time to time in accordance with their terms.

**Section 408. Series 2023 Revenue Account; Application of Revenues and Investment Earnings.** (a) The Trustee is hereby authorized and directed to deposit any and all amounts required to be deposited in the Series 2023 Revenue Account by this Section 408 or by any other provision of the Master Indenture or this First Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2023 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

(b) The Trustee shall deposit into the Series 2023 Revenue Account (i) Series 2023 Assessment Revenues other than Series 2023 Prepayments (which Series 2023 Prepayments shall be identified by the District to the Trustee as such in writing upon deposit, upon which certification the Trustee may conclusively rely, and which shall be deposited into the Series 2023 Prepayment Subaccount), (ii) Series 2023 Prepayment Interest, and (iii) any other revenues required by other provisions of the Indenture to be deposited into the Series 2023 Revenue Account.

(c) On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date (or if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the Business Day preceding such forty-fifth (45<sup>th</sup>) day), the Trustee shall determine the amount on deposit in the Series 2023 Prepayment Subaccount and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2023 Revenue Account for deposit into the Series 2023 Prepayment Subaccount an amount sufficient to increase the amount on deposit therein to the nearest integral multiple of \$5,000 (provided that there are sufficient funds remaining in the Series 2023 Revenue Account to pay Debt Service coming due on the Series 2023 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2023 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2023 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Series 2023 Bonds set forth in the form of Series 2023 Bonds attached hereto, Section 301 hereof, and Article III of the Master Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall first transfer from the Series 2023 Capitalized Interest Account to the Series 2023 Interest Account the lesser of (x) the amount of interest coming due on the Series 2023 Bonds on such May 1 or November 1, less the amount already on

Anything herein or in the Master Indenture to the contrary notwithstanding, on the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the first Business Day preceding such forty-fifth (45<sup>th</sup>) day), the Trustee is hereby authorized and directed to recalculate the Series 2023 Reserve Account Requirement and to transfer any excess on deposit in the Series 2023 Reserve Account (i) resulting from Prepayments of Series 2023 Assessments into the Series 2023 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2023 Bonds, (ii) resulting from a reduction of the Series 2023 Reserve Account Requirement as the result of either the Reserve Account Release Conditions #1 or the Reserve Account Release Conditions #2 being met into the Series 2023 Acquisition and Construction Account and used for the purposes of such Account, or (iii) resulting from investment earnings as provided in Section 408(f) herein.

On the earliest date on which there is on deposit in the Series 2023 Reserve Account sufficient moneys, after taking into account other moneys available therefor, to pay and redeem all of the Outstanding Series 2023 Bonds, together with accrued interest and redemption premium, if any, on such Series 2023 Bonds to the earliest Redemption Date permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2023 Reserve Account into the Series 2023 Prepayment Subaccount to pay and redeem all of the Outstanding Series 2023 Bonds on the earliest Redemption Date permitted for redemption therein and herein.

Anything herein or in the Master Indenture to the contrary notwithstanding, amounts on deposit in the Series 2023 Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

**Section 406. Amortization Installments; Selection of Bonds for Redemption.** (a) The Amortization Installments established for the Series 2023 Bonds shall be as set forth in the form of Series 2023 Bonds attached hereto.

(b) Upon any redemption of Series 2023 Bonds (other than Series 2023 Bonds redeemed in accordance with scheduled Amortization Installments and other than Series 2023 Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture), the Trustee shall cause Series 2023 Bonds to be redeemed in such amounts and having such maturities so as to result in Amortization Installments recalculated, which recalculation shall be performed by the District, in such manner as shall amortize all the Outstanding Series 2023 Bonds of all of the maturities in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining terms of all of the Series 2023 Bonds.

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deposit in the Series 2023 Interest Account, or (y) the amount remaining in the Series 2023 Capitalized Interest Account. Following the foregoing transfer, on such May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall then transfer amounts on deposit in the Series 2023 Revenue Account to the Accounts designated below in the following amounts and in the following order of priority:

**FIRST**, to the Series 2023 Interest Account, the amount, if any, equal to the difference between the amount of interest payable on all Series 2023 Bonds then Outstanding on such May 1 or November 1, and (i) the amount transferred from the Series 2023 Capitalized Interest Account in accordance with this Section 408(d) and (ii) the amount already on deposit in the Series 2023 Interest Account not previously credited;

**SECOND**, on May 1, 2024, and on each May 1 thereafter, to the Series 2023 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2023 Bonds subject to mandatory sinking fund redemption on such May 1 and the amount already on deposit in the Series 2023 Sinking Fund Account not previously credited;

**THIRD**, to the Series 2023 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2023 Reserve Account Requirement with respect to the Series 2023 Bonds; and

**FOURTH**, the balance shall first be deposited into the Series 2023 Costs of Issuance Account to fund any deficiencies in the amount allocated to pay the costs of issuance relating to the Series 2023 Bonds, and then the balance shall be retained in the Series 2023 Revenue Account.

(e) On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2023 Revenue Account to the Series 2023 Rebate Account the amount due and owing to the United States, which amount shall be paid to the United States when due in accordance with such Arbitrage Certificate.

(f) Anything herein or in the Master Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2023 Bonds shall be invested only in Series 2023 Investment Obligations. Earnings on investments in the Series 2023 Acquisition and Construction Account, the Series 2023 Interest Account and the Series 2023 Capitalized Interest Account shall be retained, as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the Funds and Accounts other than the Series 2023 Reserve Account, and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2023 Revenue Account and used for the purpose of such Account.

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Earnings on investments in the Series 2023 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in Section 509 of the Master Indenture) in the Series 2023 Reserve Account as of the most recent date on which amounts on deposit in the Series 2023 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2023 Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2023 Reserve Account shall be deposited into the Series 2023 Capitalized Interest Account through November 1, 2023, and thereafter shall be deposited into the Series 2023 Revenue Account and used for the purpose of such Account; or

(ii) if there was a deficiency (as defined in Section 509 of the Master Indenture) in the Series 2023 Reserve Account as of the most recent date on which amounts on deposit in the Series 2023 Reserve Account were valued by the Trustee, or if after such date withdrawals have been made from the Series 2023 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2023 Reserve Account shall be retained in the Series 2023 Reserve Account until the amount on deposit therein is equal to the Series 2023 Reserve Account Requirement, and then earnings on investments in the Series 2023 Reserve Account shall be deposited into the Series 2023 Capitalized Interest Account through November 1, 2023, and thereafter shall be deposited into the Series 2023 Revenue Account and used for the purpose of such Account.

The foregoing determination and disbursement shall be made prior to any recalculation and transfer of excess amounts on deposit in the Series 2023 Reserve Account made pursuant to Section 405 hereof.

## ARTICLE V CONCERNING THE TRUSTEE

**Section 501. Acceptance by Trustee.** The Trustee accepts the trusts declared and provided in this First Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth herein and in the Master Indenture.

**Section 502. Limitation of Trustee's Responsibility.** The Trustee shall not be responsible in any manner for the due execution of this First Supplemental Indenture by the District or for the recitals contained herein, all of which are made solely by the District.

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**Section 703. Additional Covenant Regarding Assessments.** In addition to, and not in limitation of, the covenants contained elsewhere in this First Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the Series 2023 Assessment Proceedings heretofore adopted with respect to the Series 2023 Assessments, including the Assessment Methodology, and to levy the Series 2023 Assessments and collect any required true-up payments set forth in the Assessment Methodology in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2023 Bonds, when due.

**Section 704. Collection of Assessments.** (a) Anything herein or in the Master Indenture to the contrary notwithstanding, when permitted by law, Series 2023 Assessments levied on platted lots and pledged hereunder to secure the Series 2023 Bonds shall be collected pursuant to the Uniform Method, and Series 2023 Assessments levied on unplatted lands and pledged hereunder to secure the Series 2023 Bonds shall be collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, in each case unless otherwise directed by the Trustee acting at the direction of the Majority Owners upon the occurrence and continuance of an Event of Default.

(b) A proportionate amount of the Series 2023 Assessments that are collected directly by the District and not via the Uniform Method shall be due and payable by each landowner no later than thirty (30) days prior to each respective Interest Payment Date.

**Section 705. Foreclosure of Assessment Lien.** Notwithstanding Section 814 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2023 Assessments and Series 2023 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2023 Assessments and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2023 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 2023 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive, in its corporate name or in the name of a special purpose entity, title to the property for the benefit of the Owners of the Series 2023 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 705. The District, either through its own actions or actions caused to be taken through the Trustee, shall have the power to lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2023 Revenue Account. The District, either through its own actions or

**Section 503. Trustee's Duties.** Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article VI thereof.

## ARTICLE VI ADDITIONAL BONDS

**Section 601. No Parity Bonds; Limitation on Parity Assessments.** Other than Refunding Bonds issued to refund the then Outstanding Series 2023 Bonds, the issuance of which results in net present value Debt Service savings, the District shall not, while any Series 2023 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2023 Trust Estate. The District further covenants and agrees that so long as the Series 2023 Assessments have not been Substantially Absorbed, it will not issue Bonds or other debt obligations secured by Assessments on any lands subject to the Series 2023 Assessments without the written consent of the Majority Owners. Notwithstanding the immediately preceding sentence, the District may impose Assessments on property subject to the Series 2023 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 without the consent of the Majority Owners.

## ARTICLE VII MISCELLANEOUS

**Section 701. Confirmation of Master Indenture.** As supplemented by this First Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this First Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master Indenture, except insofar as modified herein, shall apply and remain in full force and effect with respect to this First Supplemental Indenture and to the Series 2023 Bonds issued hereunder.

**Section 702. Continuing Disclosure Agreement.** Contemporaneously with the execution and delivery hereof, the District has executed and delivered the Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. The District covenants and agrees to comply with the provisions of the Continuing Disclosure Agreement. However, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but instead shall be enforceable as provided in the Continuing Disclosure Agreement.

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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 benefit of the Owners of the Series 2023 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 the District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture.

**Section 706. Owner Direction and Consent with Respect to Series 2023 Acquisition and Construction Account Upon Occurrence of Event of Default.** In accordance with the provisions of the Indenture, the Series 2023 Bonds are payable solely from the Series 2023 Pledged Revenues and the Series 2023 Pledged Funds held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District hereby acknowledges that (i) the Series 2023 Pledged Funds includes, without limitation, all amounts on deposit in the Series 2023 Acquisition and Construction Account then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2023 Bonds, the Series 2023 Pledged Funds may not be used by the District (whether to pay Costs of the Assessment Area One Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the Trustee notifying the District of such declared Event of Default the District had incurred a binding obligation with third parties for work on the Assessment Area One Project and payment is for such work, and (iii) upon the occurrence of an Event of Default with respect to the Series 2023 Bonds, the Series 2023 Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Assessment Area One Project that will cause the expenditure of additional funds from the Series 2023 Trust Estate after the occurrence and during the continuance of an Event of Default unless authorized in writing by the Majority Owners.

**Section 707. Assignment of District's Rights Under Collateral Assignment.** Subject to the terms of the Collateral Assignment, the District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2023 Bonds. The Trustee shall not be deemed to have accepted any obligation under the Collateral Assignment by virtue of such assignment.

**Section 708. Enforcement of True-Up Agreement and Completion Agreement.** The District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the True-Up Agreement and the Completion Agreement and, upon the

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occurrence and continuance of a default under either or both of such Agreements, the District covenants and agrees that the Trustee, at the direction of the Majority Owners, shall act on behalf of and in the District's stead to enforce the provisions of such Agreements and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the True-Up Agreement and the Completion Agreement upon demand of the Majority Owners, or the Trustee at the direction of the Majority Owners, shall constitute an Event of Default under the Indenture, provided, however, that the District shall have a reasonable opportunity to cure.

**Section 709. Payment of Rebate Amount.** Anything herein or in the Master Indenture to the contrary notwithstanding, the District shall cause a Rebate Analyst to determine the Rebate Amount, if any, at the times and in the manner provided in the Tax Regulatory Covenants attached as an exhibit to the Arbitrage Certificate. If a Rebate Amount shall be due, the District shall deliver to the Trustee the written direction of an Authorized Officer to pay from the Series 2023 Rebate Account, or from any other available funds as shall be provided in such written direction, the Rebate Amount to the District for remittance to the Internal Revenue Service. The Trustee may conclusively rely on such written direction and shall have no responsibility for the calculation or payment of the Rebate Amount, if any. Notwithstanding Section 507(b) of the Master Indenture, the District shall not be required to provide the report of the Rebate Analyst to the Trustee.

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#### EXHIBIT A

#### DESCRIPTION OF ASSESSMENT AREA ONE PROJECT

[See Report of Consulting Engineer Attached Hereto]

**IN WITNESS WHEREOF,** Rye Crossing Community Development District has caused this First Supplemental Indenture to be signed in its name and on its behalf by its Chairman, and its official seal to be hereunto affixed and attested by its Assistant Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this First Supplemental Indenture to be signed in its name and on its behalf by its duly authorized Vice President.

(SEAL)

**RYE CROSSING COMMUNITY  
DEVELOPMENT DISTRICT**

Attest:

\_\_\_\_\_  
Assistant Secretary

By: \_\_\_\_\_  
Chairman, Board of Supervisors

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION,  
as Trustee**

By: \_\_\_\_\_  
Vice President

#### EXHIBIT B

#### FORM OF SERIES 2023 BONDS

No. 2023R-

\$[ ]

**UNITED STATES OF AMERICA  
STATE OF FLORIDA  
RYE CROSSING COMMUNITY DEVELOPMENT DISTRICT  
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2023  
(ASSESSMENT AREA ONE)**

Interest Rate	Maturity Date	Dated Date	CUSIP
%	May 1, 20[ ]	[Closing Date]	

**Registered Owner:** CEDE & CO.

**Principal Amount:**

**RYE CROSSING COMMUNITY DEVELOPMENT DISTRICT**, a community development district duly established and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture hereinafter mentioned) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on May 1, 2023, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (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 preceding such Interest Payment Date or, if such day is not a Business Day, on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or

Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of this Bond. Any payment of principal, Amortization Installment or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, located in Fort Lauderdale, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"), unless the Bonds are held in the book-entry system in which case presentation shall not be required. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the Series 2023 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months. During any period that this Bond is registered in the name of Cede & Co., as Nominee of DTC, the provisions of the Supplemental Indenture (hereinafter defined) relating to the book-entry only system shall apply, including the payment provisions thereof. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the hereinafter defined Indenture.

This Bond is one of a duly authorized issue of Bonds of the District designated "Rye Crossing Community Development District Capital Improvement Revenue Bonds, Series 2023 (Assessment Area One)" in the aggregate principal amount of \$[Bond Amount] (the "Series 2023 Bonds") issued under a Master Trust Indenture, dated as of January 1, 2023 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture, dated as of January 1, 2023 (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), between the District and the Trustee (the Series 2023 Bonds together with any other Bonds issued under and governed by the terms of the Master Indenture are hereinafter collectively referred to as the "Bonds"). The District will apply the proceeds of the Series 2023 Bonds to (a) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area One Project, (b) pay certain costs associated with the issuance of the Series 2023 Bonds, (c) make a deposit into the Series 2023 Reserve Account to be held for the benefit of all of the Series 2023 Bonds, and (d) pay a portion of the interest to become due on the Series 2023 Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE

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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 Bond or Bonds, in the same aggregate principal amount as the Bond or Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Fort Lauderdale, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The Series 2023 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, 20[ ] at the Redemption Price of the principal amount of the Series 2023 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

The Series 2023 Bonds maturing May 1, 20[ ], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2023 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
----------------------	-----------------------------	----------------------	-----------------------------

\* Final maturity

The Series 2023 Bonds maturing May 1, 20[ ], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2023 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN 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 TERMS HEREOF. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE TERMS HEREOF SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2023 PLEDGED REVENUES AND THE SERIES 2023 PLEDGED FUNDS PLEDGED TO THE SERIES 2023 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Series 2023 Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Amortization Installments and Redemption Price of, and the interest on, the Series 2023 Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Series 2023 Assessments, the terms and conditions under which the Series 2023 Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Series 2023 Bonds and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2023 Bonds are equally and ratably secured by the Series 2023 Trust Estate, without preference or priority of one Series 2023 Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on parity with the Series 2023 Bonds as to the lien and pledge of the Series 2023 Trust Estate except, under certain circumstances, Refunding Bonds, and the Supplemental Indenture contains provisions limiting the imposition of capital Assessments on property subject to the Series 2023 Assessments.

