

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming compliance with the tax covenants described herein, interest on the Series 2013 Bonds is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such interest, however, will be includable in the calculation of a corporation's alternative minimum taxable income. See "TAX MATTERS" herein regarding certain other tax considerations. The Series 2013 Bonds have been designated by the District as "qualified tax-exempt obligations."

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT
(Manatee County, Florida)

\$3,430,000	\$2,585,000
Capital Improvement Revenue Bonds,	Capital Improvement Revenue Bonds,
Series 2013A-1	Series 2013A-2
\$2,500,000	
Capital Improvement Revenue Bonds,	
Series 2013A-3	

Dated: Date of delivery

Due: May 1, as shown below

The \$3,430,000 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-1 (the "Series 2013A-1 Bonds"), \$2,585,000 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-2 (the "Series 2013A-2 Bonds," and, together with the Series 2013A-1 Bonds, the "Series 2013A Bonds") and \$2,500,000 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-3 (the "Series 2013A-3 Bonds," and, together with the Series 2013A Bonds, the "Series 2013 Bonds") are being issued by the Artisan Lakes Community Development District (the "District") pursuant to a Master Trust Indenture dated as of December 1, 2013 (the "Master Indenture") from the District to The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture dated as of December 1, 2013 with respect to the Series 2013A Bonds (the "First Supplement" and, together with the Master Indenture, the "Series 2013A Indenture") and a Second Supplemental Trust Indenture dated as of December 1, 2013 with respect to the Series 2013A-3 Bonds (the "Second Supplement," and, together with the Master Indenture, the "Series 2013A-3 Indenture," and, collectively with the Series 2013A Indenture, the "Indenture"), each from the District to the Trustee. The Series 2013 Bonds are being issued only in fully registered form, in denominations of \$5,000 or any integral multiple thereof; provided, however, that delivery of the Series 2013 Bonds to the initial purchasers thereof shall be in denominations of \$100,000 or integral multiples of \$5,000 in excess thereof. The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, the Florida Constitution, and other applicable provisions of law (collectively, the "Act") and Ordinance No. 07-64, enacted by the Board of County Commissioners of Manatee County, Florida on August 7, 2007, and effective on August 16, 2007.

The Series 2013A Bonds are payable from and secured by the Series 2013A Trust Estate, which includes the Series 2013A Pledged Revenues. The Series 2013A Pledged Revenues consist of the revenues derived by the District from non-ad valorem special assessments initially levied against all gross developable acreage within the Development (as defined in this Limited Offering Memorandum), but ultimately assigned to the first 311 platted and fully developed lots in Phases 1-1 and 1-2 of the Development that are subject to assessment as a result of the Series 2013 Project (as defined in this Limited Offering Memorandum) and the Funds and Account (except for the Series 2013A Rebate Account) established by the Series 2013A Indenture. The Series 2013A-3 Bonds are payable from and secured by the Series 2013A-3 Trust Estate, which includes the Series 2013A-3 Pledged Revenues. The Series 2013A-3 Pledged Revenues consist of the revenues derived by the District from non-ad valorem special assessments initially levied against all gross developable acreage within the Development, and ultimately assigned to the final 496 platted lots in Phase 1-3 of the Development that are subject to assessment as a result of the Series 2013 Project and the Funds and Accounts (except for the Series 2013A-3 Rebate Account) established by the Series 2013A-3 Indenture. See "SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2013 BONDS."

The Series 2013 Bonds, when issued, will be registered in the name of Cede & Co., as the owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Series 2013 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the Series 2013 Bonds will be paid from the sources provided below by the Trustee directly to Cede & Co. as the nominee of DTC and the registered owner thereof. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants, as more fully described herein. Any purchaser as a beneficial owner of a Series 2013 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 2013 Bond. See "DESCRIPTION OF THE SERIES 2013 BONDS - Book-Entry Only System" herein. The Series 2013 Bonds will bear interest at the fixed rates set forth herein, calculated on the basis of a 360-day year comprised of twelve thirty-day months. Interest on the Series 2013 Bonds is payable semi-annually on each May 1 and November 1, commencing May 1, 2014.

Some or all of the Series 2013 Bonds are subject to optional, mandatory and extraordinary mandatory redemption at the times, in the amounts and at the redemption prices as more fully described herein.

The Series 2013A Bonds are being issued to: (i) finance the cost of the acquisition, construction and equipping of a portion of the District's Capital Improvement Program, as more particularly described herein (the "Series 2013 Project"); (ii) pay certain costs associated with the issuance of the Series 2013A Bonds; (iii) make a deposit into the Series 2013A-1 Reserve Account and into the Series 2013A-2 Reserve Account to be held jointly for the benefit of all of the Series 2013A Bonds, without privilege or priority of one Series 2013A Bond over another; and (iv) pay a portion of the interest to become due on the Series 2013A Bonds. The Series 2013A-3 Bonds are being issued to: (i) finance the cost of the Series 2013 Project; (ii) pay certain costs associated with the issuance of the Series 2013A-3 Bonds; (iii) make a deposit into the Series 2013A-3 Reserve Account for the benefit of all of the Series 2013A-3 Bonds; and (iv) pay a portion of the interest to become due on the Series 2013A-3 Bonds.

THE SERIES 2013 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE SERIES 2013A TRUST ESTATE OR SERIES 2013A-3 TRUST ESTATE, AS APPLICABLE, PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, MANATEE COUNTY, FLORIDA, THE STATE OF FLORIDA, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2013 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, ASSESSMENTS (AS DEFINED HEREIN) TO SECURE AND PAY THE SERIES 2013 BONDS. THE SERIES 2013 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, MANATEE COUNTY, FLORIDA, THE STATE OF FLORIDA, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

THE SERIES 2013 BONDS INVOLVE A DEGREE OF RISK (SEE "BONDOWNERS' RISKS" HEREIN) AND ARE NOT SUITABLE FOR ALL INVESTORS. PURSUANT TO APPLICABLE FLORIDA LAW, THE UNDERWRITER IS LIMITING THIS INITIAL OFFERING OF THE SERIES 2013 BONDS TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. THE LIMITATION ON THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2013 BONDS. THE SERIES 2013 BONDS ARE NOT RATED OR CREDIT ENHANCED AND NO APPLICATION HAS BEEN MADE FOR A RATING OR CREDIT ENHANCEMENT WITH RESPECT TO THE SERIES 2013 BONDS. SEE "SUITABILITY FOR INVESTMENT" AND "BONDOWNERS' RISKS" HEREIN.

For the reasons more fully described herein under "BONDOWNERS' RISKS" and "THE DISTRICT - IRS Examination of Village Center CDD and Related Matters," there is a risk that the District may be determined, either by the Internal Revenue Service (the "IRS"), judicially or otherwise, not to be a political subdivision for purposes of the Internal Revenue Code of 1986, as amended (the "Code") and, correspondingly, that the IRS will make an adverse determination with respect to the tax-exempt status of interest on the Series 2013 Bonds. See "BONDOWNERS' RISKS" and "THE DISTRICT - IRS Examination of Village Center CDD and Related Matters" herein.

This cover page contains information for quick reference only. It is not a summary of the Series 2013 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

AMOUNTS, INTEREST RATES, MATURITIES, YIELDS AND INITIAL CUSIP NUMBERS*

\$1,480,000	6.75%	Series 2013A-1 Term Bond Due May 1, 2034	Yield: 6.75%	CUSIP No. 04315Y AA5
\$1,950,000	7.00%	Series 2013A-1 Term Bond Due May 1, 2044	Yield: 7.00%	CUSIP No. 04315Y AB3
\$2,585,000	6.75%	Series 2013A-2 Term Bond Due May 1, 2044	Yield: 6.75%	CUSIP No. 04315Y AC1
\$2,500,000	7.25%	Series 2013A-3 Term Bond Due May 1, 2044	Yield: 7.25%	CUSIP No. 04315Y AD9

The Series 2013 Bonds are offered for delivery when, as and if issued by the District and accepted by MBS Capital Markets, LLC, the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, as to the validity of the Series 2013 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams, P.A., Tallahassee, Florida, for the Developer by its counsel, GrayRobinson, P.A., Tampa, Florida and Grimes, Goebel, Grimes, Hawkins, Gladfelder & Galvano, P.L.L., Bradenton, Florida, for the Trustee by its counsel, Foley & Lardner LLP, Jacksonville, Florida and for the Underwriter by its counsel, Bryant Miller Olive P.A., Orlando, Florida. It is expected that the Series 2013 Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York on or about December 30, 2013.

MBS CAPITAL MARKETS, LLC

Dated: December 19, 2013

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

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS

Andrew Miller, Chair
Scott Himelhoch, Vice Chair
Karen Goldstein, Assistant Secretary
J.D. Humpherys, Assistant Secretary
Will Redd, Assistant Secretary

DISTRICT MANAGER AND ASSESSMENT CONSULTANT

Rizzetta & Company, Inc.
Tampa, Florida

DISTRICT COUNSEL

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

DISTRICT ENGINEER

Stantec Consulting Services Inc.
Tampa, Florida

BOND COUNSEL

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

COUNSEL TO THE UNDERWRITER

Bryant Miller Olive P.A.
Orlando, Florida

REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM

No dealer, broker, salesman or other person has been authorized by the District, the State of Florida or the Underwriter to give any information or to make any representations other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2013 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District, the District Manager, the Developer, the District Engineer and other sources that are believed by the Underwriter to be reliable. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with and, as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information. The District, the Developer, the District Engineer and the Assessment Consultant will, at closing, deliver certificates certifying that certain of the information each supplied does not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change with respect to the matters described herein since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2013 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE UNDERWRITER IS LIMITING THIS OFFERING TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. HOWEVER, THE LIMITATION ON THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2013 BONDS.

THE SERIES 2013 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 2013 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 BY SUCH JURISDICTIONS. NEITHER THE DISTRICT, MANATEE COUNTY, FLORIDA, THE STATE OF FLORIDA NOR ANY OTHER POLITICAL SUBDIVISION OR AGENCY THEREOF HAS GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2013 BONDS OR UPON THE PROBABILITY OF ANY EARNINGS THEREON. OTHER THAN THE DISTRICT, NEITHER MANATEE COUNTY, FLORIDA, THE

STATE OF FLORIDA, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

THIS LIMITED OFFERING MEMORANDUM, IS NOT, AND SHALL NOT BE DEEMED TO CONSTITUTE, AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, REAL ESTATE, WHICH MAY ONLY BE MADE PURSUANT TO OFFERING DOCUMENTS SATISFYING APPLICABLE FEDERAL AND STATE LAWS RELATING TO THE OFFER AND SALE OF REAL ESTATE.

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LIMITED OFFERING MEMORANDUM

relating to

**ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT
(Manatee County, Florida)**

\$3,430,000	\$2,585,000
Capital Improvement Revenue Bonds, Series 2013A-1	Capital Improvement Revenue Bonds, Series 2013A-2
\$2,500,000	
Capital Improvement Revenue Bonds, Series 2013A-3	

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information concerning the Artisan Lakes Community Development District (the "District" or the "Issuer"), in connection with the offering and issuance of by the District of its Capital Improvement Revenue Bonds, Series 2013A-1 (the "Series 2013A-1 Bonds"), Capital Improvement Revenue Bonds, Series 2013A-2 (the "Series 2013A-2 Bonds," and, together with the Series 2013A-1 Bonds, the "Series 2013A Bonds") and Capital Improvement Revenue Bonds, Series 2013A-3 (the "Series 2013A-3 Bonds," and, together with the Series 2013A Bonds, the "Series 2013 Bonds"). The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, the Florida Constitution, and other applicable provisions of law (collectively, the "Act"), and Ordinance No. 07-64 enacted by the Board of County Commissioners of Manatee County, Florida on August 7, 2007 and effective on August 16, 2007 (the "Ordinance"). The Series 2013 Bonds are being issued pursuant to the Act and a Master Trust Indenture, dated as of December 1, 2013 (the "Master Indenture"), from the District to The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture dated as of December 1, 2013, with respect to the Series 2013A Bonds (the "First Supplement," and, together with the Master Indenture, the "Series 2013A Indenture") and a Second Supplemental Trust Indenture dated as of December 1, 2013, with respect to the Series 2013A-3 Bonds (the "Second Supplement," and, together with the Master Indenture, the "Series 2013A-3 Indenture," and, collectively with the Series 2013A Indenture, the "Indenture"), each from the District to the Trustee, and resolutions of the District authorizing the issuance of the Series 2013 Bonds. All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the forms of the Master Indenture, First Supplement or Second Supplement, all of which appear as composite APPENDIX C attached hereto. The information contained in this Introduction is part of this Limited Offering Memorandum and is subject in all respects to the more complete information contained in or incorporated into this Limited Offering Memorandum. This Introduction should not be considered a complete statement of the facts material to making an investment decision.

THE SERIES 2013 BONDS ARE NOT RATED OR CREDIT ENHANCED, AND ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS (SEE "SUITABILITY FOR INVESTMENT" AND "BONDOWNERS' RISKS" HEREIN).

PROSPECTIVE INVESTORS MAY REQUEST SUCH ADDITIONAL INFORMATION AND ARRANGE TO VISIT THE DISTRICT AS DESCRIBED HEREIN UNDER THE CAPTION "SUITABILITY FOR INVESTMENT" HEREIN. THEREFORE, PROSPECTIVE INVESTORS SHOULD RELY UPON THE INFORMATION APPEARING IN THIS LIMITED OFFERING MEMORANDUM WITHIN THE CONTEXT OF THE AVAILABILITY OF SUCH ADDITIONAL INFORMATION AND THE SOURCES THEREOF.

The District was established for the purposes, among other things, of financing and managing the planning, acquisition, construction, maintenance and operation of the infrastructure necessary for community development in a portion of Esplanade at Artisan Lakes (the "Development"). The Act authorizes the District to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, equipping, operating and maintaining water management, water supply, sewer and wastewater management, bridges or culverts, district roads, street lights and other basic infrastructure projects within or without the boundaries of the District, as provided in the Act.

Consistent with the requirements of the Series 2013A Indenture and the Act, the Series 2013A Bonds are being issued for the primary purpose of paying a portion of the costs of the Capital Improvement Program ("CIP") adopted by the District and described in APPENDIX A – REPORT OF DISTRICT ENGINEER. The CIP includes public roadways (onsite and offsite), water, wastewater, storm water management, reclaimed water, landscaping, lighting, perimeter walls, associated permitting/consultant fees and contingency. Proceeds of the Series 2013A Bonds will be utilized to acquire and construct a portion of the CIP (the "Series 2013 Project"), pay certain costs associated with the issuance of the Series 2013A Bonds, make deposits into the Series 2013A-1 Reserve Account and the Series 2013A-2 Reserve Account to be held jointly for the benefit of all of the Series 2013A Bonds and pay a portion of the interest to come due on the Series 2013A Bonds.

The Series 2013A Bonds are payable from and secured by the revenues derived by the District from the Series 2013A-1 Assessments and Series 2013A-2 Assessments (together, the "Series 2013A Assessments") and amounts in the Funds and Accounts (except for the Series 2013A Rebate Account) established by the Series 2013A Indenture. Series 2013A Assessments (as defined in the Series 2013A Indenture) will be levied and collected on the District Lands specifically benefited by the Series 2013 Project (the "2013A Assessment Area"), and shall not include the assessments imposed, levied and collected by the District with respect to property within the District not so specially benefited.

The Series 2013A Assessments represent an allocation of a portion of the costs of the Series 2013 Project, including bond financing costs, to the 2013A Assessment Area in accordance with the Final Series 2013 Special Assessment Allocation Report dated December 19, 2013, which was prepared by Rizzetta & Company, Inc. (the "Assessment Report") and is attached hereto as APPENDIX B.

Consistent with the requirements of the Series 2013A-3 Indenture and the Act, the Series 2013A-3 Bonds are being issued for the primary purpose of paying a portion of the costs of the Series 2013 Project, paying certain costs associated with the issuance of the Series 2013A-3 Bonds, making a deposit into the Series 2013A-3 Reserve Account for the benefit of all of the Series 2013A-3 Bonds and paying a portion of the interest to come due on the Series 2013A-3 Bonds.

The Series 2013A-3 Bonds are payable from and secured by the revenues derived by the District from the Series 2013A-3 Assessments (and, together with the Series 2013A Assessments, the "Series 2013 Assessments") and amounts in the Funds and Accounts (except for the Series 2013A-3 Rebate Account) established by the Series 2013A-3 Indenture. Series 2013A-3 Assessments (as defined in the Series 2013A-3 Indenture) will be levied and collected on a portion of the District Lands specifically benefited by the Series 2013 Project (the "Series 2013A-3 Assessed Lands"), and shall not include the assessments imposed, levied and collected by the District with respect to property within the District not so specially benefited.

The Series 2013A-3 Assessments represent an allocation of a portion of the costs of the Series 2013 Project, including bond financing costs, to the Series 2013A-3 Assessed Lands in accordance with the Assessment Report attached hereto as APPENDIX B.

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

"Delinquent Assessments" is defined in the Master Indenture to mean, collectively, any and all installments of any Assessments which are not paid when due, including any applicable grace period (if any) under State law or District proceedings.

The District covenants and agrees in the Series 2013A-3 Indenture that so long as the Series 2013 Bonds Outstanding, the District will not cause or permit to be caused any lien, charge or claim against the Series 2013A Trust Estate or the Series 2013A-3 Trust Estate, as applicable. The District further covenants and agrees in the Series 2013A-3 Indenture that so long as the Series 2013A-1 Bonds and/or Series 2013A-2 Bonds are Outstanding, it shall not issue Bonds secured by Assessments for capital projects on lands subject to the Series 2013A-3 Assessments other than the Series 2013A Assessments.

There follows in this Limited Offering Memorandum a brief description of the District, the CIP (of which the Series 2013 Project is a part), a portion of which is to be acquired and/or constructed with proceeds of the Series 2013 Bonds, the Development, the Developer, together with summaries of the terms of the Indenture, the Series 2013 Bonds and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents and all references to the Series 2013 Bonds are qualified by reference to the definitive form thereof and the information with respect thereto contained in the Indenture. Forms of the Master Indenture, the First Supplement and Second Supplement are attached hereto as composite APPENDIX C. The information herein under the captions "THE DEVELOPMENT" and "THE DEVELOPER" has been furnished by the Developer and has been included herein without independent investigation by the District or District Counsel or the Underwriter or its counsel, and the District and the Underwriter make no representation or warranty concerning the accuracy or completeness of such information. The Developer makes no representation or warranty as to the accuracy or completeness of information

contained herein which has been furnished by any party to the transactions contemplated hereby other than the Developer.

SUITABILITY FOR INVESTMENT

While the Series 2013 Bonds are not subject to registration under the Securities Act of 1933, as amended (the "Securities Act"), the Underwriter has determined that the Series 2013 Bonds are not suitable for investment by persons other than, and, as required by Chapter 189, Florida Statutes, will offer the Series 2013 Bonds only to "accredited investors," within the meaning of Chapter 517, Florida Statutes, and the rules promulgated thereunder. However, the limitation of the initial offering to Accredited Investors does not denote restrictions on transfers in any secondary market for the Series 2013 Bonds. Prospective investors in the Series 2013 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 2013 Bonds and should have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

Investment in the Series 2013 Bonds poses certain economic risks. No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum. Additional information will be made available to each prospective investor, including the benefit of a site visit to the District, and the opportunity to ask questions of the District, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Series 2013 Bonds. Prospective investors are encouraged to request such additional information, visit the District and ask such questions. Such requests should be directed to:

Brett Sealy
MBS Capital Markets, LLC
152 Lincoln Avenue
Winter Park, Florida 32789
Ph: (407) 622-0130

THE DISTRICT

General

The District was established pursuant to the Ordinance. The District consists of approximately 854 acres located in northeast Manatee County, Florida (the "County").

Legal Powers and Authority

The District is an independent local unit of special-purpose government of the State created in accordance with the Act by the Ordinance. The Act provides a uniform method for the establishment of community development districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State of Florida. 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.

As a community development district, the District only has those powers specifically delegated to it by the Act and the Ordinance, or necessarily implied from powers specifically delegated to it. The Act provides that community development districts have the power to issue general obligation, revenue and special assessment revenue debt obligations in any combination to pay all or part of the cost of infrastructure improvements authorized under the Act. The Act further provides that community development districts have the power under certain conditions to levy and assess ad valorem assessments or non-ad valorem assessments, including the Series 2013 Assessments, on all taxable real and tangible personal property within their boundaries to pay the principal of and interest on debt obligations issued and to provide for any sinking or other funds established in connection with any such debt obligation issues. Pursuant to the Act, such assessments may be assessed, levied, collected and enforced in the same manner and time as county property taxes.

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

The Act does not empower the District to adopt and enforce land use plans or zoning ordinances, and the Act does not empower the District to grant building permits.

Section 190.044 of the Act provides that all property of the District shall be exempt from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any owner of bonds of the District to pursue any remedy for enforcement of any lien or pledge of the District in connection with such bonds, including the Series 2013 Bonds.

Board of Supervisors

The governing body of the District is its Board of Supervisors (the "Board"), which is composed of five Supervisors (the "Supervisors"). Ownership of the land within the District initially entitles the owner to elect Supervisors to the Board based on a one vote per acre basis (with fractions thereof rounded upward to the nearest whole number). Upon the later of six (6) years after the initial appointment of Supervisors or the year in which there are at least 250 qualified electors in the District, or such earlier time as the Board may decide to exercise its ad valorem taxing power, the Supervisors are elected (as their terms expire) by vote of the qualified electors of the District at an election held at the general election in November. A qualified elector is a registered voter, a resident of the District and the State of Florida and a citizen of the United States. Currently, all Supervisors have been elected by the landowner or appointed by the remaining Board members to fill a vacancy for the remainder of a term, and all but two are affiliated with the Developer, as indicated below. At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors to four-year terms. The remaining Supervisor whose term is expiring will be elected by landowners for a four-year term. Thereafter, as terms expire, all Supervisors must be qualified electors and be elected by qualified electors to serve staggered terms. The Act provides that it shall not be an impermissible conflict of interest under Chapter 112 of the Florida Statutes for a Supervisor to be a stockholder, officer or employee of an owner of the land within the District.

The current members of the Board and their respective term commencement and expiration dates are set forth below.

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Andrew Miller*	Chair	Nov. 2014
Scott Himelhoch*	Vice Chair	Nov. 2016
Karen Goldstein*	Assistant Secretary	Nov. 2014
J.D. Humpherys	Assistant Secretary	Nov. 2016
Will Redd	Assistant Secretary	Nov. 2014

* Employees of Developer affiliate.

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

District Manager and Other Consultants

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

The District has hired Rizzetta & Company, Inc. (the "District Manager") to serve as District Manager. The District Manager's office is located at 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614 and its telephone number is (813) 933-5571.

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

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Bond Counsel; Hopping Green & Sams, P.A., Tampa, Florida, as District Counsel; and Rizzetta & Company, Inc., Tampa, Florida, as Assessment Consultant to prepare the Assessment Report for the Series 2013 Bonds.

IRS Examination of Village Center CDD and Related Matters

The IRS is examining at least two series of bonds (for purposes of this subsection, the "Audited Bonds") issued by Village Center Community Development District ("Village Center"). On June 4, 2013, the IRS released a technical advice memorandum ("TAM") addressed to the Village Center in connection with the Audited Bonds. The TAM only addresses the specific facts related to the Village Center and the Audited Bonds. The TAM concludes that the Village Center is not a political subdivision authorized to issue tax-exempt bonds because it is not a division of state or local government because . . . "[Village Center] was organized and operated to perpetuate private control and avoid indefinitely responsibility to a public electorate, either directly or through another elected State or local governmental body. That fact is not consistent with qualification as a political subdivision. We need not discuss any other requirements that a division of a State or local governmental unit might need to meet to qualify as an issuer of tax exempt bonds. [Village Center] is not a state or political subdivision thereof for purposes of section 103(c)(1)."

Village Center may contest the findings of the TAM administratively or ultimately in the courts and it is not possible to predict when the IRS's examinations of the Audited Bonds will be concluded or the outcome of the examinations.

The IRS may commence additional audits of bonds issued by other community development districts on the same basis or on the basis of "other requirements that a division of a State or local governmental unit might need to meet to qualify as an issuer of tax exempt bonds" and may conclude that other community development districts or special districts are not political subdivisions. Purchasers of the Series 2013 Bonds should read the TAM addressed to Village Center in its entirety. See also, "BONDOWNERS' RISKS" herein.

Although all current members of the Board of Supervisors of the District were elected by the landowner, or appointed by the remaining Board members to fill a vacancy for the remainder of a term, the District was formed with the intent that it will ultimately contain a sufficient number of residents to allow for a transition to control by the qualified electors of the District.

If the Series 2013 Bonds were audited, there is a risk that the IRS could determine that interest on the Series 2013 Bonds is not excludable from gross income for the reasons stated above. The District could settle an audit of the Series 2013 Bonds in which the IRS determined the interest on the Series 2013 Bonds was not excludable from gross income on this basis or the District could file an administrative appeal with the IRS; however, the District may not have available revenues to contest such determination or to enable it to enter into a voluntary financial settlement with the IRS. If the District were to lose such an appeal, the interest on the Series 2013 Bonds would be declared subject to inclusion in gross income of the holders thereof from the issue date of the Series 2013 Bonds (unless the District entered into a settlement with the IRS). In the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2013 Bonds, the District may not have available revenues to contest such determination or to enable it to enter into a voluntary financial settlement with the IRS. In the event IRS determines in an audit that the interest on the Series 2013 Bonds is not excludable from gross income for the reasons stated above, unless an Owner of the Series 2013 Bonds refuses to pay tax on the interest it receives or pays such tax and sues the IRS for a refund, there is no procedural avenue to bring the IRS determination to a court for review and, consequently, the ability of an Owner of the Series 2013 Bonds to seek relief from a court is limited.

In light of the foregoing and for the reasons more fully described herein under “BONDOWNERS’ RISKS,” there is a risk that the District may be determined, either by the IRS, judicially or otherwise, not to be a political subdivision for purposes of the Internal Revenue Code of 1986, as amended (the “Code”) and, correspondingly, that the IRS will make an adverse determination with respect to the tax-exempt status of interest on the Series 2013 Bonds.

CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2013 PROJECT

Reference is made to “APPENDIX A – Report of District Engineer” for a detailed description of the Capital Improvement Program (the “CIP”) for the Development which is estimated to cost approximately \$17.5 million. The CIP includes public roadways (onsite and offsite), water, wastewater, storm water management, reclaimed water, landscaping, lighting, perimeter walls, associated permitting/consultant fees and contingency. Proceeds of the Series 2013 Bonds will be utilized to acquire and construct a portion of the CIP in the estimated amount of \$6.9 million. That portion of the CIP to be acquired and/or constructed with proceeds of the Series 2013 Bonds is referred to as the “Series 2013 Project.” Work on the CIP originally commenced in 2006 and was halted due to adverse condition in the Florida real estate market. The Developer recommenced development activities in August 2013 and estimates it has expended \$10.5 million to date toward completion of the CIP. Further, the Developer has also expended a significantly greater amount on improvements that are not part of the CIP, as discussed in more detail below under the heading “THE DEVELOPMENT – Land Acquisition/Development Financing.”