The Series 2023 Bonds are issuable only as registered bonds without coupons in current interest form in Authorized Denominations. This 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 Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably

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May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
----------------------	-----------------------------	----------------------	-----------------------------

\* Final maturity

The Series 2023 Bonds maturing May 1, 20[ ], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2023 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
----------------------	-----------------------------	----------------------	-----------------------------

\* Final maturity

The Series 2023 Bonds maturing May 1, 20[ ], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2023 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
----------------------	-----------------------------	----------------------	-----------------------------

\* Final maturity

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As more particularly set forth in the Indenture, any Series 2023 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2023 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2023 Bonds other than from scheduled Amortization Installments so as to reamortize the remaining Outstanding principal balance of the Series 2023 Bonds as set forth in the Supplemental Indenture.

The Series 2023 Bonds are subject to extraordinary mandatory redemption prior to maturity in whole or in part on any Redemption Date at the Redemption Price of one hundred percent (100%) of the principal amount thereof, without premium, together with accrued interest to the Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Assessment Area One Project, by application of moneys transferred from the Series 2023 Acquisition and Construction Account to the Series 2023 Prepayment Subaccount as provided for in the Indenture; or

(b) from amounts, including Series 2023 Prepayments, required by the Indenture to be deposited into the Series 2023 Prepayment Subaccount; or

(c) from amounts transferred from the Series 2023 Reserve Account to the Series 2023 Prepayment Subaccount resulting from a reduction in the Series 2023 Reserve Account Requirement as provided for in the Indenture; or

(d) on the date on which the amount on deposit in the Series 2023 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2023 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2023 Bonds shall be called for redemption, the particular Series 2023 Bonds or portions of Series 2023 Bonds to be redeemed shall be selected by lot by the Bond Registrar as provided in the Indenture, or as provided or directed by DTC.

Notice of each redemption of Series 2023 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the date of redemption to each registered Owner of Series 2023 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2023 Bonds or such portions thereof so called for redemption shall

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If the District deposits or causes to be deposited with the Trustee cash or Federal Securities sufficient to pay the principal or Redemption Price of any Series 2023 Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the Series 2023 Bonds as to the Series 2023 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 Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida.

This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

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become and be due and payable at the Redemption Price provided for the redemption of such Series 2023 Bonds or such portions thereof on such date, interest on such Series 2023 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2023 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2023 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

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

The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute an action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2023 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

Modifications or alterations of the Master Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Master Indenture.

Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for two (2) years after the date when such Bond has become due and payable, either at its stated maturity date or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

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**IN WITNESS WHEREOF**, Rye Crossing Community Development District has caused this 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 Assistant Secretary to the Board of Supervisors.

Attest:

**RYE CROSSING COMMUNITY  
DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Assistant Secretary

By: \_\_\_\_\_  
Chairman, Board of Supervisors

**(SEAL)**

#### **CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION,  
as Trustee**

Date of Authentication:

[Closing Date] \_\_\_\_\_

By: \_\_\_\_\_  
Vice President

#### **CERTIFICATE OF VALIDATION**

This Bond is one of a Series of Bonds which were validated by judgment of the Twelfth Judicial Circuit of Florida, in and for Manatee County rendered on October 31, 2022.

\_\_\_\_\_  
Chairman, Board of Supervisors,  
Rye Crossing  
Community Development District

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**[FORM OF ABBREVIATIONS]**

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenants by the entireties

JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_ under  
Uniform Transfer to Minors Act \_\_\_\_\_ (State) \_\_\_\_\_ (Cust.) \_\_\_\_\_ (Minor)

Additional abbreviations may also be used though not in the above list.

**[FORM OF ASSIGNMENT]**

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney to transfer the said Bond on the books of the District, with full power of substitution in the premises.

Dated:

Social Security Number or Employer:

Identification Number of Transferee:

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatsoever.

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**EXHIBIT C**

**FORM OF REQUISITION FOR ASSESSMENT AREA ONE PROJECT**

The undersigned, an Authorized Officer of Rye Crossing Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), dated as of January 1, 2023 (the "Master Indenture"), as supplemented by the First Supplemental Trust Indenture between the District and the Trustee, dated as of January 1, 2023 (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

(A) Requisition Number:

(B) Name of Payee:

(C) Amount Payable:

(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments or state Costs of Issuance, if applicable):

(E) Fund or Account and subaccount, if any, from which disbursement to be made:

The undersigned hereby certifies that:

☐ obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the Series 2023 Acquisition and Construction Account referenced above, that each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Assessment Area One Project and each represents a Cost of the Assessment Area One Project, and has not previously been paid out of such Account;

OR

☐ this requisition is for costs of issuance payable from the Series 2023 Costs of Issuance Account that has not previously been paid out of such Account.

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

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Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Originals or copies of the invoice(s) from the vendor of the property acquired or services rendered with respect to which disbursement is hereby requested are on file with the District.

**RYE CROSSING COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Authorized Officer

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

If this requisition is for a disbursement from other than the Series 2023 Costs of Issuance Account, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Assessment Area One Project and is consistent with (i) the applicable acquisition or construction contract, (ii) the plans and specifications for the portion of the Assessment Area One Project with respect to which such disbursement is being made, and (iii) the report of the Consulting Engineer attached as an exhibit to the Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

\_\_\_\_\_  
Consulting Engineer

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**EXHIBIT D**

**FORM OF INVESTOR LETTER**

[Date]

FMSbonds, Inc.  
The FMSbonds Building  
4775 Technology Way  
Boca Raton, Florida 33431

Re: FMSbonds Account Number \_\_\_\_\_

To Whom it May Concern:

By signing this letter, I confirm that I have the authority to act on behalf of the above referenced account and this account meets the definition of an accredited investor based upon one or more of the criteria listed below. Federal securities laws define an accredited investor in Rule 501 of Regulation D as:

1. A bank, insurance company, registered investment company, business development company, or small business investment company;
2. An employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;
3. A charitable organization, corporation, or partnership with assets exceeding \$5 million;
4. A director, executive officer, or general partner of the company selling the securities;
5. A business in which all the equity owners are accredited investors;
6. A natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person;
7. A natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or
8. A trust with assets in excess of \$5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes.

I represent the following securities to be suitable for my investment objectives. A Copy of the offering document for the following security has been provided to me and I am aware that additional copies and other information may be found online at [www.fmsbonds.com](http://www.fmsbonds.com) and [www.emma.msrb.org](http://www.emma.msrb.org).

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Description \_\_\_\_\_  
CUSIP \_\_\_\_\_  
Rate \_\_\_\_\_  
Maturity \_\_\_\_\_  
Rating \_\_\_\_\_

Thank you,

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**APPENDIX C**

**PROPOSED FORM OF APPROVING OPINION  
OF BOND COUNSEL**

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**FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A.,  
WITH RESPECT TO THE SERIES 2023 BONDS**

Upon delivery of the Series 2023 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to the Series 2023 Bonds in substantially the following form:

(Date of Closing)

Board of Supervisors  
Rye Crossing Community  
Development District

Board Members:

We have examined a record of proceedings relating to the issuance by the Rye Crossing Community Development District (the "District") of its \$[Bond Amount] Capital Improvement Revenue Bonds, Series 2023 (Assessment Area One) (the "Series 2023 Bonds"). The Series 2023 Bonds are issued under the authority of the Laws of the State of Florida, including Chapter 190, Florida Statutes (the "Act") and other applicable provisions of law, and pursuant to a Master Trust Indenture, dated as of January 1, 2023 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture, dated as of January 1, 2023 (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee") and Resolution Nos. 2022-26 and 2023-07 adopted by the Board of Supervisors of the District on July 5, 2022 and December 12, 2022, respectively (collectively, the "Bond Resolution"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed in the Indenture.

The Series 2023 Bonds are dated and shall bear interest from their date of delivery, except as otherwise provided in the Indenture. The Series 2023 Bonds will mature on the dates and in the principal amounts and will bear interest at the respective rates per annum, as provided in the Indenture and set forth in the Bond Purchase Contract executed in connection with the sale of the Series 2023 Bonds (the "Purchase Contract"). Interest on the Series 2023 Bonds shall be payable on each May 1 and November 1, commencing May 1, 2023. The Series 2023 Bonds are subject to redemption prior to maturity in accordance with the Indenture and as set forth in the Purchase Contract.

The Series 2023 Bonds are issued for the principal purposes of (a) financing a portion of the Cost of acquiring, constructing and equipping assessable

improvements comprising the Assessment Area One Project, (b) paying certain costs associated with the issuance of the Series 2023 Bonds, (c) making a deposit into the Series 2023 Reserve Account to be held for the benefit of all of the Series 2023 Bonds, and (d) paying a portion of the interest to become due on the Series 2023 Bonds, all as more particularly described in the Indenture. The Series 2023 Bonds are payable from and secured by the Series 2023 Assessments levied on property within the District specially benefitted by the assessable improvements financed with the proceeds of the Series 2023 Bonds and also by the Series 2023 Pledged Revenues and Series 2023 Pledged Funds comprising the Series 2023 Trust Estate.

As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Bond Resolution and the Indenture and in the certified proceedings relating thereto and to the issuance of the Series 2023 Bonds and other certifications of public officials furnished to us in connection therewith including, but not limited to, the Final Judgment issued by the Circuit Court of the Twelfth Judicial Circuit in and for Manatee County, Florida, in connection with the validation of the Series 2023 Bonds, without undertaking to verify the same by independent investigation. Furthermore, we have assumed continuing compliance with the covenants and agreements contained in the Indenture. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in any agreements, documents, certificates, representations and opinions relating to the Series 2023 Bonds, and have relied solely on the facts, estimates and circumstances described and set forth therein. In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

Based on the foregoing, under existing law, we are of the opinion that:

1. The District is a duly created and validly existing community development district under the Act.
2. The District has the right and power under the Act to authorize, execute and deliver the Indenture, and the Indenture has been duly and lawfully authorized, executed and delivered by the District, is in full force and effect in accordance with its terms and is valid and binding upon the District and enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the Series 2023 Trust Estate in favor of the Series 2023 Bonds, including the Series 2023 Assessments, in the manner and to the extent provided in the Indenture.
3. The District is duly authorized and entitled to issue the Series 2023 Bonds and the Series 2023 Bonds have been duly and validly authorized and issued by the District in accordance with the Constitution and Laws of the State of Florida,

the Bond Resolution and the Indenture. The Series 2023 Bonds constitute valid and binding obligations of the District as provided in the Indenture and are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefits of the Indenture and the Act. The Series 2023 Bonds do not constitute a general indebtedness of the District or the State of Florida or any agency, department or political subdivision thereof, or a pledge of the faith and credit of such entities, but are solely payable from the Series 2023 Trust Estate in the manner and to the extent provided in the Indenture. No holder of the Series 2023 Bonds shall ever have the right to compel the exercise of any ad valorem taxing power of the District or the State of Florida or any political subdivision, agency or department thereof to pay the Series 2023 Bonds.

4. Under existing statutes, regulations, rulings and court decisions, the interest on the Series 2023 Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Series 2023 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. The opinions set forth in this paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2023 Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 2023 Bonds to be so included in gross income retroactive to the date of issuance of the Series 2023 Bonds. The District has covenanted in the Indenture to comply with all such requirements. Ownership of the Series 2023 Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the Series 2023 Bonds.

5. The Series 2023 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

It should be noted that, except as may expressly be set forth in an opinion delivered by us to the underwriter (on which opinion only it may rely) for the Series 2023 Bonds on the date hereof, we have not been engaged or undertaken to review (1) the accuracy, completeness or sufficiency of the Limited Offering Memorandum or other offering material relating to the Series 2023 Bonds and we express no opinion relating thereto, or (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2023 Bonds and we express no opinion relating thereto.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that (1) the enforceability of the Indenture and the Series 2023 Bonds, respectively, may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity, and (2) we have assumed the due authorization, execution and delivery of the Indenture by the Trustee.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America. The only opinions rendered hereby shall be those expressly stated as such herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Series 2023 Bonds and, in our opinion, the form of the Series 2023 Bonds is regular and proper.

Very truly yours,

**APPENDIX D**

**PROPOSED FORM OF  
CONTINUING DISCLOSURE AGREEMENT**

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## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") dated as of January \_\_, 2023 is executed and delivered by the Rye Crossing Community Development District (the "Issuer" or the "District"), Forestar (USA) Real Estate Group Inc., a Delaware corporation (the "Developer"), D.R. Horton, Inc., a Delaware corporation (the "Builder" and together with the Developer, the "Landowners"), and Wrathell, Hunt & Associates, LLC, a Florida limited liability company, as dissemination agent (the "Dissemination Agent") in connection with the Issuer's Capital Improvement Revenue Bonds, Series 2023 (Assessment Area One) (the "Bonds"). The Bonds are secured pursuant to a Master Trust Indenture dated as of January 1, 2023 (the "Master Indenture") and a First Supplemental Trust Indenture dated as of January 1, 2023 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each entered into by and between the Issuer and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Fort Lauderdale, Florida, as trustee (the "Trustee"). The Issuer, the Landowners and the Dissemination Agent covenant and agree as follows:

1. **Purpose of this Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Issuer, the Landowners and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the Bonds and to assist the Participating Underwriter (as defined herein) of the Bonds in complying with the Rule (as defined herein). The Issuer has no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule and the execution and delivery of this Disclosure Agreement is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction, a governmental regulatory agency, or an attorney specializing in federal securities law, that the Rule requires the Issuer or other Obligated Person (as defined herein) to provide additional information, the Issuer and each Obligated Person agree to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the Issuer, the Trustee or any other person of any covenant, agreement or obligation under the Indenture (or remove any of the benefits thereof) nor shall anything herein prohibit the Issuer, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

2. **Definitions.** Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Indenture. The following capitalized terms as used in this Disclosure Agreement shall have the following meanings:

"Annual Filing Date" means the date set forth in Section 3(a) hereof by which the Annual Report is to be filed with each Repository.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i)(A) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Assessment Area" shall mean that portion of the District lands subject to the Assessments.

"Assessments" shall mean the non-ad valorem Series 2023 Assessments pledged to the payment of the Bonds pursuant to the Indenture.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior Fiscal Year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Audited Financial Statements Filing Date" means the date set forth in Section 3(a) hereof by which the Audited Financial Statements are to be filed with each Repository if the same are not included as part of the Annual Report.

"Beneficial Owner" shall mean any person which, (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bond Year" means the annual period beginning on the second day of November of each year and ending on the first day of November of the following year.