The remainder of the CIP not funded with proceeds of the Series 2013 Bonds has been, and will continue to be, funded with proceeds from the Developer as more fully described under the heading “THE DEVELOPMENT – Land Acquisition/Development Financing.” Further, it is anticipated that the District will issue an additional series of Bonds (the “Future Bonds”) to acquire and/or construct additional portions of the CIP. At the time of issuance of the Series 2013 Bonds, the Developer and the District will enter into an agreement (the “Completion Agreement”) whereby the Developer will agree to complete those portions of the CIP not funded with proceeds of the Series 2013 Bonds or Future Bonds. The District cannot

make any representation that the Future Bonds will be issued or that the Developer will have sufficient funds to complete the CIP or other improvements necessary for the Development.

THE DEVELOPMENT

The following information appearing below under the caption “THE DEVELOPMENT” and “THE DEVELOPER” has been furnished by the Developer and has not been independently verified by the District and its counsel or the Underwriter and its counsel. The Developer’s obligation to pay the Series 2013 Assessments is limited solely to the obligation of any landowner within the District. The Developer is not a guarantor of payment of any Series 2013 Assessments, and the recourse for the failure of any landowner to pay the Series 2013 Assessments is limited to the collection proceedings against the land subject to the Series 2013 Assessments.

Overview

Esplanade at Artisan Lakes (the “Development”) encompasses approximately 398 acres situated in the Gateway North Development of Regional Impact (the “Gateway North DRI”), an approved development of regional impact located at the northwest corner of the Moccasin Wallow Road and Interstate 75 interchange in northeast Manatee County, Florida. The Gateway North DRI encompasses approximately 1,040 acres and is bound on the east by Interstate 75, on the south by Moccasin Wallow Road, on the north by Buckeye Road and on the west by 40th Avenue East and undeveloped land. The Development is one exit north of the Interstate 75 and Interstate 275 interchange and is located approximately thirty (30) minutes southeast of downtown St. Petersburg, approximately twenty (20) minutes northeast of downtown Bradenton, approximately thirty-five minutes southeast of downtown Tampa and approximately thirty (30) minutes northeast of Sarasota. In addition, the Sarasota International Airport and Tampa International Airport are located approximately twenty-five (25) and forty (40) minutes from the Development, respectively. Grocery stores and shopping are located approximately ten (10) minutes south at the Ellenton/Palmetto exit on Interstate 75. Medical facilities, educational institutions and a hospital are located within twenty (20) minutes in the Lakewood Ranch community situated south of State Road 64. The gulf beaches of Anna Maria Island can be reached in approximately thirty-five (35) minutes.

The Development is situated on the north and west side of Artisan Lakes Parkway, a four-lane roadway that will ultimately run northeast/southwest diagonally through the Gateway North DRI. The initial phase of Artisan Lakes Parkway has been completed and will ultimately serve as the spine road traversing through the Gateway North DRI providing ingress/egress from both Moccasin Wallow Road to the south and Buckeye Road to the north. The Development is the initial community that is being developed within the Gateway North DRI by the Developer and is planned to include approximately 807 single family detached residential units. An additional approximately 1,037 single family residential units are planned within the Gateway North DRI and may be developed as future phases of the Development, or marketed under a separate and distinct community name. As discussed herein in more detail, the Series 2013 Assessments are levied on the lands in the Development planned for 807 single family residential units only.

The Development is planned to be marketed under the “Esplanade” platform, similar in footprint to other communities being actively developed by affiliated entities of the Developer in the Manatee/Sarasota market, including Esplanade Golf and Country Club at Lakewood

Ranch and Esplanade by Siesta Key. In addition, affiliates of the Developer are also actively developing two (2) additional Esplanade brand communities in the Naples area known as Esplanade Golf and Country Club and Esplanade at Hacienda Lakes. The Esplanade brand is primarily marketed to empty-nesters and young retirees seeking an active community lifestyle with resort-style amenities.

The Development is planned to offer extensive amenities catering to the expected demographic of buyers. The initial amenity center which will serve as the temporary facility is a refurbishment of an existing sales center that is situated on Moccasin Wallow Road just east of the entrance at Artisan Lakes Parkway. As currently designed, the initial amenity center is planned to include a 6,000 square foot clubhouse with fitness facilities, arts and crafts room, library, teaching kitchen, café, and media room. In addition, also planned for this amenity center are resort-style pools, a tot lot, dog park and outdoor event lawn. The initial amenity center is intended to serve the residents in the Development until a planned larger permanent amenity center located in the Development is completed in early 2018 at such time as it will be utilized for future phases of development. The permanent amenity center is planned to include a 9,000 square foot clubhouse with fitness center, wellness center, library, craft rooms, 200 person social hall, catering kitchen, media center and theater. In addition, an outdoor performance stage, resort pools, fire pit and outdoor formal event lawn are also planned as part of the permanent facilities.

As discussed above and herein, the Series 2013 Assessments are levied on lands within the boundaries of the Development which encompass approximately 398 acres, all of which acreage is located in the District and the Gateway North DRI. There are an additional approximately 456 acres in the District and the Gateway North DRI planned for single family development. Such acreage is not subject to the Series 2013 Assessments. Further, there is an additional approximately 185 acres in the Gateway North DRI that are located outside of the boundaries of the District. Such acreage is planned for multi-family residential and commercial uses and is not owned by the Developer.

Initially, the Series 2013A Assessments levied in connection with the Series 2013A Bonds and the Series 2013A-3 Assessments levied in connection with the Series 2013A-3 Bonds will initially be levied over all of the acreage in the Development. Upon platting of the 311 lots planned for Phases 1-1 and 1-2 of the Development, the Series 2013A Assessment will be assigned to such lots and the Series 2013A-3 Assessments will be assigned to the undeveloped acreage planned for the remaining 496 lots in Phase 1-3 of the Development. See “Annual Taxes, Assessments and Fees” herein.

Land Acquisition/Development Financing

The Developer entered into a purchase and sale agreement dated July 26, 2004, as amended (the “PSA”) with the original landowner of the property (the “Seller”) constituting all of the acreage in the Gateway North DRI. The PSA sets forth outside closing dates for the purchase of the property bifurcated into three (3) land use categories including single family residential, multi-family residential and commercial. To date, the Developer has purchased approximately all of the 854 acres designated as single family residential at a base purchase price of approximately \$9 million. Pursuant to the PSA, in addition to the base purchase price, the Developer must also pay a deferred purchase price to the Seller as follows: (i) \$1,150 upon the sale of a lot to a builder and \$1,150 on the date such lot is Developed; and (ii) an amount to be calculated and paid at the time of each home closing based upon a percentage of the increase

in the base home prices established in the PSA, in the event such increase is achieved. "Developed" means the completion and acceptance by the applicable governmental entities, utility provider, or other common interest entities, of all public and private infrastructure necessary to service a portion of the real property as evidenced by a certificate of occupancy, use, or completion, issued by the appropriate governmental authorities. There are no mortgages on the acreage that the Developer has purchased and more specifically that acreage located in the District.

The PSA establishes outside closing dates for the Developer to purchase the acreage designated as multi-family and commercial on a takedown basis beginning in June 2014. The Developer has posted a letter of credit in the amount of \$500,000 to secure the purchase of the multi-family and commercial acreage. In the event that the Developer elects not to close on the multi-family and/or commercial acreage, such election will not have a material adverse effect on the Developer's ability to develop and construct improvements on the lands owned by the Developer in the District. More specifically, the PSA grants the Developer authorization to make application for all governmental permits, approvals, consents, licenses and other authorizations the Developer deems necessary or desirable for the development of the lands within the District.

The Developer has posted a letter of credit in the amount of \$1,800,000 to secure (i) the additional purchase price payments described herein; (ii) the purchase of the multi-family and commercial acreage; and (iii) the completion of certain off-site improvements.

To date, the Developer estimates it has expended in excess of \$25 million in entitlement and development-related expenditures for both offsite and onsite improvements of which approximately \$10.5 million is attributable to the CIP. Further, the Developer has estimated the remaining development-related expenditures in order to complete all public and Developer-funded infrastructure for the Development at \$13.6 million. Proceeds of the Series 2013 Bonds will be utilized to acquire approximately \$6.9 million of the CIP that has been completed to date. The Developer intends to utilize proceeds from Future Bonds, equity from its parent company (see the "THE DEVELOPER") as well as proceeds from home sales to fund the remaining development expenditures related to the Development.

Entitlements/Concurrency/Permits

As previously discussed, the Development is located within the Gateway North DRI. The development order (the "DO") governing the Gateway North DRI was initially approved in April 1992 and has been modified multiple times to accommodate, among other things, modifications to the development plan and timing of development. The DO was last modified in December 2010 providing for, among other things, extensions to the start and build-out dates of the various phases in the DRI. The lands within the Gateway North DRI also received zoning approval in April 1992, as amended (the "Zoning Ordinance"). A modification to the Zoning Ordinance was approved in conjunction with the modification to the DO in December 2010.

The table below illustrates the current maximum allowable land uses and phasing plan provided for in the DO. As previously discussed herein, the lands within the Development are planned for 807 single family detached units and will therefore be developed pursuant to Phase 1 of the DO which has received specific approval.

	<u>Phase 1</u> <u>2005-2027*</u>	<u>Phase 2</u> <u>2012-2030*</u>	<u>Phase 3</u> <u>2018-2032*</u>	<u>Totals</u>
Residential (units)				
SF Detached	1,685	0	0	1,685
SF Attached	265	0	128	393
MF	<u>578</u>	<u>144</u>	<u>0</u>	<u>722</u>
Total Residential	2,528	144	128	2,800
Mixed-Use (sq. ft.)				
Commercial	386,000	0	59,200	445,200
Office	154,000	406,500	400,000	960,500
Office/Warehouse	<u>100,000</u>	<u>150,000</u>	<u>147,500</u>	<u>397,500</u>
Total Mixed-Use	640,000	556,500	606,700	1,803,200

* Includes extensions granted by legislative action of the State of Florida.

The DO sets forth certain conditions related to air quality/wind and water erosion; soils; storm water management and water quality; transportation (construction of improvements as well as monitoring/modeling); open space/wetlands/vegetation and wildlife; water conservation; energy conservation; historical or archeological resources; floodplains; recreation and open space; wastewater management; police and fire protection; voluntary workforce housing; solid/hazardous/medical waste; and schools.

The DO sets forth various roadway segments and intersection improvements that are required to be constructed based upon certain transportation trip thresholds. Based upon the expected trip generation resulting from the development of the planned 807 single family detached units in the Development, the Developer is required to construct concurrently approximately 6,500 of the 13,100 linear feet of Artisan Lakes Parkway. Artisan Lakes will ultimately provide for connection from Moccasin Wallow Road to Buckeye Road which is a requirement of the DO. The Developer has commenced construction of Artisan Lakes Parkway the status of which is described in more detail herein under the heading "Development Status."

The County has issued a Certificate Level of Service ("CLOS") for the DO which expires on October 30, 2027. As of this time the Development meets all concurrency requirements for transportation, schools and utilities subject to satisfaction of the requirements and conditions set forth in the DO and Zoning Ordinance as and when required. Further, the County has represented that it currently has sufficient utility and school capacity to service the Development. However, if the conditions of the DO or Zoning Ordinance are not met or the County does not have sufficient capacity to service the Development, cessation and/or delay of development and homebuilding activities could occur. Further, if all construction phases of the lands within the Development have not received plat approval from the County by the expiration date stipulated in the CLOS via platting through completion of construction or bonding, it will be necessary to obtain an extension of the CLOS. The Developer expects to have received plat approval for all phases of the Development on or before the expiration date of the CLOS.

In addition to the approvals described above, various permits and approvals are required to complete construction of the CIP as well as those improvements that will be funded

by the Developer and that aren't included as part of the CIP. The Report of District Engineer attached hereto as Appendix A includes a list of those permits that have been obtained and those that will need to be obtained to complete the construction of the CIP as well as the Developer-funded improvements. Upon issuance of the Series 2013 Bonds, the District Engineer will certify that all such permits and approvals not previously obtained are expected to be obtained in the ordinary course of business.

Environmental Matters

The lands within the Development were historically utilized for agricultural operations. A Phase I Environmental Site Assessment ("ESA") was performed in 2002 indicating the identification of recognized environmental conditions. In order to investigate the potential impacts of the identified conditions, a Phase II (subsurface) investigation was performed which concluded that "there were no significant impacts to the soils or groundwater from the identified environmental conditions that would generally be considered the subject of an enforcement action if brought to the attention of appropriate government agencies, at this time."

A subsequent Phase I/II ESA was conducted in 2004 to determine if the property had the potential to have been environmentally impaired due to the current or past usage on the property or by activities on surrounding properties since the performance of the previous ESA conducted in 2002. The findings of the 2004 update were that "this assessment update has revealed no evidence of recognized environmental conditions in connection with the subject property."

Phasing/Parcel Plan

The Development is expected to be developed in three (3) phases, all of which are included as Phase I of the Gateway North DRI. The information in the table below depicts the number of units by product type for the various phases of the Development, which information is subject to change.