"Business Day" means any day other than (a) a Saturday, Sunday or a day on which banks located in the city in which the designated corporate trust office of the Trustee is located are required or authorized by law or executive order to close for business, and (b) a day on which the New York Stock Exchange is closed.

"Disclosure Representative" shall mean (i) as to the Issuer, the District Manager or its designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent; and (ii) as to each entity comprising an Obligated Person (other than the Issuer), the individuals executing this Disclosure Agreement on behalf of such entity or such person(s) as such entity shall designate in writing to the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

"Dissemination Agent" shall mean the Issuer or an entity appointed by the Issuer to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer pursuant to Section 8 hereof. Wrathell, Hunt & Associates, LLC has been designated as the initial Dissemination Agent hereunder.

"District Manager" shall mean Wrathell, Hunt & Associates, LLC, and its successors and assigns.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures located at <http://emma.msrb.org/>.

"EMMA Compliant Format" shall mean a format for any document provided to the MSRB (as hereinafter defined) which is in an electronic format and is accompanied by identifying information, all as prescribed by the MSRB.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

"Limited Offering Memorandum" shall mean that Limited Offering Memorandum dated January [ ], 2023, prepared in connection with the issuance of the Bonds.

"Listed Events" shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board.

"Obligated Person(s)" shall mean, with respect to the Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the Issuer, and for the purposes of this Disclosure Agreement, the Landowners, their respective successors and assigns (excluding residential homebuyers who are end users) for so long as such Landowner and its successors or assigns (excluding residential homebuyers who are end users) are the owners of District Lands responsible for payment of at least 20% of the Assessments.

"Participating Underwriter" shall mean FMSbonds, Inc.

"Quarterly Filing Date" shall mean for the quarter ending: (i) March 31, each May 1; (ii) June 30, each August 1; (iii) September 30, each November 1; and (iv) December 31, each February 1 of the following year. The first Quarterly Filing Date shall be May 1, 2023.

"Quarterly Report" shall mean any Quarterly Report provided by any Obligated Person (other than the Issuer) pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Repository" shall mean each entity authorized and approved by the SEC (as hereinafter defined) from time to time to act as a repository for purposes of complying with the Rule. The Repositories approved by the SEC may be found by visiting the SEC's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure submissions through its EMMA web portal. As used herein, "Repository" shall include the State Repository, if any.

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

"SEC" means the Securities and Exchange Commission.

"State" shall mean the State of Florida.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purposes of the Rule.

### **3. Provision of Annual Reports.**

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than March 31st following the close of the Issuer's Fiscal Year (the "Annual Filing Date"), commencing with the Annual Report for the Fiscal Year ending September 30, 2023. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; *provided that* the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such Audited Financial Statements to be provided up to, but no later than, nine (9) months after the close of the Issuer's Fiscal Year (the "Audited Financial Statements Filing Date"). The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, if applicable. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.

(b) If on the fifteenth (15<sup>th</sup>) day prior to each Annual Filing Date or the Audited Financial Statements Filing Date, as applicable, the Dissemination Agent has not received a copy of the Annual Report or Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be via email) to remind the Issuer of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or the Audited Financial Statements, as applicable, in accordance with Section 3(a) above, or (ii) advise the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the times required under this Disclosure Agreement, state the date by which the Annual Report or the Audited Financial Statements for such year, as applicable, will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 6(a)(xvii) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

(c) If the Dissemination Agent has not received an Annual Report by 12:00 noon on the first (1<sup>st</sup>) Business Day following the Annual Filing Date for the Annual Report or the Audited Financial Statements by 12:00 noon on the first (1<sup>st</sup>) Business Day following the Audited

Financial Statements Filing Date for the Audited Financial Statements, then a Listed Event as described in Section 6(a)(xvii) shall have occurred and the Dissemination Agent shall immediately send a notice to the Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the Annual Filing Date the name, address and filing requirements of the Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Issuer stating that the Annual Report or Audited Financial Statements has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing all Repositories with which it was filed.

(e) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an EMMA Compliant Format.

#### 4. **Content of Annual Reports.**

(a) Each Annual Report shall be in the form set in Schedule A attached hereto and shall contain the following Annual Financial Information with respect to the Issuer:

(i) All fund balances in all Funds, Accounts and subaccounts for the Bonds and the total amount of Bonds Outstanding, in each case as of December 31st following the end of the most recent prior Fiscal Year.

(ii) The method by which Assessments are being levied (whether on-roll or off-roll) and the amounts being levied by each method in the Assessment Area for the current Fiscal Year, and a copy of the assessment roll (on roll and off roll) for the Assessments certified for collection in the Assessment Area for the current Fiscal Year.

(iii) The method by which Assessments were levied (whether on-roll or off-roll) and the amounts levied by each method in the Assessment Area for the most recent prior Fiscal Year.

(iv) The amount of Assessments collected in the Assessment Area from the property owners during the most recent prior Fiscal Year.

(v) If available, the amount of delinquencies in the Assessment Area greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of the Assessments due in any year, a list of delinquent property owners.

(vi) If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year.

(vii) The amount of principal and interest to be paid on the Bonds in the current Fiscal Year.

(viii) The most recent Audited Financial Statements of the Issuer.

(ix) In the event of any amendment or waiver of a provision of this Disclosure Agreement, a description of such amendment or waiver in the next Annual Report, and in each case shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(b); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth (unless Audited Financial Statements are being delivered later than March 31st after the close of the Issuer's Fiscal Year pursuant to Section 3(a) hereof). Any or all of the items listed above may be incorporated by reference from other documents, including limited offering memorandums and official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final limited offering memorandum or official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(b) The Issuer and each Obligated Person agree to 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 Issuer acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the Issuer, Obligated Persons 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 Issuer, an Obligated Person or others as thereafter disseminated by the Dissemination Agent.

(c) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

## **5. Quarterly Reports.**

(a) Each Obligated Person (other than the Issuer), or the applicable Landowner on behalf of any other Obligated Person that fails to execute an Assignment (as hereinafter defined), shall provide an electronic copy of the Quarterly Report to the Dissemination Agent no later than five (5) days prior to the Quarterly Filing Date. Promptly upon receipt of an electronic

copy of the Quarterly Report, but in any event no later than the applicable Quarterly Filing Date, the Dissemination Agent shall provide a Quarterly Report to the Repository.

(b) Each Quarterly Report shall be in the form set in Schedule B attached hereto and contain an update of the following information to the extent available:

(i) The number and type of lots planned in the Assessment Area subject to the Assessments.

(ii) With respect to lots owned in the Assessment Area by the Obligated Person: the total number of lots owned, the number of lots under contract but not closed with a homebuilder and the name of such homebuilder, the number of lots closed with a homebuilder, the number of lots not under contract with a homebuilder.

(iii) The number and type of lots developed in the Assessment Area.

(iv) The number and type of lots platted in the Assessment Area.

(v) With respect to undeveloped and unplatted lands owned in the Assessment Area by the Obligated Person, a description of the status for lot development within such lands.

(vi) The cumulative number and type of homes closed with homebuyers (delivered to end users) in the Assessment Area.

(vii) The number and type of homes under contract and not closed with homebuyers in the Assessment Area in such quarter.

(viii) With respect to the Assessment Area, material changes to (1) builder contracts, (2) the number or type of lots planned to be developed, (3) permits/approvals, and (4) existing mortgage debt of the Obligated Person or the incurrence of new mortgage debt by the Obligated Person.

(ix) Any sale, assignment or transfer of ownership by the Obligated Person of lands in the Assessment Area to a third party which will in turn become an Obligated Person hereunder.

(c) If an Obligated Person sells, assigns or otherwise transfers ownership of real property in the Assessment Area (a "Transferor Obligated Person") to a third party (a "Transferee"), which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "Transfer"), the Transferor Obligated Person hereby agrees to use its best efforts to contractually obligate such Transferee to agree to comply with the disclosure obligations of an Obligated Person hereunder for so long as such Transferee is an Obligated Person hereunder, to the same extent as if such Transferee were a party to this Disclosure Agreement (an "Assignment"). The Transferor Obligated Person shall notify the District and the Dissemination Agent in writing of any Transfer within five (5) Business Days of the occurrence thereof. Nothing herein shall be construed to relieve the Landowners from their respective obligations hereunder

except to the extent a written Assignment from a Transferee is obtained and delivered to the Dissemination Agent and then only to the extent of such Assignment.

6. **Reporting of Listed Events.**

(a) This Section 6 shall govern the giving of notices of the occurrence of any of the following Listed Events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on the Series 2023 Reserve Account reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;\*
- (v) Substitution of credit or liquidity providers, or their failure to perform;\*
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;\*
- (xii) Bankruptcy, insolvency, receivership or similar event of the Issuer or any Obligated Person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer or any Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental

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\* Not applicable to the Bonds at their date of issuance.



authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person);

(xiii) Consummation of a merger, consolidation, or acquisition involving the Issuer or any Obligated Person or the sale of all or substantially all of the assets of the Issuer or any Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material;

(xv) Incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties;

(xvii) Failure to provide (A) any Annual Report or Audited Financial Statements as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 4(a) of this Disclosure Agreement, or (B) any Quarterly Report that contains, in all material respects, the information required to be included therein under Section 5(b) of this Disclosure Agreement, which failure shall, in all cases, be deemed material under federal securities laws; and

(xviii) Any amendment to the accounting principles to be followed in preparing financial statements as required pursuant to Section 4(a)(ix) hereof.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the above subsection (a) Listed Events to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after its occurrence, with the exception of the Listed Events described in Section 6(a)(xvii) and (xviii), which notice will be given in a timely manner. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below. Such notice by the Issuer to the Dissemination Agent shall identify the Listed Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Dissemination Agent to disseminate the information (provided that such date is in compliance within the filing dates provided within this Section 6(b)).

(c) Notwithstanding anything contained in Section 6(b) above, each Obligated Person other than the Issuer shall notify the Issuer and the Dissemination Agent of the occurrence of a Listed Event described in subsections (a)(x), (xii), (xiii), (xv), (xvi), or (xvii) that has occurred

with respect to such Obligated Person in compliance with the notification and filing requirements provided in Section 6(b).

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with each Repository.

7. **Termination of Disclosure Agreement.** This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

8. **Dissemination Agent.** Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the Issuer or the Dissemination Agent, the Issuer agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. The initial Dissemination Agent shall be Wrathell, Hunt & Associates, LLC. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Wrathell, Hunt & Associates, LLC. Wrathell, Hunt & Associates, LLC, may terminate its role as Dissemination Agent at any time upon delivery of sixty (60) days prior written notice to the District and each Obligated Person. The District may terminate the agreement hereunder with the Dissemination Agent at any time upon delivery of sixty (60) days prior written notice to the Dissemination Agent and each Obligated Person.

9. **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Notwithstanding the above provisions of this Section 9, no amendment to the provisions of Section 5(b) hereof may be made without the consent of each Obligated Person, if any.

10. **Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

11. **Default.** In the event of a failure of the Issuer, the Disclosure Representative, any Obligated Person or the Dissemination Agent to comply with any provision of this Disclosure

Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Beneficial Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any beneficial owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer, the Disclosure Representative, any Obligated Person or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement by any Obligated Person shall not be deemed a default by the Issuer hereunder and no default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Disclosure Representative, any Obligated Person, or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

12. **Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District, the Landowners and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative covenant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District, the Landowners and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, Obligated Person(s), the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA Compliant Format.

13. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Landowners, the Dissemination Agent, the Trustee, the Participating Underwriter and the Owners of the Bonds (the Dissemination Agent, the Trustee, Participating Underwriter and Owners of the Bonds being hereby deemed express third party beneficiaries of this Disclosure Agreement), and shall create no rights in any other person or entity.

14. **Tax Roll and Budget.** Upon the request of the Dissemination Agent, the Trustee or any Bondholder, the Issuer, through its District Manager, if applicable, agrees to provide such party with a certified copy of its most recent tax roll provided to the Manatee County Tax Collector and the Issuer's most recent adopted budget.

15. **Governing Law.** The laws of the State of Florida and Federal law shall govern this Disclosure Agreement and venue shall be any state or federal court having jurisdiction in Manatee County, Florida.

16. **Counterparts.** This Disclosure Agreement may be executed in several counterparts and each of which shall be considered an original and all of which shall constitute but one and the

same instrument. A scanned copy of the signatures delivered in a PDF format may be relied upon as if the original had been received.

17. **Trustee Cooperation.** The Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer and the Issuer instructs the Trustee to deliver to the Dissemination Agent at the expense of the Issuer, any information or reports readily available to and in the possession of the Trustee that the Dissemination Agent requests in writing.

18. **Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to the Landowners or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successors or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

**RYE CROSSING COMMUNITY  
DEVELOPMENT DISTRICT, AS ISSUER**

[SEAL]

By: \_\_\_\_\_  
Christian Cotter, Chairperson  
Board of Supervisors

ATTEST:

By: \_\_\_\_\_  
\_\_\_\_\_, Secretary

**FORESTAR (USA) REAL ESTATE GROUP  
INC., AS DEVELOPER**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**D.R. HORTON, INC., AS BUILDER**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**WRATHELL, HUNT & ASSOCIATES, LLC,  
and its successors and assigns, AS  
DISSEMINATION AGENT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CONSENTED TO AND AGREED TO BY:**

**DISTRICT MANAGER**

**WRATHELL, HUNT & ASSOCIATES,  
LLC, AS DISTRICT MANAGER**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Acknowledged and agreed to for purposes of  
Sections 11, 13 and 17 only:

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, AS TRUSTEE**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**FORM OF NOTICE TO REPOSITORIES OF FAILURE  
TO FILE [ANNUAL REPORT]  
[AUDITED FINANCIAL STATEMENTS][QUARTERLY REPORT]**

Name of Issuer: Rye Crossing Community Development District

Name of Bond Issue: \$\_\_\_\_\_ original aggregate principal amount of Capital  
Improvement Revenue Bonds, Series 2023 (Assessment Area One)

Obligated Person(s): Rye Crossing Community Development District;  
\_\_\_\_\_.

Original Date of Issuance: January \_\_, 2023

CUSIP Numbers: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the [Issuer][Obligated Person] has not provided an [Annual Report] [Audited Financial Statements] [Quarterly Report] with respect to the above-named Bonds as required by [Section 3] [Section 5] of the Continuing Disclosure Agreement dated January \_\_, 2023, by and between the Issuer, the Landowners and the Dissemination Agent named therein. The [Issuer][Obligated Person] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by \_\_\_\_\_, 20\_\_\_\_.