	<u>Phase 1-1</u>	<u>Phase 1-2</u>	<u>Phase 1-3</u>	<u>Total</u>
SF – 44'	53	0	232	285
SF – 50'	75	52	125	252
SF – 60'	39	65	95	199
SF – 70'	<u>17</u>	<u>10</u>	<u>44</u>	<u>71</u>
Total	184	127	496	807

Development Status

The Developer commenced development activities in 2006 and work was subsequently halted due to adverse conditions in the Florida real estate market. The Developer has completed a significant amount of infrastructure work both inside and outside of the boundaries of the Development as more fully described below.

Artisan Lakes Parkway

As previously discussed herein, the Developer is substantially complete with an approximately 6,500 linear foot segment of Artisan Lakes Parkway including potable water, sanitary sewer and reclaimed water. Further, paving and landscaping (including the entry feature) of approximately 2,500 linear feet of Artisan Lakes Parkway is underway and expected to be complete in December 2013. Landscaping and paving of the additional 4,000 linear feet that is constructed will be done in conjunction with the development of Phase 1-3 of the Development.

Force Main and Sanitary Sewer

The Developer has completed a force main and sanitary sewer line that runs from the southeastern portion of the District boundary connecting to Artisan Lakes Parkway.

Development-Specific Improvements

The Developer has completed certain improvements geographically located in the boundaries of the Development including earthwork, lake excavation, potable water, sanitary sewer and irrigation. Construction of Phase 1-1 of the Development consisting of 184 lots is complete and the platting process is underway with plat recordation expected in the first quarter of 2014. In conjunction with the development activities that commenced in 2006, work on additional improvements such as roads, utilities and storm water management improvements for the 127 lots planned in Phase 1-2 of the Development have also been completed. The Developer estimates that there is approximately \$300,000 in additional improvements left to be complete development of Phase 1-2 of the Development.

The Developer is substantially complete with inspection and any necessary repair activities for the infrastructure described above resulting from it being complete for an extended period of time but not in operational service. Based upon such activities to date, repair work has been nominal in nature and the Developer expects that to continue to be the case for any additional completed infrastructure.

Product Offerings/Pricing

It is currently the intent of the Developer to be the sole homebuilder in the Development. Similar to its other Esplanade brand communities, each of the Developer's product offerings are planned to include various home designs, floor plans and elevations at varying price ranges. The information in the table below illustrates the estimated base pricing and square footage for the residential units in the Development, which information is subject to change.

<u>Product Type</u>	<u>Square Footage</u>	<u>Base Pricing</u>
SF – 44'	1,600 – 2,000	\$200,000 - \$230,000
SF – 50'	1,800 – 3,200	\$225,000 - \$350,000
SF – 60'	2,000 – 3,400	\$250,000 - \$370,000
SF – 70'	2,200 – 4,000	\$270,000 - \$400,000

Model Homes/Sales Activity

As discussed above, the Developer expects the platting of Phase I of the Development to be complete in the first quarter of 2014. The Developer expects to commence model home construction prior to final plat recordation. Currently, the Developer plans to construct five (5) model homes consisting of two (2) 44', one (1) 50' and one (1) 60' product.

Recreational Amenities

Residents within the Development will initially have access to a temporary amenity center and then to a planned permanent amenity center situated within the Development. The initial amenity center which will serve as the temporary facility is a refurbishment of an existing sales center that is situated on Moccasin Wallow Road just east of the entrance at Artisan Lakes Parkway. As currently designed, the initial amenity center is planned to include a 6,000 square foot clubhouse with fitness facilities, arts and crafts room, library, teaching kitchen, café, and media room. In addition, also planned for this amenity center are resort-style pools, a tot lot, dog park and event lawn. The initial amenity center is intended to serve the residents in the Development until a planned larger permanent amenity center located in the Development is completed in early 2018 at such time as it will be utilized for future phases of development. The Developer estimates it will expend approximately \$1 million on the refurbishment of the initial amenity center which is in addition to the approximately \$4.5 million it previously spent to construct it. Construction is expected to commence in the first quarter of 2014 and completion is expected in the second quarter of 2015. Upon completion of the initial facility, the Developer intends to employ a lifestyle/fitness director.

The permanent amenity center is planned to include a 9,000 square foot clubhouse with fitness center, wellness center, library, craft rooms, 200 person social hall, catering kitchen, media center and theater. In addition, an outdoor performance stage, sports courts, resort pools, fire pit and outdoor formal event lawn are also planned as part of the permanent facilities. The Developer estimates it will expend approximately \$3.8 million on the permanent facilities which will be constructed in two (2) phases. The Developer expects to commence construction of the sports courts in mid-2014 with completion in the first quarter of 2015. Construction of the remainder of the permanent facilities is expected to commence in 2017 and be complete in the first quarter of 2018.

The initial amenity center is located adjacent to but outside of the boundaries of the Development and is currently owned by the Developer. The Developer has covenanted in the Assignment Agreement and Amenity Center Agreement (discussed herein) to enter into a license and use agreement with a homeowner's association established for the Development providing use of the initial amenity center to all residents of the Development. Further, the Developer and District have entered into an Amenity Center Agreement whereby in the event of a non-payment by the Developer of the Series 2013 Special Assessments, the Developer is required to commence construction of a permanent amenity center within the Development within 120 days of the receipt of a failure to pay notice. The Developer is further required to complete construction of the amenity center within 480 days of such notice. The Developer has provided a mortgage to the District (the "Amenity Center Mortgage") to the initial amenity center described above as security for its obligations set forth in the Amenity Center Agreement. The Amenity Center Mortgage will not be released until such time as one of the following has occurred (i) conveyance to a homeowner's association within the District by the Developer of a permanent amenity facility available for use at no charge (except through the

payment of homeowner’s association fees to pay for the customary operations and maintenance of the amenity facility) by the residents of the Development and consisting of no less than 6,000 square feet of air-conditioned space, including an approximately 3,500 square foot resort-style pool and dog park; (ii) the platting of all property within the Development (and the payment of any true-up amounts due and securing the Series 2013 Bonds) and the completion of vertical improvements on the final lot that is subject to the Series 2013 Assessments, as evidenced by a certificate of occupancy or certificate of completion, as applicable, issued by the local county or municipality having jurisdiction over the property in the Development; or (iii) payment or retirement of all outstanding Series 2013 Bonds. See “SECURITY FOR AND SOURCE OF PAYMENT OF BONDS” for a more detailed description of the Assignment Agreement, Amenity Center Agreement and Amenity Center Mortgage.

Projected Absorption

Home sales in the Development are expected to commence in the first quarter of 2014. The table below provides the Developer’s current expectation regarding the rate of home sales in the Development which is subject to change.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
SF – 44’	27	36	36	36	36	36	36	36	6	285
SF – 50’	24	30	30	30	30	30	30	30	18	252
SF – 60’	16	24	24	24	24	24	24	24	15	199
SF – 70’	<u>9</u>	<u>8</u>	<u>0</u>	<u>71</u>						
Total	76	99	99	99	99	99	99	98	39	807

Although the projected absorption rates set forth above are based upon estimates and assumptions deemed reasonable by the Developer, such are inherently uncertain and subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Developer.

Marketing

As previously discussed herein, affiliates of the Developer are currently marketing several other communities in southwest Florida under the Esplanade platform. Accordingly, a very similar marketing and advertising campaign for the Development will be employed that is planned to include the use of print ads, billboards, television and radio advertisements, direct mail, online ads and displays and realtor promotions. In addition, the Developer intends to establish a website specifically for the Esplanade lifestyle.

The Developer intends to conduct sales activities from model homes. As previously discussed herein, the Developer expects to commence construction of model homes prior to plat recordation which is expected to occur in the first quarter of 2014.

Annual Taxes, Assessments, and Fees

All landowners in the Development are subject to ad valorem property taxes, homeowner’s association fees and special assessments levied by the District for debt service as well as operation and maintenance as discussed in more detail below.

Property Taxes

The current millage rate for the area of the County where the District is located is 18.0338. Assuming an average home price in the Development of approximately \$300,000 with a \$50,000 homestead exemption (\$250,000 taxable value), the annual property tax would be approximately \$5,410.

Homeowner’s Association Fees

The Developer is in the process of establishing a homeowner’s association (“HOA”) for the Development that will provide for common area maintenance, operation and maintenance of recreational facilities, individual lawn maintenance and basic cable. The table below illustrates the Developer’s estimates of the HOA fees which are subject to change.

Product Type	Est. Monthly HOA Fees
SF – 44’	\$225
SF – 50’	\$225
SF – 60’	\$225
SF – 70’	\$225

District Special Assessments

All landowners in the Development are subject to Series 2013 Assessments levied in connection with the Series 2013 Bonds. Initially, the Series 2013A Assessments levied in connection with the Series 2013A Bonds and the Series 2013A-3 Assessments levied in connection with the Series 2013A-3 Bonds will be levied over all of the acreage in the Development. Upon platting of the 311 lots planned for Phases 1-1 and 1-2 of the Development, the Series 2013A Assessments will be assigned to such lots and the Series 2013A-3 Assessments will be assigned to the undeveloped acreage planned for the remaining 496 lots in Phase 1-3 of the Development.

The Series 2013A Bonds have been structured in two (2) series. The portion of the Series 2013A Assessments levied in connection with the Series 2013A-2 Bonds are expected to be prepaid at the time of each home closing and the portion of the Series 2013A Assessments levied in connection with the Series 2013A-1 Bonds is expected to be repaid annually over thirty (30) years. The table below illustrates the principal and corresponding annual Series 2013A Assessments levied in connection with the Series 2013A Bonds.

Series 2013A Assessments

Product Type	Series 2013A-1		Series 2013A-2	
	Bonds Principal Assessments	Bonds Annual Assessments	Bonds Principal Assessments	Bonds Annual Assessments
SF – 44’	\$8,256	\$709	\$6,229	\$527
SF – 50’	\$10,331	\$886	\$7,786	\$658
SF – 60’	\$12,398	\$1,063	\$9,343	\$790
SF – 70’	\$14,464	\$1,240	\$10,900	\$921

Series 2013A-3 Assessments

As described above, the Series 2013A-3 Assessments levied in connection with the Series 2013A Bonds will initially be levied over all of the acreage in the Development. Upon platting of the 311 lots planned for Phases 1-1 and 1-2 of the Development, the Series 2013A-3 Assessments will be assigned to the undeveloped acreage in Phase 1-3 of the Development planned for the remaining 496 lots in the principal and corresponding annual amounts detailed in the table below. It is anticipated that the District will issue its Future Bonds which will be secured by Assessments levied on the same lands as the Series 2013A-3 Assessments.

<u>Product Type</u>	Total Series 2013A-3 Principal Assessments	Total Series 2013A-3 Annual Assessments
SF – 44'	\$4,114	\$366
SF – 50'	\$5,142	\$457
SF – 60'	\$6,170	\$549
SF – 70'	\$7,199	\$640

In addition, as detailed in the table below, all landowners in the Development are subject to annual operation and maintenance assessments levied by the District which are derived from the District’s annual budget and are subject to change each year.

<u>Product Type</u>	Est. Annual Operation and Maintenance Assessments
SF – 44'	\$300
SF – 50'	\$300
SF – 60'	\$300
SF – 70'	\$300

Educational Facilities

The Developer does not anticipate there to be a significant number of school-age children residing in the Development based upon the Development’s target demographic. However, based upon the current school board zoning, children residing in the Development will attend Tilman Elementary School, Lincoln Middle School and Palmetto High School which are approximately five, seven and six miles from the Development, respectively.

Competition

Based upon the target demographic and location of the Development, the Developer anticipates that its primary competition will primarily come from Valencia Lakes, Sun City and Southshore Falls to the north as well as River Strand to the south. The information appearing below was obtained from the referenced websites.

Valencia Lakes is a 55+ community located on U.S. 301 approximately fifteen (15) miles northeast of the Development that is being by GL Homes. Amenities at Valencia Lakes include a 27,000 total square foot clubhouse with fitness center, resort pool and resistance pool, spa,

cabana bath, aerobics studio, art studio and gallery, wine bar, social hall with raised stage and dance floor, gaming room, multi-purpose room, internet cafe, locker facilities with steam room and saunas. In addition, Valencia Lakes includes 6 Har-Tru tennis courts with shade pavilions, pickleball and bocce ball courts, grandchildren's tot lot, horseshoes play area, half-court basketball, community gardens, dog park with agility training and softball field. Single family attached and detached homes within Valencia Lakes are currently being offered from 2,022 to 3,610 square feet and at base prices ranging from \$182,900 to \$411,900. More information on Valencia Lakes can be obtained by visiting www.glhomes.com/valencia-lakes.

Sun City is located approximately twelve (12) miles northeast of the Development one (1) exit north on I-75 at Sun City Center Boulevard. Development in Sun City commenced in the 1960's and more than 11,000 people currently reside therein. Home sale activities in Sun City are winding down as Minto Homes is currently offering single family attached and detached homes in the last two (2) Sun City neighborhoods known as Kings Point and Renaissance. Current move-in ready home offerings range in size from 2,163 to 3,439 square feet and in price from \$202,390, to \$287,390. More information on Minto's home offerings in Sun City can be obtained by visiting www.minto.com/florida/Sarasota-new-homes/Sun-City-Center/main.

Southshore Falls is a 55+ community located on U.S. 41 approximately twenty (20) miles north of the Development that is being by Del Webb. Amenities at Southshore Falls include a 14,000 square foot clubhouse with fitness center, resort pool and resistance pool, tennis courts, putting green and pickleball and bocce ball courts. Single family attached and detached homes within Southshore Falls are currently being offered from 1,363 to 2,278 square feet and at base prices ranging from \$157,990 to \$231,900. More information on Southshore Falls can be obtained by visiting www.delwebb.com.

River Strand is an age-targeted community located on State Road 64 approximately twelve (12) miles south of the Development that is being by Lennar Homes. Amenities at River Strand include including a 27-hole Arthur Hills-designed golf course; 39,000 square foot Tuscan-themed clubhouse with golf pro shop and restaurant; 3,500 square foot health and fitness spa with resort-style pool; a tennis facility with eight (8) lighted Har-Tru clay courts and tennis pro-shop; and pool and cabana facilities throughout the community. Condominiums and single family attached and detached homes within River Strand are currently being offered from 1,194 to 3,867 square feet and at base prices ranging from \$168,990 to \$409,990. More information on River Strand can be obtained by visiting www.riverstrand.com.

In addition, Taylor Morrison is actively developing and marketing another Esplanade community in the County located in Lakewood Ranch approximately fifteen (15) miles south. However, such project is not intended to serve as competition to the Development given its location and higher price points.

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

THE DEVELOPER

The landowner and developer of the lands within the District is Taylor Woodrow Communities at Artisan Lakes, L.L.C., a Florida limited liability company (the "Developer").

The membership interests of the Developer are owned by Taylor Morrison of Florida, Inc., the ultimate parent of which is Taylor Morrison Home Corporation (“Taylor Morrison”). On April 12, 2013, Taylor Morrison completed the initial public offering of its Class A common stock and its stock now trades on the New York Stock Exchange under the symbol TMHC.

Taylor Morrison’s principal business is residential homebuilding with operations focused in Arizona, California, Colorado, Florida and Texas. Taylor Morrison is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the “SEC”). The file number for Taylor Morrison is No. 0001-562476. Such reports, proxy statements, and other information can be inspected and copied at the Public Reference Section of the SEC, Room 1024, 450 Fifth Street NW, Judiciary Plaza, Washington, DC, and at the SEC’s regional offices in Chicago (Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois). Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. In connection with its initial public offering, a Form S-1 Registration Statement of Taylor Morrison is on file with the SEC and any other documents and reports filed with the SEC by Taylor Morrison subsequent to the date of such S-1 (including Form 10-Q and Form 8-K) through and including the closing date of the Series 2013 Bonds are hereby incorporated herein by reference. All documents subsequently filed by Taylor Morrison pursuant to the requirements of the Securities and Exchange Commission Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

DESCRIPTION OF THE SERIES 2013 BONDS

General Description

The Series 2013 Bonds are issuable as fully registered bonds, without coupons, in the minimum amount of \$5,000 or any integral multiple thereof; provided, however, that delivery of the Series 2013 Bonds to the initial purchasers thereof will be in denominations of \$100,000 or integral multiples of \$5,000 in excess of such minimum amount.

The Series 2013 Bonds will be dated as of their date of issuance and will bear interest payable on each May 1 and November 1, commencing May 1, 2014 (each, an “Interest Payment Date”) and shall be computed on the basis of a 360-day year of twelve 30-day months. The Series 2013 Bonds will mature on such dates, in such amounts and at such rates as set forth on the cover page of this Limited Offering Memorandum.

Interest on each Series 2013 Bond will be payable on each Interest Payment Date as heretofore described. Interest shall be paid to the registered Owner of Series 2013 Bonds at the close of business on the regular record date for such interest, which shall be the fifteen (15th) day of the calendar month next preceding such Interest Payment Date, or if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture, the payment of interest and principal or Redemption Price or Amortization Installments 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 Series 2013 Bond. Any payment of

principal, Maturity Amount or Redemption Price shall be made only upon presentation of the Series 2013 Bond at the designated corporate trust office of the Paying Agent in City of East Syracuse, New York, or any alternate or successor Paying Agent, unless the Series 2013 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 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 owns not less than \$1,000,000 in aggregate principal amount of the Series 2013 Bonds). Each Series 2013 Bond shall bear interest 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, until payment of the principal amount has been made or provided for.

The Series 2013 Bonds will initially be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), which will act initially as securities depository for the Series 2013 Bonds and, so long as the Series 2013 Bonds are held in book-entry-only form, Cede & Co. will be considered the registered owner for all purposes hereof. See “--Book-Entry Only System” below for more information about DTC and its book-entry only system.

Redemption Provisions for Series 2013 Bonds

Optional Redemption. The Series 2013A-1 Bonds are subject to redemption prior to maturity at the option of the District in whole, on any date, or in part on any Redemption Date, on or after May 1, 2024, at the Redemption Price of the principal amount of the Series 2013A-1 Bonds or portions thereof to be redeemed together with accrued interest to the redemption date.

The Series 2013A-2 Bonds are subject to redemption prior to maturity at the option of the District in whole, on any date, or in part on any Redemption Date, on or after May 1, 2024 at the Redemption Price of the principal amount of the Series 2013A-2 Bonds or portions thereof to be redeemed together with accrued interest to the redemption date.

The Series 2013A-3 Bonds are subject to redemption prior to maturity at the option of the District in whole, on any date, or in part on any Redemption Date, on or after May 1, 2024 at the Redemption Price of the principal amount of the Series 2013A-3 Bonds or portions thereof to be redeemed together with accrued interest to the redemption date.

Mandatory Redemption in Part. The Series 2013A-1 Bonds maturing May 1, 2034 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2013A-1 Sinking Fund Account established under the First Supplement 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
2015	\$35,000	2025	\$70,000
2016	40,000	2026	75,000
2017	40,000	2027	80,000
2018	45,000	2028	85,000
2019	50,000	2029	95,000
2020	50,000	2030	100,000

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
2021	55,000	2031	105,000
2022	60,000	2032	115,000
2023	65,000	2033	120,000
2024	65,000	2034	130,000

*Final maturity

The Series 2013A-1 Bonds maturing May 1, 2044 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2013A-1 Sinking Fund Account established under the First Supplement 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
2035	\$140,000	2040	\$200,000
2036	150,000	2041	210,000
2037	160,000	2042	230,000
2038	170,000	2043	245,000
2039	185,000	2044	260,000

*Final maturity

The Series 2013A-2 Bonds maturing May 1, 2044 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2013A-2 Sinking Fund Account established under the First Supplement 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
2015	\$30,000	2030	\$75,000
2016	30,000	2031	80,000
2017	30,000	2032	85,000
2018	35,000	2033	90,000
2019	35,000	2034	100,000
2020	40,000	2035	105,000
2021	40,000	2036	115,000
2022	45,000	2037	120,000
2023	45,000	2038	130,000
2024	50,000	2039	140,000
2025	55,000	2040	150,000
2026	60,000	2041	160,000

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
2027	60,000	2042	170,000
2028	65,000	2043	180,000
2029	70,000	2044*	195,000

*Final maturity

Any Series 2013 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 2013 Bonds. Amortization Installments are also subject to recalculation as provided in the Indenture, as a result of the redemption of Series 2013 Bonds so as to reamortize the remaining Outstanding principal balance of the Series 2013 Bonds as set forth in the Indenture.

Extraordinary Mandatory Redemption in Whole or in Part – Series 2013A Bonds. The Series 2013A-1 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Series 2013 Project, by application of moneys transferred from the Series 2013A Acquisition and Construction Subaccount in the Series 2013 Acquisition and Construction Account of the Acquisition and Construction Fund established under the Series 2013A Indenture to the Series 2013A-1 Prepayment Subaccount of the Series 2013A Redemption Account in accordance with the terms of the Series 2013A Indenture; or

(b) from amounts, including Prepayments of Series 2013A-1 Assessments (as defined in the Series 2013A Indenture), required by the Series 2013A Indenture to be deposited into the Series 2013A-1 Prepayment Subaccount of the Series 2013A Redemption Account.

The Series 2013A-2 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Series 2013 Project, by application of moneys transferred from the Series 2013A Acquisition and Construction Subaccount in the Series 2013 Acquisition and Construction Account of the Acquisition and Construction Fund established under the Series 2013A Indenture to the Series 2013A-2 Prepayment Subaccount of the Series 2013A Redemption Account in accordance with the terms of the Series 2013A Indenture; or

(b) from amounts, including Prepayments of Series 2013A-2 Assessments (as defined in the Series 2013A Indenture), required by the Series 2013A Indenture to be deposited into the Series 2013A-2 Prepayment Subaccount of the Series 2013A Redemption Account.

Extraordinary Mandatory Redemption in Whole or in Part – Series 2013A-3 Bonds. The Series 2013A-3 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole or in part on any Interest Payment Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Series 2013 Project, by application of moneys transferred from the Series 2013A-3 Acquisition and Construction Subaccount in the Series 2013 Acquisition and Construction Account of the Acquisition and Construction Fund established under the Series 2013A-3 Indenture to the Series 2013A-3 Prepayment Subaccount of the Series 2013A-3 Redemption Account in accordance with the terms of the Series 2013A-3 Indenture; or

(b) from amounts, including Prepayments of Series 2013A-3 Assessments (as defined in the Series 2013A-3 Indenture), required by the Series 2013A-3 Indenture to be deposited into the Series 2013A-3 Prepayment Subaccount of the Series 2013A-3 Redemption Account.

If less than all of the Series 2013 Bonds shall be called for redemption, the particular Series 2013 Bonds or portions of Series 2013 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice and Effect of Redemption

Notice of each redemption of Series 2013 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each registered Owner of Series 2013 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 2013 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 2013 Bonds or such portions thereof on such date, interest on such Series 2013 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2013 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 2013 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.

Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DISTRICT BELIEVES TO BE RELIABLE, BUT THE DISTRICT TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2013 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2013 BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2013 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2013 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2013 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2013 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2013 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2013 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2013 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE DISTRICT NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Series 2013 Bonds. The Series 2013 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2013 Bond certificate will be issued for each maturity of the Series 2013 Bonds as set forth in the inside cover of this Official Statement, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2013 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2013 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2013 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 2013 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2013 Bonds, except in the event that use of the book-entry system for the Series 2013 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2013 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2013 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2013 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2013 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2013 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2013 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2013 Bonds may wish to ascertain that the nominee holding the Series 2013 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2013 Bonds within a series or maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2013 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 2013 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 2013 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the paying agent, on the payment 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 Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Series 2013 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2013 Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, the Series 2013 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, the Series 2013 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

SECURITY FOR AND SOURCE OF PAYMENT OF BONDS

General

The Series 2013A Bonds are payable from and secured by the revenues derived by the District from the Series 2013A Assessments and amounts in the Funds and Accounts (except for the Series 2013A Rebate Account) established by the Series 2013A Indenture. Series 2013A Assessments (as defined in the Series 2013A Indenture) will be initially levied against all gross developable acreage within the Development, but ultimately assigned to the first 311 platted and fully developed lots within Phases 1-1 and 1-2 of the Development that are subject to assessment as a result of the Series 2013 Project (the "2013A Assessment Area"), and shall not include the Assessments imposed, levied and collected by the District with respect to property within the District not so specially benefited.

The Series 2013A Assessments represent an allocation of a portion of the costs of the Series 2013 Project, including bond financing costs, to the 2013A Assessment Area in accordance with the Final Series 2013 Special Assessment Allocation Report, which was prepared by Rizzetta & Company, Inc. (the "Assessment Report") and is attached hereto as APPENDIX B.

The Series 2013A-3 Bonds are payable from and secured by the revenues derived by the District from the Series 2013A-3 Assessments and amounts in the Funds and Accounts (except for the Series 2013A-3 Rebate Account) established by the Series 2013A-3 Indenture. Series 2013A-3 Assessments (as defined in the Series 2013A-3 Indenture) will be initially levied against all gross developable acreage within the Development, but ultimately assigned to the unplatted lots within Phase 1-3 of the Development that are subject to assessment as a result of the Series 2013 Project (the "2013A-3 Assessed Lands") following platting of the 311 lots of Phase 1-1 and 1-2 of the Development as described herein, and shall not include the Assessments imposed, levied and collected by the District with respect to property within the District not so specially benefited.

The Series 2013A-3 Assessments represent an allocation of a portion of the costs of the Series 2013 Project, including bond financing costs, to the Series 2013A-3 Assessed Lands in accordance with the Final Series 2013 Special Assessment Allocation Report, which was prepared by Rizzetta & Company, Inc. (the "Assessment Report") and is attached hereto as APPENDIX B.

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

"Delinquent Assessments" is defined in the Master Indenture to 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.

NEITHER THE SERIES 2013 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 2013 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 2013 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2013 BONDS SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2013A ASSESSMENTS OR THE SERIES 2013A-3 ASSESSMENTS AND THE SERIES 2013A PLEDGED FUNDS AND ACCOUNTS OR THE SERIES 2013A-3 PLEDGED FUNDS AND ACCOUNTS PLEDGED TO THE SERIES 2013A BONDS OR THE SERIES 2013A-3 BONDS, AS APPLICABLE, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

Funds and Accounts

The Series 2013A Indenture establishes with the Trustee the following Funds and Accounts: 1) within the Acquisition and Construction Fund, a Series 2013 Acquisition and Construction Account (and therein a Series 2013A Acquisition and Construction Subaccount) and a Series 2013A Costs of Issuance Account; 2) within the Debt Service Fund, a Series 2013A Debt Service Account (and therein a Series 2013A-1 Sinking Fund Account, a Series 2013A-1 Interest Account, a Series 2013A-1 Capitalized Interest Account, a Series 2013A-2 Sinking Fund Account, a Series 2013A-2 Interest Account and a Series 2013A-2 Capitalized Interest Account); and a Series 2013A Redemption Account (and therein a Series 2013A-1 Prepayment Subaccount, a Series 2013A-2 Prepayment Subaccount and a Series 2013A Optional Redemption

Subaccount); 3) in the Reserve Fund, a Series 2013A-1 Reserve Account and a Series 2013A-2 Reserve Account, which shall be jointly held for the benefit of all of the Series 2013A Bonds, without distinction as to Series 2013A Bonds and without privilege or priority of one Series 2013A Bond over another; 4) within the Revenue Fund, a Series 2013A Revenue Account; and 5) within the Rebate Fund, a Series 2013A Rebate Account.