Dated: \_\_\_\_\_

\_\_\_\_\_, as Dissemination Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

cc: Issuer  
Trustee



## **SCHEDULE A**

### **FORM OF DISTRICT'S ANNUAL REPORT (Due 3/31)**

#### **1. Fund Balances**

<b>Combined Trust Estate Assets</b>	<b><u>Quarter Ended – 12/31</u></b>
Acquisition and Construction Fund	
Revenue Fund	
Reserve Fund	
Prepayment Fund	
Other	
<b>Total Bonds Outstanding</b>	
<b>TOTAL</b>	

#### **2. Assessment Certification and Collection Information**

1. For the Current District Fiscal Year – Manner in which Assessments are collected (On Roll vs. Off Roll)

	<b><u>\$ Certified</u></b>
On Roll	\$ _____
Off Roll	\$ _____
<b>TOTAL</b>	\$ _____

2. Attach to Report the following:
- A. On Roll – Copy of certified assessment roll for the District's current Fiscal Year
- B. Off Roll – List of folios and ownership for all off roll Assessments, together with par and annual Assessment assigned to each folio

#### **3. For the immediately ended Bond Year, provide the levy and collection information**

<b><u>Total Levy</u></b>	<b><u>\$ Levied</u></b>	<b><u>\$ Collected</u></b>	<b><u>% Collected</u></b>	<b><u>% Delinquent</u></b>
On Roll	\$ _____	\$ _____	____%	____%
Off Roll	\$ _____	\$ _____	____%	____%
<b>TOTAL</b>				

**4. If available, the amount of delinquencies in the Assessment Area greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amount of the Assessments due in any year, a list of delinquent property owners**

**5. If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year**

**6. The amount of principal and interest to be paid on the Bonds in the current Fiscal Year**

## **SCHEDULE B**

### **FORM OF OBLIGATED PERSON'S QUARTERLY REPORT**

#### **Bond Information**

**Rye Crossing Community Development District**

**Date of Quarterly Report** \_\_\_\_\_

Bond Series 2023

Area/Project Assessment Area One

**NOTE: IF MORE THAN ONE ASSESSMENT AREA, INFORMATION NEEDS TO BE COMPLETED FOR EACH AREA**

#### **1. Unit Mix For Land Subject To Assessments**

<b><u>Type</u></b>	<b><u>Number of Lots/Units</u></b>	<b><u>Ownership Information</u></b>		
		<b><u>Developer Owned</u></b>	<b><u>Builder Owned</u></b>	<b><u>Homeowner Owned</u></b>
Total				

#### **2. For Lots owned by Obligated Person (if applicable)**

<b><u>Type</u></b>	<b><u># of Lots Owned by Obligated Person</u></b>	<b><u># of Lots Under Contract With Builders (NOT CLOSED)</u></b>	<b><u># of Lots NOT Under Contract</u></b>	<b><u>Name of Builder</u></b>	<b><u>Expected Takedown Date(s)</u></b>
Total					

#### **3. Status of Land Subject to Assessments**

##### **A. Lots developed (cumulative, not quarterly activity), by phase or sub-phase:**

Total Assessment Area

##### **B. Lots platted (cumulative, not quarterly activity), by phase or sub-phase:**

Total Assessment Area

##### **C. For lots not developed, and platted, provide brief description on status of lot development for land area securing the Bonds:**

1. When do you anticipate lots will be developed (for each phase or sub phase)?
2. When do you anticipate lots will be platted (for each phase or sub phase)?
3. Provide total amount of money spent on land development to date (include money funded with bonds and with other sources)

##### **D. Homes Closed with End-Users:**

Total CUMULATIVE

##### **E. Homes Sold To End Users (AND NOT CLOSED):**

Total QUARTER ONLY

#### **4. Development Changes and Status Updates**

1. Material changes to Builder Contracts (i.e., change of terms or cancellation of contract, change of takedown dates)?
2. Any bulk sales of land within the District to other developers or builders?
3. Any material changes to the number or type of lots planned to be developed in the Assessment Area?
4. Any materially adverse changes or determinations to permits/approvals for the Assessment Area which necessitate changes to the development plans?
5. Incurrence of any new or modified mortgage debt on the land owned by the Obligated Person in the Assessment Area (amount, rate, and term)?
6. Sale, assignment or transfer of ownership of real property in the Assessment Area to a third party, which will in turn be an Obligated Person?

\*This report contains statements, which to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "anticipate", "estimate", "expect", and "belief", and similar expressions are intended to identify forward-looking statements. Such statements may be subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements.

## **APPENDIX E**

### **ASSESSMENT METHODOLOGY REPORT**

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# RYE CROSSING COMMUNITY DEVELOPMENT DISTRICT

## Master Special Assessment Methodology Report

October 13, 2022



Provided by:

**Wrathell, Hunt and Associates, LLC**

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## **1.0 Introduction**

### **1.1 Purpose**

This Master Special Assessment Methodology Report (the "Report") was developed to provide a master financing plan and a master special assessment methodology for the Rye Crossing Community Development District (the "District"), located in unincorporated Manatee County, Florida, as related to funding the costs of public infrastructure improvements contemplated to be provided by the District.

### **1.2 Scope of the Report**

This Report presents the projections for financing the District's capital improvement plan (the "CIP") described in the Engineer's Report for the Rye Crossing Community Development District prepared by Atwell, LLC (the "District Engineer") dated October 13, 2022 (the "Engineer's Report"), as well as describes the method for the allocation of special benefits and the apportionment of special assessment debt resulting from the provision and funding of the CIP.

### **1.3 Special Benefits and General Benefits**

Improvements undertaken and funded by the District as part of the CIP create special and peculiar benefits, different in kind and degree than general benefits, for properties within its borders as well as general benefits to the public at large. However, as discussed within this Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits which accrue to property within the District. The District's CIP enables properties within its boundaries to be developed.

There is no doubt that the general public and property owners of property outside the District will benefit from the provision of the CIP. However, these benefits are only incidental since the CIP is designed solely to provide special benefits peculiar to property within the District. Properties outside the District are not directly served by the CIP and do not depend upon the CIP to obtain or to maintain their development entitlements. This fact alone clearly distinguishes the special benefits which District properties receive compared to those lying outside of the District's boundaries.

The CIP will provide public infrastructure improvements which are all necessary in order to make the lands within the District developable and saleable. The installation of such improvements will cause the

value of the developable and saleable lands within the District to increase by more than the sum of the financed cost of the individual components of the CIP. Even though the exact value of the benefits provided by the CIP is hard to estimate at this point, it is nevertheless greater than the costs associated with providing the same.

#### **1.4 Organization of the Report**

*Section Two* describes the development program as proposed by the Developer, as defined below.

*Section Three* provides a summary of the CIP as determined by the District Engineer.

*Section Four* discusses the financing program for the District.

*Section Five* introduces the special assessment methodology for the District.

### **2.0 Development Program**

#### **2.1 Overview**

The District will serve the Rye Crossing development (the "Development" or "Rye Crossing"), a master planned residential development located in unincorporated Manatee County, Florida. The land within the District currently consists of approximately 39.651 +/- acres, however, after a planned boundary amendment, will total 191.97 +/- acres and is generally located east of North Rye Road and north of Rye Wilderness Trail.

#### **2.2 The Development Program**

The development of Rye Crossing is anticipated to be conducted by Forestar (USA) Real Estate Group Inc. (the "Developer"). Based upon the information provided by the Developer and the District Engineer, the current development plan envisions a total of 450 residential units, although land use types and unit numbers may change throughout the development period. Table 1 in the *Appendix* illustrates the development plan for Rye Crossing. The development of Rye Crossing is planned to be conducted in one or more phases over a multi-year period.



### **3.0 The Capital Improvement Plan**

#### **3.1 Overview**

The public infrastructure costs to be funded by the District are described by the District Engineer in the Engineer's Report. Only public infrastructure that may qualify for bond financing by the District under Chapter 190, Florida Statutes and under the Internal Revenue Code of 1986, as amended, was included in these estimates.

#### **3.2 CIP**

The CIP needed to serve the Development is projected to consist of improvements which will serve all of the lands in the District. The CIP will consist of perimeter roads, hardscape, landscape and irrigation, stormwater system, water, sewer, reclaim utilities, incremental cost of undergrounding electric conduit, conservation/mitigation, and off-site improvements. At the time of this writing, the total cost of the CIP, including municipal fees & permits, professional services and contingency, is estimated to total approximately \$25,970,000.

Even though the installation of the improvements that comprise the CIP may occur in one or multiple stages coinciding with phases of development within the District, the infrastructure improvements that comprise the CIP will serve and provide benefit to all land uses in the District and will comprise an interrelated system of improvements, which means all of the improvements will serve the entire District and improvements will be interrelated such that they will reinforce one another.

Table 2 in the *Appendix* illustrates the specific components of the CIP.

### **4.0 Financing Program**

#### **4.1 Overview**

As noted above, the District is embarking on a program of capital improvements which will facilitate the development of lands within the District. Generally, construction of public improvements is either funded by the Developer and then acquired by the District or funded directly by the District. As of the time of writing of this Report, the District will most likely acquire completed improvements from the Developer, although the District maintains the complete flexibility to

either acquire the public infrastructure from the Developer or construct it, or even partly acquire it and partly construct it.

Even though the actual financing plan may change to include multiple series of bonds, it is likely that in order to fully fund costs of the CIP as described in *Section 3.2*, the District would have to issue approximately \$35,865,000 in par amount of capital improvement revenue bonds (the "Bonds").

**Please note that the purpose of this Report is to allocate the benefit of the CIP to the various land uses in the District and based on such benefit allocation to apportion the maximum debt necessary to fund the CIP. The discussion of the structure and size of the indebtedness is based on various estimates and is subject to change.**

## **4.2 Types of Bonds Proposed**

The proposed financing plan for the District provides for the issuance of the Bonds in the approximate principal amount of \$35,865,000 to finance approximately \$25,970,000 in CIP costs. The Bonds as projected under this financing plan would be structured to be amortized in 30 annual installments following a 24-month capitalized interest period. Interest payments on the Bonds would be made every May 1 and November 1, and principal payments on the Bonds would be made either on May 1 or on November 1.

In order to finance the improvements and other costs, the District would need to borrow more funds and incur indebtedness in the total amount of approximately \$35,865,000. The difference is comprised of funding a debt service reserve, capitalized interest, underwriter's discount and costs of issuance. Preliminary sources and uses of funding for the Bonds are presented in Table 3 in the *Appendix*.

**Please note that the structure of the Bonds as presented in this Report is preliminary and may change due to changes in the development program, market conditions, timing of infrastructure installation as well as for other reasons. The District maintains complete flexibility as to the structure of the Bonds and reserves the right to modify it as necessary.**

## **5.0 Assessment Methodology**

### **5.1 Overview**

The issuance of the Bonds provides the District with funds necessary to construct/acquire the infrastructure improvements which are part of the CIP outlined in *Section 3.2* and described in more detail by the District Engineer in the Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to the assessable properties within the boundaries of the District and general benefits accruing to areas outside the District but being only incidental in nature. The debt incurred in financing the CIP will be secured by assessing properties within the District that derive special and peculiar benefits from the CIP. All properties that receive special benefits from the CIP will be assessed for their fair share of the debt issued in order to finance all or a portion of the CIP.

### **5.2 Benefit Allocation**

The most current development plan envisions the development of 450 residential units, although unit numbers and land use types may change throughout the development period.

The infrastructure improvements that comprise the CIP will serve and provide benefit to all land uses in the District and will comprise an interrelated system of improvements, which means all of the improvements will serve the entire District and improvements will be interrelated such that they will reinforce one another.

By allowing for the land in the District to be developable, both the improvements that comprise the CIP and their combined benefit will be greater than the sum of their individual benefits. All of the land uses within the District will benefit from each infrastructure improvement category, as the improvements provide basic infrastructure to all land within the District and benefit all land within the District as an integrated system of improvements.

As stated previously, the public infrastructure improvements included in the CIP have a logical connection to the special and peculiar benefits received by the land within the District, as without such improvements, the development of the properties within the District would not be possible. Based upon the connection between the improvements and the special and peculiar benefits to the land within the District, the District can assign or allocate a portion of the District's debt through the imposition of non-ad valorem assessments to the land receiving such special and peculiar benefits. Even though

these special and peculiar benefits are real and ascertainable, the precise amount of the benefit cannot yet be calculated with mathematical certainty. However, such benefit is more valuable than the cost of, or the actual non-ad valorem assessment amount levied for, the improvement or debt allocated to that parcel.

The benefit associated with the CIP of the District is proposed to be allocated to the different unit types within the District in proportion to the density of development and intensity of use of the infrastructure as measured by a standard unit called an Equivalent Residential Unit ("ERU"). Table 4 in the *Appendix* illustrates the ERU weights that are proposed to be assigned to the unit types contemplated to be developed within the District based on the relative density of development and the intensity of use of master infrastructure, the total ERU counts for each unit type, and the share of the benefit received by each unit type.

The rationale behind different ERU weights is supported by the fact that generally and on average smaller units or units with a lower intensity of use will use and benefit from the District's improvements less than larger units or units with a higher intensity of use, as for instance, generally and on average smaller units or units with lower intensity of use produce less storm water runoff, may produce fewer vehicular trips, and may need less water/sewer capacity than larger units. Additionally, the value of the larger units or units with a higher intensity of use is likely to appreciate by more in terms of dollars than that of the smaller units or units with a lower intensity of use as a result of the implementation of the CIP. As the exact amount of the benefit and appreciation is not possible to be calculated at this time, the use of ERU measures serves as a reasonable approximation of the relative amount of benefit received by the different unit types from the District's improvements.

Table 5 in the *Appendix* presents the apportionment of the assessment associated with funding the District's CIP (the "Assessments") in accordance with the ERU benefit allocation method presented in Table 4. Table 5 also presents the annual levels of the projected annual debt service assessments per unit.

No Assessment is allocated herein to the private amenities or other common areas planned for the Development. If owned by a homeowner's association, the amenities and common areas would be considered a common element for the exclusive benefit of property owners. Accordingly, any benefit to the amenities and common areas would directly benefit all of the platted lots in the District. As such, no Assessment will be assigned to the amenities

and common areas. If the amenities are owned by the District, then they would be governmental property not subject to the Assessment and would be open to the general public, subject to District rules and policies.

### **5.3 Assigning Debt**

The Assessments associated with repayment of the Bonds will initially be levied on all of the gross acres of land in the District. Consequently, the Assessments will be levied on approximately 191.97 +/- gross acres on an equal pro-rata gross acre basis and thus the total bonded debt in the amount of \$35,865,000 will be preliminarily levied on approximately 191.97 +/- gross acres (the current 39.651 +/- acres plus the planned boundary amendment acreage of 152.32 +/- acres) at a rate of \$186,826.07 per acre.

As the land is platted, the Assessments will be allocated to each platted parcel on a first platted-first assigned basis based on the planned use for that platted parcel as reflected in Table 5 in the *Appendix*. Such allocation of Assessments to platted parcels will reduce the amount of Assessments levied on unplatted gross acres within the District.

Further, to the extent that any residential land which has not been platted is sold to another developer or builder, the Assessments will be assigned to such parcel at the time of the sale based upon the development rights associated with such parcel that are transferred from seller to buyer. The District shall provide an estoppel or similar document to the buyer evidencing the amount of Assessments transferred at sale.

### **5.4 Lienability Test: Special and Peculiar Benefit to the Property**

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

Improvements undertaken by the District can be shown to be creating special and peculiar benefits to the property within the District. The special and peculiar benefits resulting from each improvement include, but are not limited to:

- a. added use of the property;
- b. added enjoyment of the property;

- c. decreased insurance premiums;
- d. increased marketability and value of the property.

The improvements which are part of the CIP make the land in the District developable and saleable and when implemented jointly as parts of the CIP, provide special and peculiar benefits which are greater than the benefits of any single category of improvements. These special and peculiar benefits are real and ascertainable, but not yet capable of being calculated and assessed in terms of numerical value; however, such benefits are more valuable than either the cost of, or the actual assessment levied for, the improvement or debt allocated to the parcel of land.

#### **5.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay**

A reasonable estimate of the proportion of special and peculiar benefits received from the improvements is delineated in Table 4 (expressed as ERU factors) in the *Appendix*.