The Series 2013A-3 Indenture establishes with the Trustee the following Funds and Accounts: 1) within the Acquisition and Construction Fund, a Series 2013 Acquisition and Construction Account (and therein a Series 2013A-3 Acquisition and Construction Subaccount) and a Series 2013A Costs of Issuance Account; 2) within the Debt Service Fund, a Series 2013A-3 Debt Service Account (and therein a Series 2013A-3 Sinking Fund Account, a Series 2013A-3 Interest Account and a Series 2013A-3 Capitalized Interest Account); and a Series 2013A-3 Redemption Account (and therein a Series 2013A-3 Prepayment Subaccount and an Optional Redemption Subaccount); 3) in the Reserve Fund, a Series 2013A-3 Reserve Account, which shall be jointly held for the benefit of all of the Series 2013A-3 Bonds, without distinction as to Series 2013A-3 Bonds and without privilege or priority of one Series 2013A-3 Bond over another; 4) within the Revenue Fund, a Series 2013A-3 Revenue Account; and 5) within the Rebate Fund, a Series 2013A-3 Rebate Account.

Series 2013A Reserve Accounts and Series 2013A Reserve Account Requirements

The Series 2013A-1 Reserve Account Requirement is at any time equal to the Maximum Annual Debt Service Requirement for all Outstanding Series 2013A-1 Bonds, as of the time of any such calculation. On the date of issuance of the Series 2013A-1 Bonds, the initial Series 2013A-1 Reserve Account Requirement is equal to \$273,912.50.

The Series 2013A-2 Reserve Account Requirement is at any time equal to the Maximum Annual Debt Service Requirement for all Outstanding Series 2013A-2 Bonds, as of the time of any such calculation. On the date of issuance of the Series 2013A-2 Bonds, the initial Series 2013A-2 Reserve Account Requirement is equal to \$203,475.00.

The Series 2013A-1 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2013A-1 Reserve Account Requirement and the Series 2013A-2 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2013A-2 Reserve Account Requirement. Except as otherwise provided in the Series 2013A Indenture, amounts on deposit in the Series 2013A-1 Reserve Account and the Series 2013A-2 Reserve Account (each a "Series 2013A Reserve Account") shall be used only for the purpose of making payments into the Series 2013A-1 Interest Account, the Series 2013A-1 Sinking Fund Account, the Series 2013A-2 Interest Account and the Series 2013A-2 Sinking Fund Account to pay Debt Service on the Series 2013A Bonds, when due, without distinction as to Series 2013A Bonds and without privilege or priority of one Series 2013A Bond over another, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose. Such Accounts shall consist only of cash and Series 2013A Investment Obligations.

Anything in the Series 2013A Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business day preceding such forty-fifth (45th) day), the Trustee is authorized and directed to recalculate the Series 2013A-1 Reserve Account Requirement and to transfer any excess on deposit in the Series 2013A-1 Reserve Account into the Series 2013A-1

Prepayment Subaccount of the Series 2013A Redemption Account and applied to the extraordinary mandatory redemption of the Series 2013A-1 Bonds.

On the earliest date on which there is on deposit in the Series 2013A-1 Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2013A-1 Bonds, together with accrued interest on such Series 2013A-1 Bonds to the earliest date of redemption permitted in the Series 2013A Indenture, then the Trustee shall transfer the amount on deposit in the Series 2013A-1 Reserve Account into the Series 2013A-1 Prepayment Subaccount in the Series 2013A Redemption Account to pay and redeem all of the Outstanding Series 2013A-1 Bonds on the earliest date permitted for redemption in the Series 2013A Indenture.

Anything in the Series 2013A Indenture to the contrary notwithstanding, amounts on deposit in the Series 2013A-1 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.

Anything in the Series 2013A Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business day preceding such forty-fifth (45th) day), the Trustee is authorized and directed to recalculate the Series 2013A-2 Reserve Account Requirement and to transfer any excess on deposit in the Series 2013A-2 Reserve Account into the Series 2013A-2 Prepayment Subaccount of the Series 2013A Redemption Account and applied to the extraordinary mandatory redemption of the Series 2013A-2 Bonds.

On the earliest date on which there is on deposit in the Series 2013A-2 Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2013A-2 Bonds, together with accrued interest on such Series 2013A-2 Bonds to the earliest date of redemption permitted in the Series 2013A Indenture, then the Trustee shall transfer the amount on deposit in the Series 2013A-2 Reserve Account into the Series 2013A-2 Prepayment Subaccount in the Series 2013A Redemption Account to pay and redeem all of the Outstanding Series 2013A-2 Bonds on the earliest date permitted for redemption in the Series 2013A Indenture.

Anything in the Series 2013A Indenture to the contrary notwithstanding, amounts on deposit in the Series 2013A-2 Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

Series 2013A-3 Reserve Account and Series 2013A-3 Reserve Account Requirement

The Series 2013A-3 Reserve Account Requirement is at any time equal to the Maximum Annual Debt Service Requirement for all Outstanding Series 2013A-3 Bonds, as of the time of any such calculation. On the date of issuance of the Series 2013A-3 Bonds, the initial Series 2013A-3 Reserve Account Requirement is equal to \$206,981.25.

The Series 2013A-3 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2013A-3 Reserve Account Requirement. Except as otherwise provided in the Series 2013A-3 Indenture, amounts on deposit in the Series 2013A-3 Reserve Account shall be used only for the purpose of making payments into the Series 2013A-3 Interest

Account and the Series 2013A-3 Sinking Fund Account to pay Debt Service on the Series 2013A-3 Bonds, when due, without distinction as to Series 2013A-3 Bonds and without privilege or priority of one Series 2013A-3 Bond over another, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose, except as specified in the Second Supplement. Such Account shall consist only of cash and Series 2013A-3 Investment Obligations.

Anything in the Series 2013A-3 Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business day preceding such forty-fifth (45th) day), the Trustee is hereby authorized and directed to recalculate the Series 2013A-3 Reserve Account Requirement and to transfer any excess on deposit in the Series 2013A-3 Reserve Account into the Series 2013A-3 Prepayment Subaccount of the Series 2013A-3 Redemption Account and applied to the extraordinary mandatory redemption of the Series 2013A-3 Bonds.

On the earliest date on which there is on deposit in the Series 2013A-3 Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2013A-3 Bonds, together with accrued interest on such Series 2013A-3 Bonds to the earliest date of redemption permitted therein and in the Series 2013A-3 Indenture, then the Trustee shall transfer the amount on deposit in the Series 2013A-3 Reserve Account into the Series 2013A-3 Prepayment Subaccount in the Series 2013A-3 Redemption Account to pay and redeem all of the Outstanding Series 2013A-3 Bonds on the earliest date permitted for redemption therein and in the Series 2013A-3 Indenture.

Anything in the Series 2013A-3 Indenture or herein to the contrary notwithstanding, amounts on deposit in the Series 2013A-3 Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

Series 2013A Bonds Flow of Funds

(a) The Series 2013A Indenture authorizes and directs the Trustee to establish within the Revenue Fund a Series 2013A Revenue Account into which the Trustee shall deposit any and all amounts required to be deposited therein by the Series 2013A 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 2013A Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Series 2013A Indenture and from all other moneys of the Trustee.

(b) The Trustee shall deposit into the Series 2013A Revenue Account the Series 2013A-1 Assessment Revenues and Series 2013A-2 Assessment Revenues other than the Series 2013A-1 Prepayments and Series 2013A-2 Prepayments, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the corresponding Prepayment Subaccount in the Series 2013A Redemption Account, and any other revenues required by other provisions of the Series 2013A Indenture to be deposited therein.

(c) On the forty-fifth (45th) day preceding each Redemption Date with respect to the Series 2013A Bonds (or if such forty-fifth (45th) day is not a Business Day, on the Business Day next preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the Series 2013A-1 Prepayment Subaccount of the Series 2013A Redemption Account, and, if the

balance therein is greater than zero, shall transfer from the Series 2013A Revenue Account for deposit into the Series 2013A-1 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2013A-1 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2013A-1 Prepayment Subaccount in accordance with the provisions for extraordinary redemption of the Series 2013A-1 Bond set forth in the form of Series 2013A-1 Bond attached to the First Supplement and in accordance with the provisions of the Master Indenture, and the Trustee shall determine the amount on deposit in the Series 2013A-2 Prepayment Subaccount of the Series 2013A Redemption Account, and, if the balance therein is greater than zero, shall transfer from the Series 2013A Revenue Account for deposit into the Series 2013A-2 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000, and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2013A-2 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2013A-2 Prepayment Subaccount in accordance with the provisions for extraordinary redemption of the Series 2013A-2 Bonds set forth in the form of Series 2013A-2 Bond attached to the First Supplement and in accordance with the provisions 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 2013A-1 Capitalized Interest Account to the Series 2013A-1 Interest Account the lesser of (x) the amount of interest coming due on the Series 2013A-1 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (y) the amount remaining in the Series 2013A-1 Capitalized Interest Account. 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 2013A-2 Capitalized Interest Account to the Series 2013A-2 Interest Account the lesser of (x) the amount of interest coming due on the Series 2013A-2 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (y) the amount remaining in the Series 2013A-2 Capitalized Interest Account.

Following the foregoing transfers, 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 from the amounts on deposit in the Series 2013 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, from the Series 2013A Revenue Account to the Series 2013A-1 Interest Account of the Series 2013A-1 Debt Service Account, an amount equal to the amount of interest payable on all Series 2013A-1 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2013A-1 Capitalized Interest Account in accordance with the Series 2013A Indenture and less any other amount already on deposit in the Series 2013A-1 Interest Account not previously credited and to the Series 2013A-2 Interest Account of the Series 2013A-2 Debt Service Account, an amount equal to the amount of interest payable on all Series 2013A-2 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2013A-2 Capitalized Interest Account in accordance with the Series 2013A Indenture and less any other amount already on deposit in the Series 2013A-2 Interest Account not previously credited;

SECOND, on each May 1, to the Series 2013A-1 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2013A-1 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2013A-1 Sinking Fund Account not previously credited and on each May 1, to the Series 2013A-2 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2013A-2 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2013A-2 Sinking Fund Account not previously credited;

THIRD, to the series 2013A-1 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2013A-1 Reserve Account Requirement with respect to the Series 2013A-1 Bonds and to the Series 2013A-2 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2013A-2 Reserve Account Requirement with respect to the Series 2013A-2 Bonds; and

FOURTH, the balance shall be retained in the Series 2013A Revenue Account.

(e) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer from the Series 2013A Revenue Account to the Series 2013A Rebate Account established for the Series 2013A Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

Series 2013A-3 Bonds Flow of Funds

(a) The Series 2013A-3 Indenture authorizes and directs the Trustee to establish within the Revenue Fund a Series 2013A-3 Revenue Account into which the Trustee shall deposit any and all amounts required to be deposited therein by the Series 2013A-3 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 2013A-3 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 2013A-3 Revenue Account the Series 2013A-3 Assessment Revenues and other than the Series 2013A-3 Prepayments, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2013A-3 Prepayment Subaccount in the Series 2013A-3 Redemption Account, and any other revenues required by other provisions of the Series 2013A-3 Indenture to be deposited therein.

(c) On the forty-fifth (45th) day preceding each Redemption Date with respect to the Series 2013A-3 Bonds (or if such forty-fifth (45th) day is not a Business Day, on the Business Day next preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the Series 2013A-3 Prepayment Subaccount of the Series 2013A-3 Redemption Account, and, if the balance therein is greater than zero, shall transfer from the Series 2013A-3 Revenue Account for deposit into the Series 2013A-3 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2013A-3 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys

are then on deposit in the Series 2013A-3 Prepayment Subaccount in accordance with the provisions for extraordinary redemption of the Series 2013A-3 Bonds set forth in the form of Series 2013A-3 Bond and the Series 2013A-3 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 2013A-3 Capitalized Interest Account to the Series 2013A-3 Interest Account the lesser of (x) the amount of interest coming due on the Series 2013A-3 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (y) the amount remaining in the Series 2013A-3 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 2013A-3 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, from the Series 2013A-3 Revenue Account to the Series 2013A-3 Interest Account of the Series 2013A-3 Debt Service Account, an amount equal to the amount of interest payable on all Series 2013A-3 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2013A-3 Capitalized Interest Account in accordance with the Second Supplement and less any other amount already on deposit in the Series 2013A-3 Interest Account not previously credited;

SECOND, on each May 1, to the Series 2013A-3 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2013A-3 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2013A-3 Sinking Fund Account not previously credited;

THIRD, to the Series 2013A-3 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2013A-3 Reserve Account Requirement with respect to the Series 2013A-3 Bonds; and

FOURTH, the balance shall be retained in the Series 2013A-3 Revenue Account.

(e) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer from the Series 2013A-3 Revenue Account to the Series 2013A-3 Rebate Account established for the Series 2013A-3 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

Investments

Anything in the Series 2013A Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2013A Bonds shall be invested only in Series 2013A Investment Obligations, and further, earnings on the Series 2013A Acquisition and Construction Subaccount in the Series 2013 Acquisition and Construction Account, the Series 2013A-1 Interest Account, the Series 2013A-1 Capitalized Interest Account, the Series 2013A-2 Interest Account, and the Series 2013A-2 Capitalized Interest Account shall be retained, as realized, in such Accounts or subaccounts and used for the purpose of such Account or subaccount. Earnings on investments in the other Funds and Accounts other than

the Series 2013A-1 Reserve Account and Series 2013A-2 Reserve Account shall be deposited, as realized, to the credit of the Series 2013A Revenue Account and used for the purpose of such account.

Earnings on investments in the Series 2013A-1 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 2013A-1 Reserve Account as of the most recent date on which amounts on deposit in the Series 2013A-1 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2013A-1 Reserve Account since such date which have created a deficiency, then earnings on the Series 2013A-1 Reserve Account shall be deposited into the Series 2013A-1 Capitalized Interest Account through November 1, 2014, and, thereafter earnings in the Series 2013A-1 Reserve Account shall be deposited into the Series 2013A-1 Revenue Account and used for the purpose of such Account; and

(ii) if as of the last date on which amounts on deposit in the Series 2013A-1 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture), or if after such date withdrawals have been made from the Series 2013A-1 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2013A-1 Reserve Account shall be deposited into the Series 2013A-1 Reserve Account until the amount on deposit therein is equal to the Series 2013A-1 Reserve Account Requirement, and then earnings on the Series 2013A-1 Reserve Account shall be deposited into the Series 2013A-1 Capitalized Interest Account through November 1, 2014 and, thereafter earnings in the Series 2013A-1 Reserve Account shall be deposited into the Series 2013A Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2013A-2 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 2013A-2 Reserve Account as of the most recent date on which amounts on deposit in the Series 2013A-2 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2013A-2 Reserve Account since such date which have created a deficiency, then earnings on the Series 2013A-2 Reserve Account shall be deposited into the Series 2013A-2 Capitalized Interest Account through November 1, 2014, and, thereafter earnings in the Series 2013A-2 Reserve Account shall be deposited into the Series 2013A-2 Revenue Account and used for the purpose of such Account; and

(ii) if as of the last date on which amounts on deposit in the Series 2013A-2 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture), or if after such date withdrawals have been made from the Series 2013A-2 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2013A-2 Reserve Account shall be deposited into the Series 2013A-2 Reserve Account until the amount on deposit therein is equal to the Series 2013A-2 Reserve Account Requirement, and then earnings on the Series 2013A-2 Reserve Account shall be deposited into the Series 2013A-2 Capitalized Interest Account through November 1, 2014, and, thereafter earnings in the Series 2013A-2 Reserve Account shall be deposited into the Series 2013A Revenue Account and used for the purpose of such Account.

Anything in the Series 2013A-3 Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2013A-3 Bonds shall be invested only in Series 2013A-3 Investment Obligations, and further, earnings on the Series 2013A-3 Acquisition and Construction Subaccount in the Series 2013 Acquisition and Construction Account, the Series 2013A-3 Interest Account, and the Series 2013A-3 Capitalized Interest Account, shall be retained, as realized, in such Accounts or subaccounts and used for the purpose of such Account or subaccount. Earnings on investments in the other Funds and Accounts other than the Series 2013A-3 Reserve Account shall be deposited, as realized, to the credit of the Series 2013A-3 Revenue Account and used for the purpose of such account.

Earnings on investments in the Series 2013A-3 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 2013A-3 Reserve Account as of the most recent date on which amounts on deposit in the Series 2013A-3 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2013A-3 Reserve Account since such date which have created a deficiency, then earnings on the Series 2013A-3 Reserve Account shall be deposited into the Series 2013A-3 Capitalized Interest Account through November 1, 2014, and, thereafter earnings in the Series 2013A-3 Reserve Account shall be deposited into the Series 2013A-3 Revenue Account and used for the purpose of such Account; and

(ii) if as of the last date on which amounts on deposit in the Series 2013A-3 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture), or if after such date withdrawals have been made from the Series 2013A-3 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2013A-3 Reserve Account shall be deposited into the Series 2013A-3 Reserve Account until the amount on deposit therein is equal to the Series 2013A-3 Reserve Account Requirement, and then earnings on the Series 2013A-3 Reserve Account shall be deposited into the Series 2013A-3 Capitalized Interest Account through November 1, 2014, and, thereafter earnings in the Series 2013A-3 Reserve Account shall be deposited into the Series 2013A Revenue Account and used for the purpose of such Account.

Notwithstanding the foregoing, if there is a deficiency in the Series 2013A-1 Reserve Account, the Series 2013A-2 Reserve Account or the Series 2013A-3 Account, prior to the deposit of any funds in the Series 2013A Revenue Account or the Series 2013A-3 Revenue Account, as applicable, the amount of such proposed transfer shall instead be deposited into the Reserve Account with a deficiency until the balance on deposit therein is restored to the corresponding Reserve Account Requirement.

Agreement for Assignment of Development Rights

Contemporaneously with the issuance of the Series 2013 Bonds, the Developer and the District will enter into a Collateral Assignment and Assumption of Development and Contract Rights (the "Assignment Agreement"). Pursuant to the Assignment Agreement, the Developer agrees to collaterally assign to the District all of its development rights and contract rights relating to the CIP (the "Development and Contract Rights") as security for the Developer's payment and performance and discharge of its obligation to pay the Series 2013 Assessments levied against the lands within the Development owned by the Developer. Such Development

and Contract Rights specifically exclude any such portion of the Development and Contract Rights which relate solely to any property which has been conveyed to a landowner resulting from the sale of land in the ordinary course of business, the County, the District, any applicable homeowner's association or other governing entity or association as may be required by applicable permits, approvals, plats, entitlements or regulations affecting the CIP, if any. Pursuant to the Series 2013 Indenture, the District will assign its rights under the Assignment Agreement to the Trustee for the benefit of the Owners, from time to time, of the Series 2013 Bonds.

Owner Direction and Consent with Respect to Series 2013A Acquisition and Construction Subaccount upon Occurrence of Event of Default

In accordance with the provisions of the Series 2013A Indenture, upon the occurrence of an Event of Default with respect to the Series 2013A Bonds, the Series 2013A Bonds are payable solely from the Series 2013A Pledged Revenues and any other moneys held by the Trustee under the Series 2013A Indenture for such purpose. Anything in the Series 2013A Indenture to the contrary notwithstanding, the District hereby acknowledges that (i) the Series 2013A Pledged Funds includes, without limitation, all amounts on deposit in the Series 2013A Acquisition and Construction Subaccount of the Series 2013 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2013A Bonds, the Series 2013A Pledged Funds may not be used by the District (whether to pay costs of the Subdivision Improvements or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Subdivision Improvements and payment is for such work and (iii) the Series 2013A Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Subdivision Improvements after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

Completion Agreement

In connection with the issuance of the Series 2013 Bonds, the District and the Developer will enter into an agreement (the "Completion Agreement") pursuant to which the Developer will agree to provide funds to complete the CIP to the extent that proceeds of the Series 2013 Bonds and any other debt of the District are insufficient therefor. Remedies for a default under the Completion Agreement include damages and/or specific performance.

True-Up Agreement

In connection with the issuance of the Series 2013 Bonds, the District and Developer will enter into an agreement (the "True-Up Agreement") pursuant to which the Developer, or its successors in interest, agrees and covenants that based upon a "Development Plan" it will develop 807 units within the Development and or, barring that, make certain true-up payments. Pursuant to the True-Up Agreement, the Developer will further waive any rights it may have under Section 170.09, Florida Statutes, to prepay the Series 2013 Assessments without interest within thirty (30) days after the Date of Completion of the Series 2013 Project.

Enforcement of True-Up Agreement and Completion Agreement

The District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the Completion Agreement and the True-Up Agreement, and, upon the occurrence and continuance of a default under either or both of such Agreements, the District covenants and agrees that the Trustee, at the direction of the Majority Owners shall act on behalf of, and in the District's stead, to enforce the provisions of such Agreements and to pursue all available remedies under applicable law or in equity. Failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreement and the True-Up Agreement upon demand of the Majority Owners, or the Trustee at the direction of the Majority Owners, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

Amenity Agreement and Mortgage

The District and the Developer will enter into an Amenity Agreement to be dated the date of issuance of the Series 2013 Bonds (the "Amenity Agreement"). Pursuant to the Amenity Agreement, until such time as the Release Conditions (as defined in the Amenity Agreement) have been met, upon a Payment Default (as defined in the Amenity Agreement), the District may require the Developer to complete construction of a permanent Amenity Facility (as defined in the Amenity Agreement) on lands owned by the Developer. In order to secure its obligations under the Amenity Agreement, the Developer will deliver to the District on the date of issuance of the Series 2013 Bonds an Amenity Center Mortgage (the "Mortgage") which will encumber lands on which an interim amenity facility will be located (the "Property"). Pursuant to the Mortgage and the Amenity Agreement, in the event of a default by the Developer under the Amenity Agreement, the District may foreclose on the Property. The Developer has covenanted in the Assignment Agreement and Amenity Agreement to enter into a license and use agreement with a homeowner's association established for the Development providing use of the future interim amenity facility to all residents of the Development. See "THE DEVELOPMENT – Recreational Amenities" herein.

Enforcement and Collection of Series 2013 Assessments

The primary source of payment for the Series 2013 Bonds are the Series 2013 Assessments imposed on each landowner within the District which are specially benefitted by the Series 2013 Project, all in accordance with the Series 2013 Assessment Proceedings. At the time of issuance of the Series 2013 Bonds, the Developer owns a substantial portion of such lands. To the extent that the Developer or any other landowner, or any successor landowners, fail to pay such Series 2013 Assessments, delay payments, or are unable to pay Series 2013 Assessments, the successful pursuit of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2013 Bonds. The Act provides for various methods of collection of delinquent taxes by reference to other provisions of the Florida Statutes. See "THE SERIES 2013 ASSESSMENTS" herein for a summary of payment and collection procedures relating to the Series 2013 Assessments appearing in the Florida Statutes.

Anything in the Series 2013 Indenture to the contrary notwithstanding, the Series 2013 Assessments levied on platted lots and pledged under the Indenture to secure the Series 2013 Bonds shall be collected pursuant to the Uniform Method and the Series 2013 Assessments levied on unplatted lots and pledged under the Indenture to secure the Series 2013 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 directed by the Trustee acting at the direction of the Majority Owners.

All Series 2013 Assessments that are collected directly by the District and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date.

The District further covenants in the Series 2013 Indenture to comply with the terms of the proceedings adopted with respect to the Series 2013 Assessments, including the Assessment Methodology, and to levy the Series 2013 Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2013 Bonds, when due. The Assessment Methodology shall not be amended without written consent of the Majority Owners.

The District covenants and agrees in the Indenture that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent 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 2013 Bonds. Notwithstanding anything to the contrary in the Master Indenture, and unless otherwise directed by the Majority Owners of the Series 2013 Bonds and allowed pursuant to federal or State law, the District acknowledges and agrees in the Indenture that (i) upon failure of any property owner to pay an installment of Series 2013 Assessments collected directly by the District when due, that the entire Series 2013 Assessment on the tax parcel as to which such Delinquent Assessment appertains, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and the District shall promptly, but in any event within one hundred twenty (120) days, cause to be brought the necessary legal proceedings for the foreclosure of liens of Delinquent Assessments, including interest and penalties with respect to such tax parcel and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages.

If the owner of any lot or parcel of land shall be delinquent in the payment of any Series 2013 Assessment, then such Series 2013 Assessment shall be enforced in accordance with the provisions of Chapters 170 and/or 197, Florida Statutes, including but not limited to the sale of tax certificates and tax deed as regards such Delinquent Assessment. In the event the provisions of Chapter 197, Florida Statutes, are inapplicable or unavailable, then upon the delinquency of any Series 2013 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 Series 2013 Bonds, declare the entire unpaid balance of such Series 2013 Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, and Sections 190.026 and/or 170.10, Florida Statutes, or otherwise as provided by law. The District further covenants to furnish, at its expense, to any Owner of Series 2013 Bonds so requesting, sixty (60) days after the due date of each annual installment, a list of all Delinquent Assessments together with a copy of the District's annual audit, and a list

of foreclosure actions currently in progress and the current status of such Delinquent Assessments.

If any tax certificates relating to Delinquent Assessments which are pledged to the Series 2013 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 Series 2013 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.

If any property shall be offered for sale for the nonpayment of any Series 2013 Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2013 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Series 2013 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 2013 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 paragraph. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2013A Revenue Account or the Series 2013A-3 Revenue Account, as applicable. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the Series 2013 Bonds within thirty (30) days after the receipt of the request therefor signed by the Trustee or the Majority Owners.

No Parity Bonds; Limitation on Parity Assessments

The District covenants and agrees in the Series 2013A Indenture that so long as there are any Series 2013A Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2013A Trust Estate. The District further covenants and agrees in the Series 2013A Indenture that so long as the Series 2013A Bonds are Outstanding, it shall not issue Bonds other than the Series 2013A-3 Bonds secured by Assessments for capital projects on lands subject to the Series 2013A Assessments without the consent of the Majority Owners.