The apportionment of the Assessments is fair and reasonable because it was conducted on the basis of consistent application of the methodology described in *Section 5.2* across all assessable property within the District according to reasonable estimates of the special and peculiar benefits derived from the CIP by different unit types.

#### **5.6 True-Up Mechanism**

The assessment methodology described herein is based on conceptual information obtained from the Developer prior to construction. As development occurs it is possible that the number of ERUs may change. The mechanism for maintaining the methodology over the changes is referred to as true-up.

This mechanism is to be utilized to ensure that the Assessments on a per ERU basis never exceed the initially allocated Assessments as contemplated in the adopted assessment methodology. The Assessments per ERU preliminarily equal \$79,984.39 (\$35,865,000 in Assessments divided by 448.40 ERUs) and may change based on the final bond sizing or as a result of a change in unit types. If such changes occur, the methodology is applied to the land based on the number of and unit type within each and every parcel as signified by the number of ERUs.

As the land is platted, the Assessments are assigned to platted parcels based on the figures in Table 5 in the *Appendix*. If as a result of platting and apportionment of the Assessments to the platted parcel of land, the Assessments per ERU for land that remains unplatted within the District remains equal to \$79,984.39, then no true-up adjustment will be necessary.

If as a result of platting and apportionment of the Assessments to the platted land, the Assessments per ERU for land that remains unplatted within the District equals less than \$79,984.39 (either as a result of a larger number of units, different units or both), then the per ERU Assessments for all parcels within the District will be lowered if that state persists at the conclusion of platting of all land within the District.

If, in contrast, a result of platting and apportionment of the Assessments to the platted land, the Assessments per ERU for land that remains unplatted within the District equals more than \$79,984.39<sup>1</sup> (either as a result of a smaller number of units, different units or both), then the difference in Assessments plus accrued interest will be collected from the owner of the property which platting caused the increase of Assessments per ERU to occur, in accordance with a true-up agreement to be entered into between the District and the Developer, which will be binding on assignees.

The owner(s) of the property will be required to immediately remit to the Trustee for redemption a true-up payment equal to the difference between the actual Assessments per ERU and \$79,984.39 multiplied by the actual number of ERUs plus accrued interest to the next succeeding interest payment date on the Bonds, unless such interest payment date occurs within 45 days of such true-up payment, in which case the accrued interest shall be paid to the following interest payment date.

In considering whether to require a true-up payment, the District shall consider any requests for a deferral of true-up. In order to obtain such a deferral, a landowner seeking such deferral must provide to the District the following: a) proof of the amount of entitlements remaining on the undeveloped lands, b) a revised overall development plan showing the number and type of units reasonably planned for the remainder of the Development, c) evidence of allowable zoning conditions that would enable those entitlements to be placed in accordance with the revised development plan, and d) documentation prepared by a licensed engineer that shows the feasibility of implementing the proposed development plan. The District's decision whether to grant a deferral shall be in its

reasonable discretion. Prior to any decision by the District not to impose a true-up payment, a supplemental methodology shall be produced demonstrating that there will be sufficient Assessments to pay debt service on the applicable Bonds and the District will conduct new proceedings under Chapter 170, *Florida Statutes* upon the advice of District Counsel. Any true-up payment shall become due and payable that tax year by the landowner of the lands subject to the proposed plat, shall be in addition to the regular Assessment installment payable for such lands, and shall constitute part of the Assessment liens imposed against the proposed plat property until paid.

All Assessments levied run with the land, and such Assessment liens include any true-up payment. The District will not release any liens on property for which true-up payments are due, until provision for such payment has been satisfactorily made. Further, upon the District's review of the final plat for the developable acres, any unallocated Assessment shall become due and payable and must be paid prior to the District's approval of that plat. This true-up process applies for both plats and/or re-plats.

In addition to platting of property within the District, any planned sale of unplatted land to another builder or developer will cause the District to initiate a true-up test as described above to test whether the amount of the Assessments per ERU for land that remains unplatted remains equal to \$79,984.39. The test will be based upon the development rights as signified by the number of ERUs associated with such parcel that are transferred from seller to buyer. The District shall provide an estoppel or similar document to the buyer evidencing the amount of Assessments transferred at sale.

## **5.7 Assessment Roll**

Assessments in the amount of \$35,865,000 plus interest are proposed to be levied over the area described in Exhibit "A". Excluding any capitalized interest period, the Assessments shall be paid in thirty (30) annual principal installments.

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<sup>1</sup> For example, if the first platting includes 118 Single-Family 40' lots, 202 Single-Family 50' lots, and 110 Single-Family 60' lots, which equates to a total allocation of \$34,265,312.22 in Assessments, then the remaining unplatted land would be required to absorb 20 Single-Family 50' lots or \$1,599,687.78 in Assessments. If the remaining unplatted land would only be able to absorb 10 Single-Family 50' lots or \$799,843.89 in Assessments, then a true-up, payable by the owner of the unplatted land, would be due in the amount of \$799,843.89 in Assessments plus applicable accrued interest to the extent described in this Section.



## **5.8 Additional Items Regarding Assessments Imposition and Allocation**

This master assessment allocation methodology is intended to establish, without the need for a further public hearing, the necessary benefit and fair and reasonable allocation findings for a master assessment lien, which may give rise to one or more individual assessment liens relating to individual Bond issuances necessary to fund all or a portion of the CIP referenced herein. All such liens shall be within the benefit limits established herein and using the allocation methodology described herein, and shall be described in one or more supplemental reports.

As set forth in any supplemental report, and for any particular Bond issuance, the land developer may opt to “buy down” the Assessments on particular product types and/or lands using a contribution of cash, infrastructure or other consideration, and in order for Assessments to reach certain target levels. Note that any “true-up,” as described herein, may require a payment to satisfy “true-up” obligations as well as additional contributions to maintain such target assessment levels. Any amounts contributed by the developer to pay down Assessments will not be eligible for “deferred costs,” if any are provided for in connection with any particular Bond issuance.

As noted herein, the CIP functions as a system of improvements. Among other implications, this means that proceeds from any particular Bond issuance can be used to fund improvements within any benefitted property within the District, regardless of where the Assessments are levied, provided that Assessments are fairly and reasonably allocated across all benefitted properties.

In the event that the CIP is not completed, required contributions are not made, additional benefitted lands are added to the District and/or assessment area(s), or under certain other circumstances, the District may elect to reallocate the Assessments, and the District expressly reserves the right to do so, provided however that any such reallocation shall not be construed to relieve any party of contractual or other obligations to the District.

## **6.0 Additional Stipulations**

### **6.1 Overview**

Wrathell, Hunt and Associates, LLC was retained by the District to prepare a methodology to fairly allocate the special assessments

related to the District's CIP. Certain financing, development and engineering data was provided by members of District Staff and/or the Developer. The allocation methodology described herein was based on information provided by those professionals. Wrathell, Hunt and Associates, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this Report. For additional information on the Bond structure and related items, please refer to the Offering Statement associated with this transaction.

**Wrathell, Hunt and Associates, LLC does not represent the District as a Municipal Advisor or Securities Broker nor is Wrathell, Hunt and Associates, LLC registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Wrathell, Hunt and Associates, LLC does not provide the District with financial advisory services or offer investment advice in any form.**

## 7.0 Appendix

Table 1

### Rye Crossing

#### Community Development District

##### Development Plan

Product Type	Phase I - Unit Count	Future Phases - Unit Count	Total Number of Units
Single Family 40'	0	118	118
Single Family 50'	116	106	222
Single Family 60'	0	110	110
<b>Total</b>	<b>116</b>	<b>334</b>	<b>450</b>

Table 2

### Rye Crossing

#### Community Development District

##### Project Costs

Improvement	Phase I - Costs	Future Phases - Costs	Total Costs
Perimeter Roads, Hardscape, Landscape and Irrigation	\$ 760,000.00	\$ 4,040,000.00	\$ 4,800,000.00
Stormwater System	1,407,000.00	5,723,000.00	7,130,000.00
Water, Sewer, Reclaim Utilities	1,655,000.00	5,145,000.00	6,800,000.00
Incremental Cost of Undergrounding of Electric Conduit	59,000.00	241,000.00	300,000.00
Conservation/ Mitigation	10,000.00	580,000.00	590,000.00
Off-site Improvements	330,000.00	230,000.00	560,000.00
Professional Fees	90,000.00	1,660,000.00	1,750,000.00
Contingency	-	4,040,000.00	4,040,000.00
<b>Total</b>	<b>\$4,311,000</b>	<b>\$21,659,000</b>	<b>\$ 25,970,000</b>

Table 3

### Rye Crossing

#### Community Development District

##### Preliminary Sources and Uses of Funds

##### Sources

Bond Proceeds:

Par Amount	\$35,865,000.00
<b>Total Sources</b>	<b>\$35,865,000.00</b>

##### Uses

Project Fund Deposits:

Project Fund	\$25,970,000.00
--------------	-----------------

Other Fund Deposits:

Debt Service Reserve Fund	\$3,185,795.90
Capitalized Interest Fund	\$5,738,400.00

Delivery Date Expenses:

Costs of Issuance	\$967,300.00
Rounding	\$3,504.10
<b>Total Uses</b>	<b>\$35,865,000.00</b>

Table 4

## Rye Crossing

### Community Development District

#### Benefit Allocation - Phase I

Product Type	Total Number of Units	ERU Weight	Total ERU
Single Family 40'	0	0.8	0.00
Single Family 50'	116	1	116.00
Single Family 60'	0	1.2	0.00
<b>Total</b>	<b>116</b>		<b>116.00</b>

#### Benefit Allocation - Future Phases

Product Type	Total Number of Units	ERU Weight	Total ERU
Single Family 40'	118	0.8	94.40
Single Family 50'	106	1	106.00
Single Family 60'	110	1.2	132.00
<b>Total</b>	<b>334</b>		<b>332.40</b>

#### Benefit Allocation - Total

Product Type	Total Number of Units	ERU Weight	Total ERU
Single Family 40'	118	0.8	94.40
Single Family 50'	222	1	222.00
Single Family 60'	110	1.2	132.00
<b>Total</b>	<b>450</b>		<b>448.40</b>

Table 5

## Rye Crossing

### Community Development District

#### Assessment Apportionment

Product Type	Total Number of Units	Total Cost Allocation*	Total Bond Assessment Apportionment	Bond Assessment Apportionment per Unit	Annual Debt Service Payment per Unit**
Single Family 40'	118	\$5,467,368.42	\$7,550,526.32	\$63,987.51	\$6,111.66
Single Family 50'	222	\$12,857,582.52	\$17,756,534.34	\$79,984.39	\$7,639.58
Single Family 60'	110	\$7,645,049.06	\$10,557,939.34	\$95,981.27	\$9,167.49
<b>Total</b>	<b>450</b>	<b>\$25,970,000.00</b>	<b>\$35,865,000.00</b>		




\* Please note that cost allocations to units herein are based on the ERU benefit allocation illustrated in Table 4

\*\* Includes county collection costs estimated at 3% (subject to change) and an early collection discount allowance estimated at 4% (subject to change)

## **Exhibit “A”**

Bond Assessments in the amount of \$35,865,000 are proposed to be levied over the area as described in the following pages designating the boundary of the District:

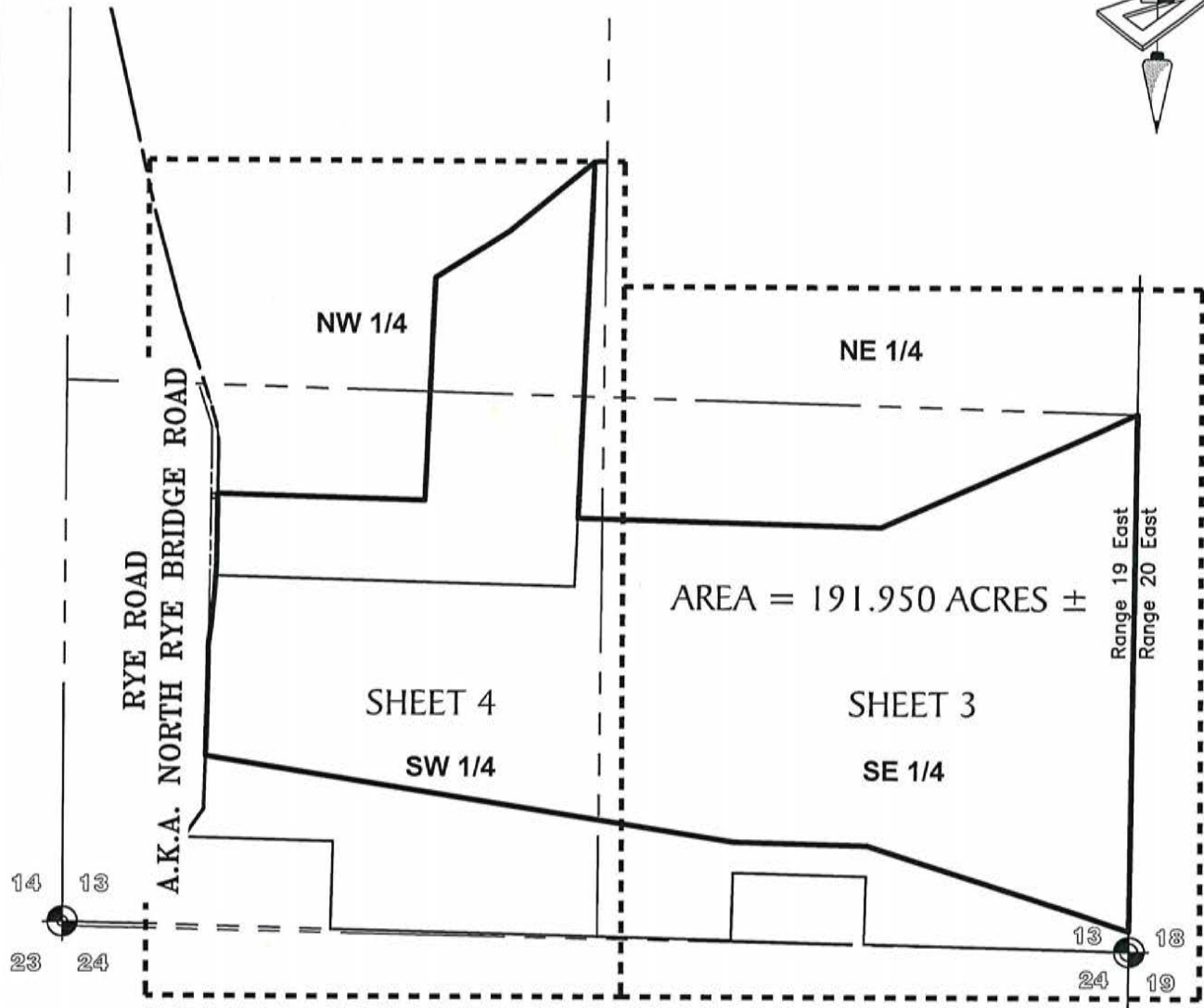
(Not A Survey)

PROJECT: Rutland Property			Prepared For: FORESTAR																										
PHASE: Rye Crossing CDD																													
DRAWN: JCM	DATE: 07/20/22	CHECKED BY: MHC																											
<b>REVISIONS</b> <table border="1"> <thead> <tr> <th>DATE</th> <th>DESCRIPTION</th> <th>DRAWN BY</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>			DATE	DESCRIPTION	DRAWN BY																						213 Hobbs Street Tampa, Florida 33619 Phone: (813) 248-8888 License Business No.: LB 7768 		
DATE	DESCRIPTION	DRAWN BY																											
David A. Williams FLORIDA PROFESSIONAL SURVEYOR & MAPPER NO. <b>LS6423</b>																													
FILE PATH: P:\RYE CROSSING (RUTLAND)\DESCRIPTIONS\RUTLAND-RYE-CROSSING-CDD-DS.DWG    LAST SAVED BY: JORDANM																													
01 of 04																													

# Description Sketch

(Not A Survey)

## KEY SHEET



NOTE:  
SEE SHEET NO. 1 FOR LEGAL DESCRIPTION & SURVEYOR'S NOTES  
SEE SHEET NO. 3-4 FOR DETAIL

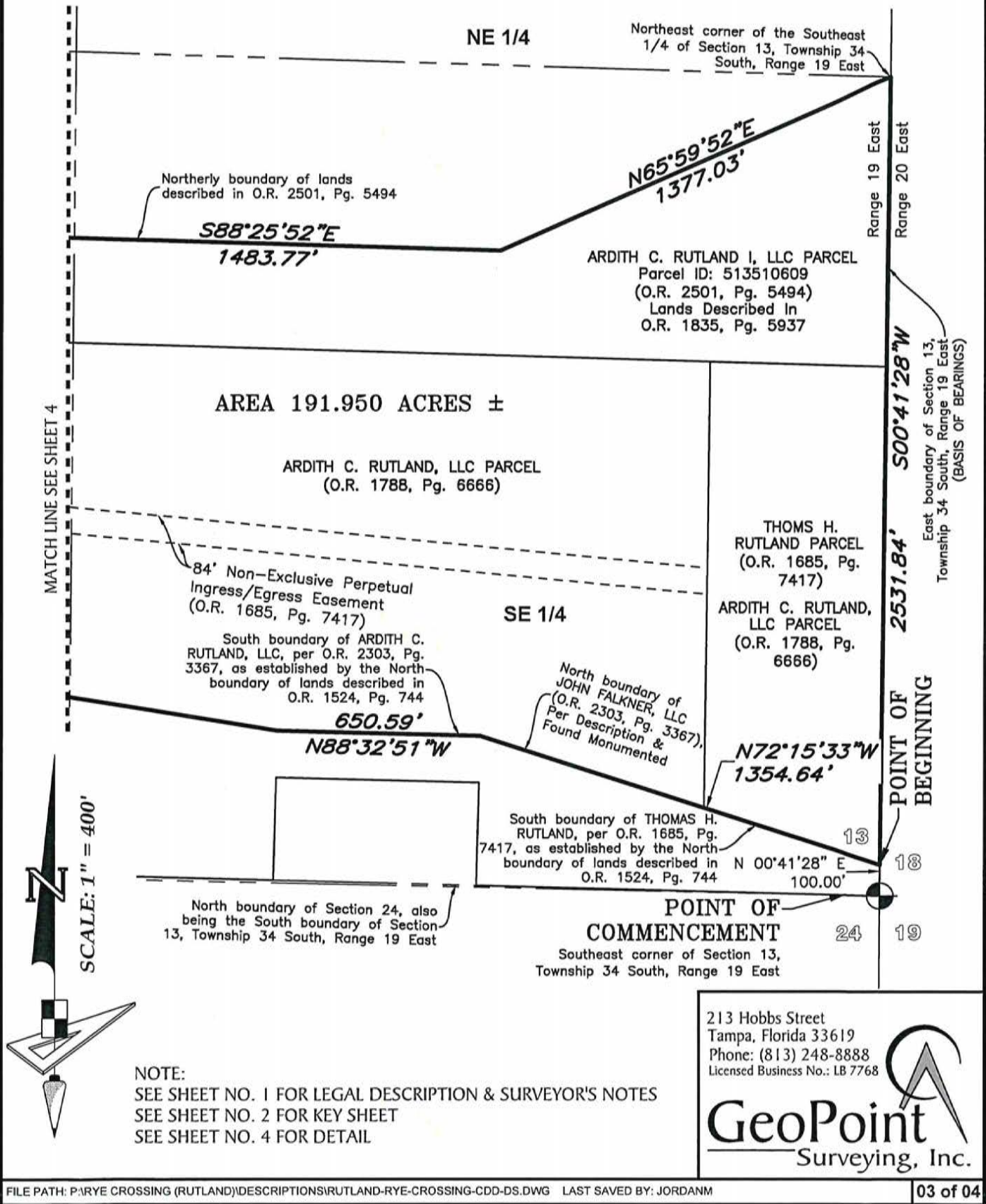
213 Hobbs Street  
Tampa, Florida 33619  
Phone: (813) 248-8888  
Licensed Business No.: LB 7768

**GeoPoint**  
Surveying, Inc.



# Description Sketch

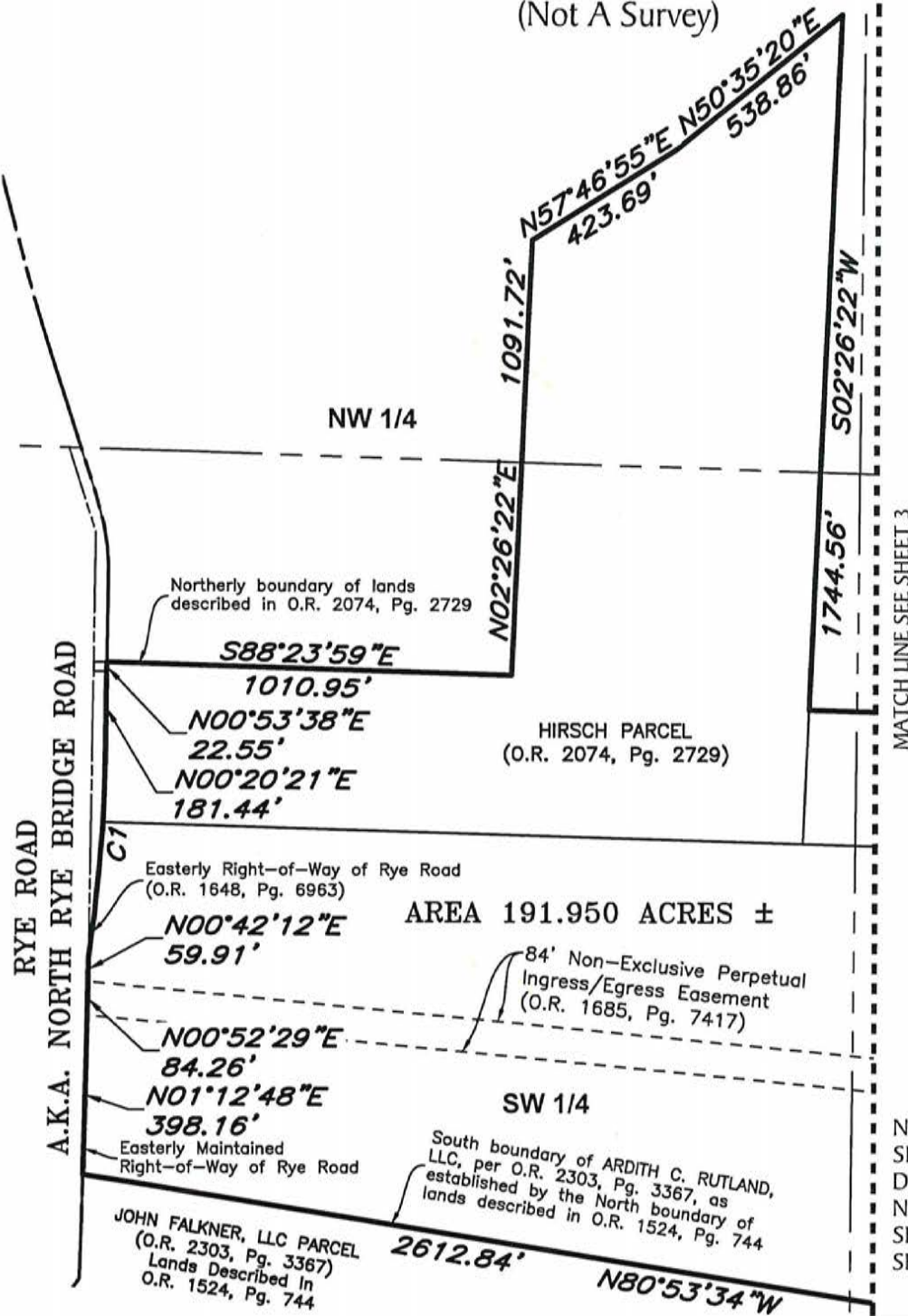
(Not A Survey)





# Description Sketch

(Not A Survey)



NOTE:  
SEE SHEET NO. 1 FOR LEGAL  
DESCRIPTION & SURVEYOR'S  
NOTES  
SEE SHEET NO. 2 FOR KEY SHEET  
SEE SHEET NO. 3 FOR DETAIL

CURVE DATA TABLE

NO.	RADIUS	DELTA	ARC	CHORD	BEARING
C1	3869.72'	7°57'31"	537.52'	537.09'	N 04°19'07" E

213 Hobbs Street  
Tampa, Florida 33619  
Phone: (813) 248-8888  
Licensed Business No.: LB 7768

**GeoPoint**  
Surveying, Inc.

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# RYE CROSSING COMMUNITY DEVELOPMENT DISTRICT

Preliminary First Supplemental  
Special Assessment  
Methodology Report

January 5, 2023



Provided by:

**Wrathell, Hunt and Associates, LLC**  
2300 Glades Road, Suite 410W  
Boca Raton, FL 33431  
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## **1.0 Introduction**

### **1.1 Purpose**

This Preliminary First Supplemental Special Assessment Methodology Report (the "Preliminary First Supplemental Report") was developed to supplement the Master Special Assessment Methodology Report (the "Master Report") dated October 13, 2022 and to provide a supplemental financing plan and a supplemental special assessment methodology for the Phase I portion (the "Phase I" or "Assessment Area One") of the Rye Crossing Community Development District (the "District") located in unincorporated Manatee County, Florida. This Preliminary First Supplemental Report was developed in relation to funding by the District of a portion of the costs of public infrastructure improvements (the "Capital Improvement Plan" or "CIP") contemplated to be provided by the District for Phase I (the "Assessment Area One Project").

### **1.2 Scope of the Preliminary First Supplemental Report**

This Preliminary First Supplemental Report presents the projections for financing a portion of the CIP as described in the Engineer's Report (the "Master Engineer's Report") dated October 13, 2022, which this Preliminary First Supplemental Report also describes the method for the allocation of special benefits and the apportionment of special assessment debt resulting from the provision and partial funding of the CIP by the District.

### **1.3 Special Benefits and General Benefits**

Public infrastructure improvements undertaken and funded by the District as part of the CIP create special and peculiar benefits, different in kind and degree than general benefits, for properties within Phase I as well as general benefits to the public at large and within the District but outside of Phase I. However, as discussed within this Preliminary First Supplemental Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits which accrue to property within Phase I. The District's CIP enables properties within Phase I to be developed.

There is no doubt that the general public as well as the landowners within the District but outside of Phase I will benefit from the provision of the CIP. However, these benefits are only incidental since the CIP is designed to provide special benefits peculiar to property within Phase I. Properties outside of Phase I and outside the District are

not directly served by the CIP and do not depend upon the CIP to obtain or to maintain their development entitlements. This fact alone clearly distinguishes the special benefits which Phase I properties receive compared to those lying outside of its boundaries and outside of Phase I within the District.

The Assessment Area One Project will provide public infrastructure improvements which are all necessary in order to make the lands within Phase I developable and saleable. The installation of such improvements will cause the value of the developable and saleable lands within Phase I to increase by more than the sum of the financed cost of the individual components of the CIP. Even though the exact value of the benefits provided by the CIP is hard to estimate at this point, it is without doubt greater than the costs associated with providing same.

#### **1.4 Organization of the Preliminary First Supplemental Report**

*Section Two* describes the development program as proposed by the Developer, as defined below.

*Section Three* provides a summary of the Capital Improvement Plan and the CIP as determined by the District Engineer.

*Section Four* discusses the supplemental financing program for Phase I.

*Section Five* discusses the supplemental special assessment methodology for Phase I.

## **2.0 Development Program**

### **2.1 Overview**

The District serves the Rye Crossing development (the "Development" or "Rye Crossing"), a master planned, residential development located in unincorporated Manatee County, Florida. The land within the District currently consists of approximately 39.65 +/- acres and is anticipated to be expanded by 152.30 +/- acres (the "Expansion Parcel") to total 191.95 +/- acres. The District is generally located east of North Rye Road and north of Rye Wilderness Trail. The current District boundaries totaling 39.65 +/- acres is Phase I while future phases are anticipated to be constructed within the Expansion Parcel.

## **2.2 The Development Program**

The development of the Development is anticipated to be conducted by Forestar (USA) Real Estate Group Inc. or an affiliated entity (the “Developer”). Based upon the information provided by the Developer, the current development plan envisions a total of 450 residential units developed in two (2) or more phases, with Phase I consisting of a total of 116 residential units and future assessment areas consisting of 334 residential units, although land use types and unit numbers may change throughout the development period. Table 1 in the *Appendix* illustrates the land development plan within the District.

## **3.0 The Capital Improvement Plan**

### **3.1 Overview**

The public infrastructure costs constituting the Capital Improvement Plan to be funded by the District are described by the District Engineer in the Master Engineer’s Report. Only public infrastructure that may qualify for bond financing by the District under Chapter 190, Florida Statutes and under the Internal Revenue Code of 1986, as amended, was included in these estimates.

### **3.2 Capital Improvement Plan**

The CIP needed to serve the District is projected to consist of perimeter roads, hardscape, landscape and irrigation, stormwater system, water, sewer, reclaim utilities, incremental cost of undergrounding electric conduit, conservation/ mitigation, and off-site improvements, all as set forth in more detail in the Master Engineer’s Report.

Even though all of the infrastructure included in the CIP will comprise an interrelated system of master improvements, which means that all of the improvements will serve the entire District and all improvements will be interrelated such that they will reinforce one another, according to the Master Engineer’s Report, the public infrastructure improvements are projected to be constructed in two (2) or more construction phases or projects coinciding with the two (2) or more phases of land development. The Assessment Area One Project consists of that portion of the overall CIP that is necessary for the development of land within Phase I.

The sum of all public infrastructure improvements as described in the Master Engineer's Report will comprise an interrelated system of improvements, which means all of the improvements comprising the overall Capital Improvement Plan, once constructed, will serve the entire District, and improvements will be interrelated such that they will reinforce one another. At the time of this writing, the total costs of the public infrastructure improvements are estimated at \$25,970,000, with the actual costs of the Assessment Area One Project estimated at \$4,311,000 and the costs of the future phases of the Capital Improvement Plan estimated at \$14,835,000. Table 2 in the *Appendix* illustrates the specific components of the public infrastructure improvements and their costs.

## **4.0 Financing Program**

### **4.1 Overview**

As noted above, the District is embarking on a program of capital improvements which will facilitate the development of lands within the District. Generally, construction of public improvements is either funded by the Developer and then acquired by the District or funded directly by the District. In this instance, the District may acquire public infrastructure from the Developer, construct it directly, or a combination of both.

The District intends to issue Capital Improvement Revenue Bonds, Series 2023 (Assessment Area One) in the estimated principal amount of \$2,330,000\* (the "Series 2023 Bonds") to fund an estimated \$1,959,993.75\* in CIP costs attributable to Phase I, with the balance of the CIP costs attributable to Phase I anticipated to be contributed by the Developer.

### **4.2 Types of Bonds Proposed**

The proposed supplemental financing plan for the District provides for the issuance of the Series 2023 Bonds in the total estimated principal amount of \$2,330,000\* to finance a portion of the CIP costs in the total amount estimated at \$1,959,993.75\*, representing the amount of construction proceeds generated from the issuance of the Series 2023 Bonds.

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\* Preliminary, subject to change



The Series 2023 Bonds as projected under this supplemental financing plan are structured to be amortized in 30 annual installments following an approximately 3-month capitalized interest. Interest payments on the Bonds would be made every May 1 and November 1, and annual principal payments on the Series 2023 Bonds would be made on either every May 1 or November 1.

In order to finance the Assessment Area One Project, the District would need to borrow more funds and incur indebtedness in the total amount estimated at \$2,330,000\*. The difference is comprised of funding a debt service reserve, capitalized interest, and paying the costs of issuance, including the underwriter's discount. Preliminary sources and uses of funding for the Bonds are presented in Table 3 in the *Appendix*.

## **5.0 Assessment Methodology**

### **5.1 Overview**

The issuance of the Series 2023 Bonds provides the District with funds necessary to construct/acquire the Assessment Area One Project as outlined in *Section 3.2* and described in more detail by the District Engineer in the Master Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to properties within the boundaries of Phase I. General benefits accrue to areas outside of the District and within the District but outside of Phase I, but are only incidental in nature. The debt incurred in financing the public infrastructure will be secured by assessing properties the properties within Phase I that derive special and peculiar benefits from the CIP. All properties in Phase I receive benefits from the CIP, which properties will be assessed for their fair share of debt issued in order to finance the Assessment Area One Project.

### **5.2 Benefit Allocation**

The current development plan for the District envisions the development of a total of 450 residential units developed in two (2) or more phases, with Phase I consisting of a total of 116 residential units and future assessment areas consisting of 334 residential units, although unit numbers, land uses and product types may change throughout the development period.

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\* Preliminary, subject to change

The master public infrastructure included in the Capital Improvement Plan will comprise an interrelated system of master improvements, which means that all of the master improvements will serve the entire District and such public improvements will be interrelated in such way that, once constructed, they will reinforce each other and their combined benefit will be greater than the sum of their individual benefits. All of the product types within the District will benefit from each infrastructure improvement category, as the improvements provide basic infrastructure to all product types and all phases within the District and benefit all product types in all phases within the District as an integrated system of improvements.

Even though all of the infrastructure included in the CIP will comprise an interrelated system of master improvements, the public infrastructure improvements are projected to be constructed in two (2) or more infrastructure construction phases or projects coinciding with the two (2) or more phases of land development. The Assessment Area One Project consists of that portion of the overall CIP that is necessary for the development of land within Phase I.

As stated previously, the public infrastructure improvements included in the CIP have a logical connection to the special and peculiar benefits received by the land within the District, as without such improvements, the development of the properties within the District would not be possible. Based upon the connection between the improvements and the special and peculiar benefits to the land within the District, the District can assign or allocate a portion of the District's debt through the imposition of non-ad valorem assessments, to the land receiving such special and peculiar benefits. Even though these special and peculiar benefits are real and ascertainable, the precise amount of the benefit cannot yet be calculated with mathematical certainty. However, such benefit is more valuable than the assessment related to the financed cost of constructing the improvements.

In following the Master Report, this Preliminary First Supplemental Report proposes to allocate the benefit associated with the Assessment Area One Project, to the different unit types proposed to be developed within Phase I within the District in proportion to their density of development and intensity of use of infrastructure as measured by a standard unit called an Equivalent Residential Unit ("ERU"). Table 4 in the *Appendix* illustrates the ERU weights that are proposed to be assigned to the unit types contemplated to be developed within Phase I within the District based on the densities of development and the intensities of use of infrastructure, total ERU

counts for each unit type, and the share of the benefit received by each unit type.

The rationale behind the different ERU values is supported by the fact that generally and on average units with smaller lot sizes will use and benefit from the improvements which are part of the CIP less than units with larger lot sizes, as, for instance, generally and on average units with smaller lot sizes will produce less storm water runoff, may produce fewer vehicular trips, and may need less water/sewer capacity than units with larger lot sizes. Additionally, the value of the units with larger lot sizes is likely to appreciate by more in terms of dollars than that of the units with smaller lot sizes as a result of the implementation of the infrastructure improvements. As the exact amount of the benefit and appreciation is not possible to be calculated at this time, the use of ERU measures serves as a reasonable approximation of the relative amount of benefit received by representatives of different unit types from the District's CIP.

Based on the ERU benefit allocation illustrated in Table 4, Table 5 in the *Appendix* illustrates the benefit allocation of the CIP to Phase I and future assessment areas, with the total amount of benefit from the CIP costs allocated to Phase I equal to \$6,718,376.45 and the total amount of benefit from the CIP costs allocated to future assessment areas equal to \$19,251,623.55. Table 6 in the *Appendix* presents the allocation of the amount of CIP costs allocated to Phase I to the various unit types proposed to be developed in Phase I based on the ERU benefit allocation factors present in Table 4. Further, Table 6 illustrates the approximate costs that are projected to be financed with the Series 2023 Bonds, and the approximate costs of the portion of the CIP costs allocable to Phase I to be contributed by the Developer. With the Bonds funding approximately \$1,959,993.75\* in costs of the Assessment Area One Project, the Developer is anticipated to fund improvements valued at an estimated \$4,758,382.70\* which will not be funded with proceeds of the Series 2023 Bonds. Finally, Table 7 in the *Appendix* presents the apportionment of the non-ad valorem special assessments securing the Series 2023 Bonds (herein, the "Series 2023 Bond Assessments") and also present the annual levels of the projected annual debt service assessments per unit.

No Series 2023 Bond Assessments are allocated herein to any private amenities or other common areas planned for the development. If owned by a homeowner's association, the amenities and common areas would be considered a common element for the

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\* Preliminary, subject to change

exclusive benefit of property owners. Accordingly, any benefit to the amenities and common areas would directly to the benefit of all platted lots in the District. As such, no Series 2023 Bond Assessments will be assigned to the amenities and common areas. If the amenities are owned by the District, then they would be governmental property not subject to the Series 2023 Bond Assessments and would be open to the general public, subject to District rules and policies.

### **5.3 Assigning Series 2023 Bond Assessments**

As previously stated in the Preliminary First Supplemental Report, the present boundaries of the District contain approximately 39.65 +/- acres, while it is anticipated that the District's boundaries will be expanded to eventually contain a total of approximately 191.95 +/- acres. The land that is presently within the boundaries of the District has already been platted into 118 residential lots, however, is expected to be re-platted into the projected 116 Single Family 50' residential lots. As the land in the District will be re-platted from its present form and as due to the re-platting its intended final use and the precise location of the 116 lots is subject to change, the Series 2023 Bond Assessments will initially be levied on all of the land in the current District boundaries, also known as Phase I, on an equal pro-rata gross acre basis and thus the total bonded debt in the estimated amount of \$2,330,000\* will be preliminarily levied on approximately 39.651 +/- acres planned for 116 lots at an estimated rate of \$58,762.70\* per gross acre.

When the land is re-platted, the Series 2023 Bond Assessments will be allocated to each re-platted parcel on a first re-platted-first assigned basis based on the planned use for that re-platted parcel as reflected in Table 7 in the *Appendix* for the Series 2023 Bond Assessments. Such allocation of Series 2023 Bond Assessments from currently platted and subject to re-platting gross acres to re-platted lots will reduce the amount of Series 2023 Bond Assessments levied on currently platted and subject to re-platting gross acres within Phase I.

In the event land which has not been re-platted land is sold to a third party (the "Transferred Property"), the Series 2023 Bond Assessments will be assigned to such Transferred Property at the time of the sale based on the maximum total number of ERUs assigned by the Developer to that Transferred Property, subject to review by the District's methodology consultant, to ensure that any

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\* Preliminary, subject to change

such assignment is reasonable, supported by current development rights and plans, and otherwise consistent with this Preliminary First Supplemental Report. The owner of the

Transferred Property will be responsible for the total Series 2023 Bond Assessments applicable to the Transferred Property, regardless of the total number of ERUs ultimately actually platted. This total Series 2023 Bond Assessment is allocated to the Transferred Property at the time of the sale. If the Transferred Property is subsequently sub-divided into smaller parcels, the total Series 2023 Bond Assessments initially allocated to the Transferred Property will be re-allocated to the smaller parcels pursuant to the methodology as described herein (i.e., equal assessment per gross acre until platting).

#### **5.4 Lienability Test: Special and Peculiar Benefit to the Property**

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

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

- a. added use of the property;
- b. added enjoyment of the property;
- c. decreased insurance premiums; and
- d. increased marketability and value of the property.

Specifically to Phase I, the improvements which are part of the Assessment Area One Project make the land in Phase I developable and saleable and when implemented jointly as parts of the CIP, provide special and peculiar benefits which are greater than the benefits of any single category of improvements. These special and peculiar benefits are real and ascertainable, but not yet capable of being calculated and assessed in terms of numerical value; however, such benefits are more valuable than either the cost of, or the actual assessment levied for, the improvement or debt allocated to the parcel of land.

## **5.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay**

A reasonable estimate of the proportion of special and peculiar benefits received by the various product types from the improvements is delineated in Table 4 (expressed as the ERU factors) in the *Appendix*.

The apportionment of the Series 2023 Bond Assessments is fair and reasonable because it was conducted on the basis of consistent application of the methodology described in *Section 5.2* across all assessable property within the Phase I according to reasonable estimates of the special and peculiar benefits derived from the CIP.

Accordingly, no acre or parcel of property within Phase I within the District will be liened for the payment of any Series 2023 Bond Assessments more than the determined special benefit peculiar to that property.

## **5.6 True-Up Mechanism**

The District's assessment program is predicated on the development of lots in a manner sufficient to include all of the planned Equivalent Residential Units ("ERUs") as set forth in Table 1 in the Appendix ("Development Plan"). The land that is presently within the boundaries of the District has already been platted into 118 residential lots, however, is expected to be re-platted into the projected 116 Single Family 50' residential lots. At such time as lands are to be platted (or re-platted) or site plans are to be approved (or re-approved), the plat or site plan (either, herein, "Proposed Plat") shall be presented to the District for a "true-up" review as follows:

- a. If a Proposed Plat results in the same amount of ERUs (and thus Debt Assessments) able to be imposed on the "Remaining Unplatted Lands" (i.e., those remaining unplatted lands after the Proposed Plat is recorded) as compared to what was originally contemplated under the Development Plan, then the District shall allocate the Debt Assessments to the product types being platted and the remaining property in accordance with this Preliminary First Supplemental Report, and cause the Debt Assessments to be recorded in the District's Improvement Lien Book.
- b. If a Proposed Plat results in a greater amount of ERUs (and thus Debt Assessments) able to be imposed on the Remaining Unplatted Lands as compared to what was originally contemplated under the Development Plan, then the District may undertake a pro

rata reduction of Debt Assessments for all assessed properties within the Property, or may otherwise address such net decrease as permitted by law.

c. If a Proposed Plat results in a lower amount of ERUs (and thus Debt Assessments) able to be imposed on the Remaining Unplatted Lands as compared to what was originally contemplated under the Development Plan, then the District shall require the landowner(s) of the lands encompassed by the Proposed Plat to pay a "True-Up Payment" equal to the difference between: (i) the Debt Assessments originally contemplated to be imposed on the lands subject to the Proposed Plat, and (ii) the Debt Assessments able to be imposed on the lands subject to the Proposed Plat, after the Proposed Plat (plus applicable interest, collection costs, penalties, etc.).

With respect to the foregoing true-up analysis, the District's Assessment Consultant, in consultation with the District Engineer, District Counsel and District Bond Counsel, shall determine in his or her sole discretion what amount of ERUs (and thus Debt Assessments) are able to be imposed on the Remaining Unplatted Lands, taking into account a Proposed Plat, by reviewing: a) the original, overall development plan showing the number and type of units reasonably planned for the development, b) the revised, overall development plan showing the number and type of units reasonably planned for the development, c) proof of the amount of entitlements for the Remaining Unplatted Lands, d) evidence of allowable zoning conditions that would enable those entitlements to be placed in accordance with the revised development plan, and e) documentation that shows the feasibility of implementing the proposed development plan. Prior to any decision by the District not to impose a true-up payment, a supplemental methodology shall be produced demonstrating that there will be sufficient assessments to pay debt service on the applicable series of bonds and the District will conduct new proceedings under Chapters 170, 190 and 197, Florida Statutes upon the advice of District Counsel.

Any True-Up Payment shall become due and payable that tax year by the landowner of the lands subject to the Proposed Plat, shall be in addition to the regular assessment installment payable for such lands, and shall constitute part of the debt assessment liens imposed against the Proposed Plat property until paid. A True-Up Payment shall include accrued interest on the applicable bond series to the interest payment date that occurs at least 45 days after the True-Up Payment (or the second succeeding interest payment date if such True-Up Payment is made within forty-five (45) calendar days before

an interest payment date (or such other time as set forth in the supplemental indentures for the applicable bond series)).

All Debt Assessments levied run with the land, and such assessment liens include any True-Up Payments. The District will not release any liens on property for which True-Up Payments are due, until provision for such payment has been satisfactorily made. Further, upon the District's review of the final plat for the developable acres, any unallocated Debt Assessments shall become due and payable and must be paid prior to the District's approval of that plat. This true-up process applies for both plats and/or re-plats.

Such review shall be limited solely to the function and the enforcement of the District's assessment liens and/or true-up agreements. Nothing herein shall in any way operate to or be construed as providing any other plat approval or disapproval powers to the District. For further detail on the true-up process, please refer to the True-Up Agreement and applicable assessment resolution(s).

## **5.7 Preliminary Assessment Roll**

Based on the per gross acre assessment proposed in Section 5.2, the Series 2023 Bond Assessments in the estimated amount of \$2,330,000\* are proposed to be levied uniformly over the area described in Exhibit "A". Excluding any capitalized interest period, debt service assessment shall be paid in thirty (30) annual installments of principal and corresponding semi-annual installments of interest for the Series 2023 Bonds.

## **6.0 Additional Stipulations**

### **6.1 Overview**

Wrathell, Hunt and Associates, LLC was retained by the District to prepare a methodology to fairly allocate the special assessments related to the District's CIP. Certain financing, development and engineering data was provided by members of District Staff and/or the Developer. The allocation methodology described herein was based on information provided by those professionals. Wrathell, Hunt and Associates, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this Preliminary First Supplemental Report. For additional information on the structure of

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\* Preliminary, subject to change



the Series 2023 Bonds and related items, please refer to the offering statement associated with this transaction.

**Wrathell, Hunt and Associates, LLC does not represent the District as a Municipal Advisor or Securities Broker nor is Wrathell, Hunt and Associates, LLC registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Wrathell, Hunt and Associates, LLC does not provide the District with financial advisory services or offer investment advice in any form.**

**7.0 Appendix**

Table 1

**Rye Crossing**  
**Community Development District**

**Development Plan**

<b>Product Type</b>	<b>Assessment Area One - Unit Count</b>	<b>Future Assessment Area(s) - Unit Count</b>	<b>Total Number of Units</b>
Single Family 40'	0	118	118
Single Family 50'	116	106	222
Single Family 60'	0	110	110
<b>Total</b>	<b>116</b>	<b>334</b>	<b>450</b>

Table 2

# Rye Crossing

## Community Development District

### Project Costs

Improvement	Assessment Area One Project Costs	Future Assessment Area(s) Project Costs	Total CIP Costs
Perimeter Roads, Hardscape, Landscape and Irrigation	\$760,000.00	\$4,040,000.00	\$4,800,000.00
Stormwater System	\$1,407,000.00	\$5,723,000.00	\$7,130,000.00
Water, Sewer, Reclaim Utilities	\$1,655,000.00	\$5,145,000.00	\$6,800,000.00
Incremental Cost of Undergrounding of Electric Conduit	\$59,000.00	\$241,000.00	\$300,000.00
Conservation/ Mitigation	\$10,000.00	\$580,000.00	\$590,000.00
Off-site Improvements	\$330,000.00	\$230,000.00	\$560,000.00
Professional Fees	\$90,000.00	\$1,660,000.00	\$1,750,000.00
Contingency	\$0.00	\$4,040,000.00	\$4,040,000.00
<b>Total</b>	<b>\$4,311,000.00</b>	<b>\$21,659,000.00</b>	<b>\$25,970,000.00</b>

### Project Cost Benefit

Improvement	Assessment Area One Cost Benefit	Future Assessment Area(s) Cost Benefit	Total CIP Cost Benefit
Perimeter Roads, Hardscape, Landscape and Irrigation	\$1,241,748.44	\$3,558,251.56	\$4,800,000.00
Stormwater System	\$1,844,513.83	\$5,285,486.17	\$7,130,000.00
Water, Sewer, Reclaim Utilities	\$1,759,143.62	\$5,040,856.38	\$6,800,000.00
Incremental Cost of Undergrounding of Electric Conduit	\$77,609.28	\$222,390.72	\$300,000.00
Conservation/ Mitigation	\$152,631.58	\$437,368.42	\$590,000.00
Off-site Improvements	\$144,870.65	\$415,129.35	\$560,000.00
Professional Fees	\$452,720.79	\$1,297,279.21	\$1,750,000.00
Contingency	\$1,045,138.27	\$2,994,861.73	\$4,040,000.00
<b>Total</b>	<b>\$6,718,376.45</b>	<b>\$19,251,623.55</b>	<b>\$25,970,000.00</b>

Table 3

## Rye Crossing

### Community Development District

#### Preliminary Sources and Uses of Funds

		Series 2023 Bonds
<b>Sources</b>		
Bond Proceeds:		
Par Amount		\$2,330,000.00
<b>Total Sources</b>		<b>\$2,330,000.00</b>
<b>Uses</b>		
Project Fund Deposits:		
Project Fund		\$1,959,993.75
Other Fund Deposits:		
Debt Service Reserve Fund		\$87,000.00
Capitalized Interest Fund		\$36,406.25
Delivery Date Expenses:		
Costs of Issuance		\$246,600.00
<b>Total Uses</b>		<b>\$2,330,000.00</b>

Table 4

## Rye Crossing

### Community Development District

#### Benefit Allocation

Product Type	Total Number of Units	ERU Weight	Total ERU
Single Family 40'	118	0.80	94.40
Single Family 50'	222	1.00	222.00
Single Family 60'	110	1.20	132.00
<b>Total</b>	<b>450</b>		<b>448.40</b>

Product Type	Assessment Area One Unit Count	ERU Weight	Assessment Area One Total ERU	Percent of Total ERU
Single Family 40'	0	0.80	0.00	
Single Family 50'	116	1.00	116.00	
Single Family 60'	0	1.20	0.00	
<b>Total</b>	<b>116</b>		<b>116.00</b>	<b>25.87%</b>

Product Type	Future Assessment Area(s) Unit Count	ERU Weight	Future Assessment Area(s) Total ERU	Percent of Total ERU
Single Family 40'	118	0.80	94.40	
Single Family 50'	106	1.00	106.00	
Single Family 60'	110	1.20	132.00	
<b>Total</b>	<b>334</b>		<b>332.40</b>	<b>74.13%</b>

Table 5

## Rye Crossing

### Community Development District

ERU-Based Allocation of Costs of Assessment Area One and Future Assessment Area(s)

	Total ERU	Percent of Total ERU	Allocation of Costs of the Project
Assessment Area One Allocable Project Cost	116.00	25.87%	\$6,718,376.45
Future Assessment Area(s) Allocable Project Cost	332.40	74.13%	\$19,251,623.55
<b>Total</b>	<b>448.40</b>	<b>100.00%</b>	<b>\$25,970,000.00</b>

Product Type	Assessment Area One Allocable Project Cost	Future Assessment Area(s) Allocable Project Cost	Total Project Costs
Single Family 40'	\$0.00	\$5,467,368.42	\$5,467,368.42
Single Family 50'	\$6,718,376.45	\$6,139,206.07	\$12,857,582.52
Single Family 60'	\$0.00	\$7,645,049.06	\$7,645,049.06
<b>Total</b>	<b>\$6,718,376.45</b>	<b>\$19,251,623.55</b>	<b>\$25,970,000.00</b>

Table 6

## Rye Crossing

### Community Development District

#### 2022 Project - Assessment Area One Cost Allocation

Product Type	Infrastructure Allocation Based on ERU Method	Infrastructure Financed with Series 2022 Bonds	Infrastructure Funded with Proceeds of Future Bonds and/or Contributed by the Developer*
Single Family 40'	\$0.00	\$0.00	\$0.00
Single Family 50'	\$6,718,376.45	\$1,959,993.75	\$4,758,382.70
Single Family 60'	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>\$6,718,376.45</b>	<b>\$1,959,993.75</b>	<b>\$4,758,382.70</b>

\* Can be funded with proceeds of future bonds

#### Future Project - Future Assessment Areas Cost Allocation

Product Type	Infrastructure Allocation Based on ERU Method	Infrastructure Funded with Proceeds of Future Bonds and/or Contributed by the Developer*
Single Family 40'	\$5,467,368.42	\$5,467,368.42
Single Family 50'	\$6,139,206.07	\$6,139,206.07
Single Family 60'	\$7,645,049.06	\$7,645,049.06
<b>Total</b>	<b>\$19,251,623.55</b>	<b>\$19,251,623.55</b>

\* Can be funded with proceeds of future bonds

Table 7

## Rye Crossing

### Community Development District

#### Series 2023 Assessment Apportionment

Product Type	Total Number of Units	Total Cost Allocation*	Series 2023 Assessment Apportionment	Series 2023 Assessment Apportionment per Unit	Annual Series 2023 Assessment Debt Service per Unit - paid in March**
Single Family 40'	0	\$0.00	\$0.00	\$0.00	\$0.00
Single Family 50'	116	\$1,959,993.75	\$2,330,000.00	\$20,086.21	\$1,612.90
Single Family 60'	0	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>116</b>	<b>\$1,959,993.75</b>	<b>\$2,330,000.00</b>		

\* Please note that cost allocations to units herein are based on the ERU benefit allocation illustrated in Table 4

\*\* Includes costs of collection estimated at 3% and subject to change, early payment discount at 4% and subject to change and assumes payment in March

## **Exhibit “A”**

Bond Assessments in the amount of \$2,330,000\* are proposed to be levied over the area as described in the following pages designating the boundary of the District:

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\* Preliminary, subject to change

## EXHIBIT "A" SHEET 1 OF 2

IN SECTION 13 TOWNSHIP 34 SOUTH, RANGE 19 EAST, MANATEE COUNTY, FLORIDA.  
**DESCRIPTION & SKETCH**  
(THIS IS NOT A FIELD SURVEY)

### LEGAL DESCRIPTION (RYE CROSSING CDD)

(PREPARED BY THE UNDERSIGNED SURVEYOR)

A PARCEL OF LAND LYING IN SECTION 13, TOWNSHIP 34 SOUTH, RANGE 19 EAST, MANATEE COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS;  
COMMENCE AT THE SOUTHEAST CORNER OF SAID SECTION 13; THENCE ALONG THE EAST LINE OF SAID SECTION 13, N.00°41'24"E., 1700.89' TO THE SOUTHEAST CORNER OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2511, PAGE 7743, PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA; THENCE ALONG THE SOUTH LINE OF SAID LANDS, N.88°25'41"W., 2745.38' TO THE POINT OF BEGINNING OF LAND BEING DESCRIBED: THENCE CONTINUE N.88°25'41"W., 1751.63' TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF NORTH RYE ROAD AS DESCRIBED IN OFFICIAL RECORDS BOOK 1648, PAGE 6963, PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA (BEING A VARIABLE WIDTH PUBLIC RIGHT OF WAY), SAID POINT ALSO BEING ON A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 3869.72' AND A DELTA ANGLE OF 02°54'40", WHOSE CHORD BEARS N.01°43'42"E.; THENCE ALONG SAID EASTERLY RIGHT OF WAY LINE AND THE ARC OF SAID CURVE IN A NORTHERLY AND COUNTER CLOCKWISE DIRECTION, A DISTANCE OF 196.62'; THENCE LEAVING SAID CURVE ON A NON TANGENT LINE, N.00°34'22"E., 203.52'; THENCE S.88°25'45"E., 1010.83'; THENCE N.02°25'57"E., 1091.57'; THENCE N.57°47'08"E., 423.72'; THENCE N.50°35'25"E., 538.88'; THENCE S.02°26'27"W., 2080.82' TO THE POINT OF BEGINNING.

THE ABOVE CONTAINS 1,727,204.79 SQUARE FEET, OR 39.65 ACRES, MORE OR LESS.

R.J. RHODES ENGINEERING, INC.  
STATE OF FLORIDA, LB NO. 6924

**STEVEN E.**

**BURKHOLDER**

Digitally signed by STEVEN  
E. BURKHOLDER

Date: 2021.09.13 16:04:45  
-04'00'

BY:

STEVEN E. BURKHOLDER, P.L.S., VICE PRESIDENT  
PROFESSIONAL LAND SURVEYOR, FLORIDA CERTIFICATE LS 4521



NOT FULL & COMPLETE NOR VALID UNLESS ACCOMPANIED BY SHEET 2 OF 2

(THIS DOCUMENT HAS NOT BEEN AUTHORIZED NOR VALID UNLESS SIGNED IN INK WITH EMBOSSED SEAL AFFIXED HERETO, OR ACCOMPANIED BY AN AUTHENTICATED ELECTRONIC DIGITAL SIGNATURE & DATE, AND ANY COPIES OF THIS DOCUMENT ARE FOR INFORMATIONAL PURPOSES ONLY)

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FLORIDA LB #6924, FLORIDA EB#8120

CIVIL ENGINEERING & SURVEYING

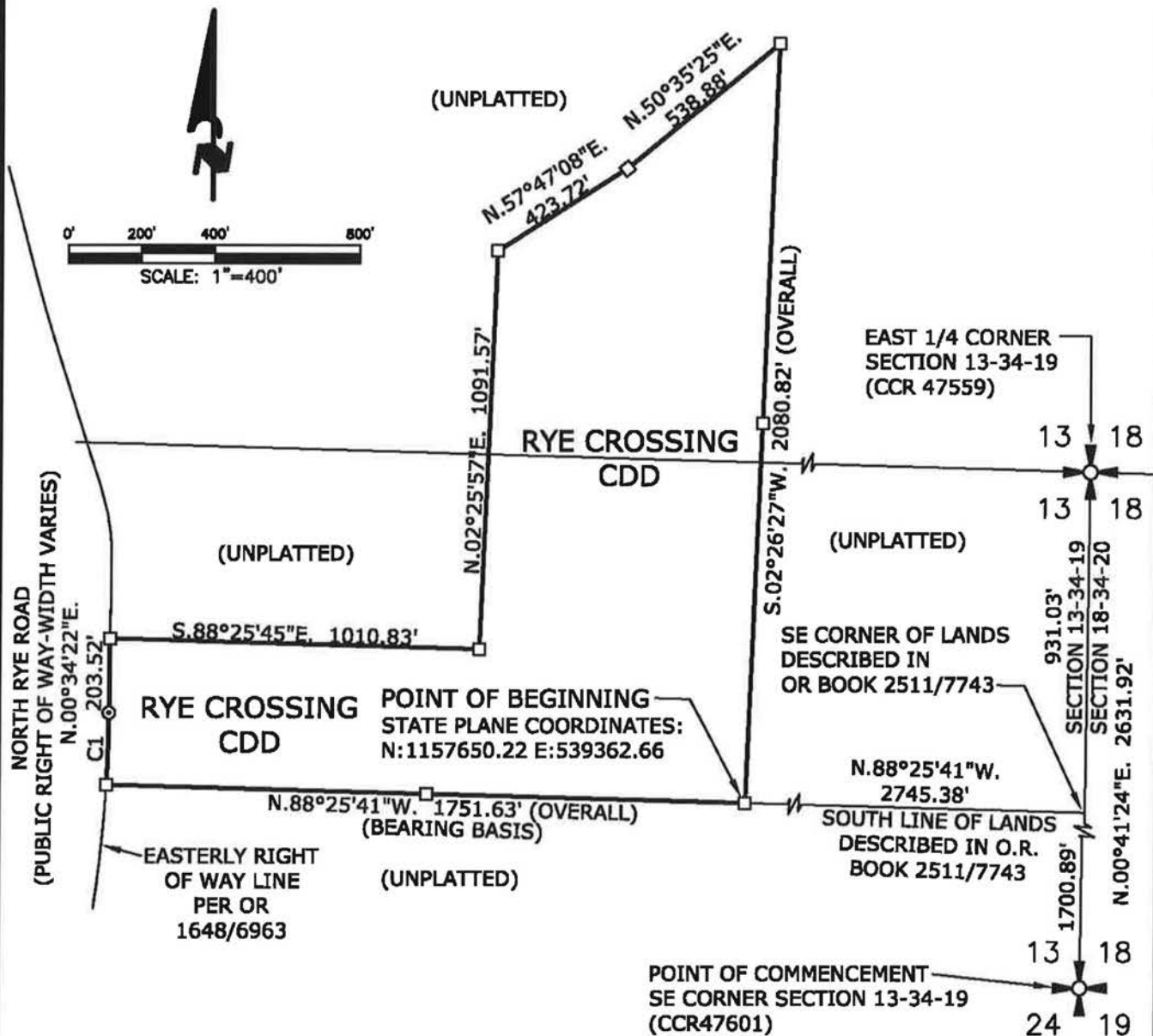
325 INTERSTATE BOULEVARD SARASOTA, FL. 34240

PHONE: 941-924-1600

# EXHIBIT "A" SHEET 2 OF 2

IN SECTION 13 TOWNSHIP 34 SOUTH, RANGE 19 EAST, MANATEE COUNTY, FLORIDA.  
**DESCRIPTION & SKETCH**  
 (THIS IS NOT A FIELD SURVEY)

CURVE	RADIUS	DELTA ANGLE	ARC LENGTH	CHORD LENGTH	CHORD BEARING
C1	3869.72'	2°54'40"	196.62'	196.60'	N.01°43'42"E.



**R.J. RHODES ENGINEERING, INC.**

FLORIDA LB #6924, FLORIDA EB#8120  
 CIVIL ENGINEERING & SURVEYING  
 325 INTERSTATE BOULEVARD SARASOTA, FL. 34240  
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 OF 2

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