The District covenants and agrees in the Series 2013A-3 Indenture that so long as there are any Series 2013A-3 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2013A-3 Trust Estate. The District further covenants and agrees in the Series 2013A-3 Indenture that so long as the Series 2013A-3 Bonds are Outstanding, it shall not issue Bonds other than the Series 2013A-1 Bonds and the Series 2013A-2 Bonds secured by Assessments for capital projects on lands subject to the Series 2013A-3 Assessments without the consent of the Majority Owners.

Owner Direction and Consent with Respect to Series 2013A-3 Acquisition and Construction Subaccount Upon Occurrence of Event of Default

In accordance with the provisions of the Series 2013A-3 Indenture, upon the occurrence of an Event of Default with respect to the Series 2013A-3 Bonds, the Series 2013A-3 Bonds are payable solely from the Series 2013A-3 Pledged Revenues and any other moneys held by the Trustee under the Series 2013A-3 Indenture for such purpose. Anything in the Series 2013A-3 Indenture to the contrary notwithstanding, the District hereby acknowledges that (i) the Series 2013A-3 Pledged Funds and Accounts includes, without limitation, all amounts on deposit in the Series 2013A-3 Acquisition and Construction Subaccount in the Series 2013 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2013A-3 Bonds, the Series 2013A-3 Pledged Funds and Accounts may not be used by the District (whether to pay costs of the Master Improvements portion of the Series 2013 Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Series 2013A-2 Improvements portion of the Series 2013 Project and payment is for such work and (iii) the Series 2013A-3 Pledged Funds and Accounts may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Series 2013A-3 Indenture. The District shall not enter into any binding agreement with respect to the Series 2013A-2 Improvements portion of the Series 2013 Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

Events of Default

Each of the following events is an Event of Default with respect to the Series 2013 Bonds:

- (a) Any payment of Debt Service on the Series 2013 Bonds is not made when due;
- (b) The District shall for any reason be rendered incapable of fulfilling its obligations under the Indenture;
- (c) The District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of the Series 2013 Project;
- (d) The District is adjudged insolvent by a court of competent jurisdiction, or is adjudged a bankrupt on a petition in bankruptcy filed against the District, or an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the District, a receiver or trustee of the District or of the whole or any part of its property and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof;
- (e) The District shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;

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

(g) Any portion of the Series 2013 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 2013 Reserve Account to pay Debt Service on the Series 2013 Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners, actually withdraw such funds from the Series 2013 Reserve Account to pay Debt Service on the Series 2013 Bonds);

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

(i) More than twenty percent (20%) of the operation and maintenance Assessments levied by the District on tax parcels subject to Series 2013 Assessments are not paid by the date such are due and payable.

Provisions Relating to Bankruptcy or Insolvency of Landowner

(a) The provisions of Section 913 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 subject to at least three percent (3%) of the Series 2013 Assessments 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 Series 2013 Bonds were issued by the District, the Owners of the Series 2013 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:

(i) the District agrees in the Indenture that it shall seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2013 Bonds Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2013 Assessments Outstanding, the Outstanding Series 2013 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 2013 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following request for consent);

(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 Series 2013 Assessments Outstanding, the Series 2013

Bonds Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee;

(iii) the District hereby agrees that it shall seek the written consent of the Trustee prior to filing and voting in any such Proceeding;

(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 Series 2013 Assessments 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 2013 Assessments Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and

(v) the District shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the District's claim and rights with respect to the Series 2013 Assessments Outstanding or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Series 2013 Assessments Outstanding, (ii) to deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

(c) Notwithstanding the provisions of the immediately preceding paragraphs, nothing in this Section shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for Operation and Maintenance Assessments, and the District shall be free to pursue such a claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Series 2013 Assessments 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.

Re-Assessment

Pursuant to the Indenture, if any Series 2013 Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or the District shall be satisfied that any such Series 2013 Assessment is so irregular or defective that it cannot be enforced or collected, or if the District shall have omitted to make such Series 2013 Assessment when it might have done so, the District shall either: (i) take all necessary steps to cause a new Series

2013 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 2013 Assessment from legally available moneys, which moneys shall be deposited into the related Series Revenue Account. In case any such subsequent Series 2013 Assessment shall also be annulled, the District shall obtain and make other Series 2013 Assessments until a valid Series 2013 Assessment shall be made.

THE SERIES 2013 ASSESSMENTS

General

The primary sources of payment for the Series 2013 Bonds are the Series 2013 Assessments imposed on each parcel of benefited land within the District pursuant to the Series 2013 Assessment Proceedings. To the extent that landowners fail to pay such Series 2013 Assessments, delay payments, or are unable to pay the same, the prompt and successful pursuance of collection procedures available to the District will be essential to continued payment of principal and of interest of the Series 2013 Bonds. The Act provides for various methods of enforcing the collection of Delinquent Assessments by reference to other provisions of the Florida Statutes. The following is a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes, but is qualified in its entirety by reference to such statutes.

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

Chapter 170, Florida Statutes provides that the Series 2013 Assessments constitute a lien on the real property in the District coequal with all State, County, school district and municipal taxes, superior in dignity to all other liens, titles and claims on such real property. ALTHOUGH THE LIEN AND THE PROCEEDS OF THE SERIES 2013 ASSESSMENTS WILL SECURE THE SERIES 2013 BONDS, AND SAID LIEN AND PROCEEDS OF THE SERIES 2013 ASSESSMENTS ARE PLEDGED EXCLUSIVELY TO THE SERIES 2013 BONDS, THE LIEN OF THE SERIES 2013 ASSESSMENTS MAY BE ON THE SAME PROPERTY AS, AND THEREFOR OVERLAP AND BE CO-EQUAL WITH, THE LIENS IN FAVOR OF OTHER ASSESSMENTS WHICH HAVE BEEN OR MAY BE IMPOSED BY THE DISTRICT, THE COUNTY OR OTHER UNITS OF LOCAL GOVERNMENT HAVING ASSESSMENT POWERS WITHIN THE DISTRICT.

Structure and Prepayment of Series 2013 Assessments

The Series 2013 Assessments are payable in substantially equal annual installments of principal and interest over an approximately 30-year period. According to the Series 2013 Assessment Proceedings, a property owner may prepay the Series 2013 Assessments, in whole, at any time or any portion of the remaining balance of the Assessments one (1) time if there is also paid in addition to the remaining principal balance of the Assessment an amount equal to the interest that would otherwise be due on such balance on the next succeeding Interest Payment Date for the Series 2013 Bonds, or, if prepaid during the forty five day period preceding the Interest Payment Date, to the next succeeding Interest Payment Date.

The Series 2013 Bonds are subject to extraordinary mandatory redemption as indicated under “DESCRIPTION OF THE SERIES 2013 BONDS - Redemption Provisions,” from such Prepayments at the redemption price of par plus accrued interest to the date of such redemption. The prepayment of installments of Series 2013 Assessments does not entitle the owner of the property to a discount for early payment.

Assessment Methodology

The District’s Assessment Consultant has developed a Final Series 2013 Special Assessment Allocation Report for the Series 2013 Bonds that allocates a portion of the total benefit derived from the CIP which is attached hereto as APPENDIX B.

The Series 2013 Bonds are initially secured by Assessments levied on the gross property within the District; however, upon platting, the Series 2013A-1 Bonds and the Series 2013A-2 Bonds will be secured solely by Assessments on the planned 311 residential units in Phases 1-1 and 1-2, and the Series 2013A-3 Bonds will be secured solely by Assessments on the remaining unplatted property.

Collection and Enforcement of Assessments

Anything in the Indenture to the contrary notwithstanding, the District shall not be required to employ the uniform method of collection provided by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes (the “Uniform Method”), to collect the Series 2013 Assessments with respect to any tax parcel which has not been platted for its intended use and issued a separate tax parcel identification number prior to the date on which a tax roll is required to be certified to the Tax Collector.

All Series 2013 Assessments that are collected directly by the District and not pursuant to the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date. Prior to platting, the Series 2013A Assessments levied on the unplatted acreage within the District will be collected directly by the District. After platting of the unplatted acreage within the District, the District will utilize the Uniform method for the levy, collection and enforcement of the Series 2013A Assessments. The Series 2013A-3 Assessments are anticipated to be collected directly by the District until the lands subject to the Series 2013A-3 Assessment are platted.

The election to collect and enforce Series 2013 Assessments in any year pursuant to any one method shall not, to the extent permitted by law, preclude the District from electing to collect and enforce Series 2013 Assessments pursuant to any other method permitted by law in any subsequent year.

The following is a description of certain statutory provisions of assessment payment, collection and enforcement procedures appearing in the Florida Statutes but is qualified in its entirety by reference to such Florida Statutes.

When using the Uniform Method, the District must certify to the Tax Collector a non-ad valorem assessment roll by September 15 of each year. The Tax Collector will include on the tax notice issued pursuant to Section 197.3632, Florida Statutes, the dollar amount of the Series 2013 Assessments so certified. The District further intends to ensure that a written agreement with the Manatee County Property Appraiser (the “Property Appraiser”) and Tax Collector is

entered into and maintained in accordance with Section 197.3632(2), Florida Statutes, in order to permit the Series 2013 Assessments to be billed and collected by the Tax Collector pursuant to Section 197.3632, Florida Statutes. The terms of such agreements are typically for one year, automatically renewable for successive annual periods. The Series 2013 Assessments may be subject to all the collection and enforcement provisions of Chapter 197, Florida Statutes. In the event the Uniform Method of collecting the Series 2013 Assessments is not available to the District in any year, or if determined by the District to be in its best interest, the Series 2013 Assessments may be collected as is otherwise permitted by law.

The Assessment Resolutions have been or will be adopted and adjusted by the District. The Uniform Method permits up to a 4% discount for early payment of Series 2013 Assessments. The Tax Collector and Property Appraiser each charge for billing and collecting the Series 2013 Assessments, estimated to be 2.0% for the Tax Collector and 2.0% for the Property Appraiser.

The determination, order, levy and collection of the Series 2013 Assessments must be done in compliance with procedural requirements and guidelines provided by law. Failure by the District, the Tax Collector or the Property Appraiser to comply with such requirements could result in delays in the collection of, or the complete inability to collect, annual installments of Series 2013 Assessments during any year pursuant to the Uniform Method. Such delays in the collection of, or complete inability to collect, annual installments of Series 2013 Assessments pursuant to the Uniform Method or any other method could have a material adverse effect on the ability of the District to make full or punctual payment of debt service on the Series 2013 Bonds. (See "BONDOWNERS' RISKS" herein.)

Special assessments such as the Series 2013 Assessments are a lien on the land against which they are assessed until paid or barred by operation of law. Pursuant to the Act, the lien of the Series 2013 Assessments is of equal dignity with the liens for state and county taxes upon land, and thus is a first lien, superior to all other liens, including mortgages (except for state and county taxes and other taxes which are of equal dignity). The Tax Collector is to bill such taxes together with all other county taxes and the District's special assessments, and landowners in the District are required to pay all such taxes and special assessments without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2013 Assessments. Upon receipt by the Tax Collector of the Series 2013 Assessments, moneys therefrom will be deposited as provided in the Indenture.

All county, school and special district taxes, special assessments and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, including the Series 2013 Assessments levied by the District to pay principal and interest on the Series 2013 Bonds, are payable at one time, except for partial payment schedules as may be provided by Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. A taxpayer cannot designate specific line items on his or her tax bill as deemed paid in full. In such cases, the Tax Collector does not accept such partial payment and the partial payment is returned to the taxpayer. Therefore, any failure to pay any one line item, whether it be the Series 2013 Assessments or not, would cause the Series 2013 Assessments collected by this method to not be collected, which would have a significant adverse effect on the ability of the District to make full or punctual payment of debt service on the Series 2013 Bonds.

Florida law provides that, subject to certain conditions, special assessments such as the Series 2013 Assessments may be collected in the same manner as County ad valorem taxes. County ad valorem taxes for each year and non-ad valorem assessments billed by the Tax Collector are payable during the period commencing November 1 of such year and ending March 31 of the following year. If the amounts on the tax notice (including the annual installments of Series 2013 Assessments) are paid during the November following the billing or during the succeeding three months, the taxpayer is granted a discount equal to four percent (4%) in November and decreasing one percent (1%) per month to one percent (1%) in February. All unpaid taxes become delinquent on April 1 of the year following the November in which they are billed. Commencing on April 1, delinquent real property taxes are subject to interest at the rate of eighteen percent (18%) per year, calculated monthly (one and one-half percent (1.5%) per month) from the date of delinquency until a tax certificate is sold, except that a minimum charge for delinquent taxes prior to the sale of a tax certificate is three percent (3%). A tax certificate does not bear interest during the 60 day period of time following the date of delinquency, except for the three percent (3%) mandatory charge. When issued, tax certificates will bear interest at the lowest interest rate bid (not to exceed 18% per annum). Delinquent taxes may be paid at any time before a tax certificate is sold by payment of all taxes, costs, charges and interest as provided in Section 197.402, Florida Statutes. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

Pursuant to Section 197.222, Florida Statutes, taxpayers may elect to pay estimated taxes, including the Series 2013 Assessments, in quarterly payments on June 30, September 30, December 31 of the year levied and March 31 of the year following. The first three payments receive discounts of 6%, 4.5% and 3% respectively.

Certain taxpayers that are entitled to claim homestead tax exemption under Section 196.031(1), Florida Statutes, may defer payment of a portion of the Series 2013 Assessments and interest accumulated on a tax certificate. The amount of ad valorem taxes and non-ad valorem assessments which may be deferred is limited to an amount which exceeds 5% of the applicant's household income for the prior calendar year so long as the applicant is younger than 65 years old and 3% if the applicant is 65 years old or older; provided that applicants with a household income for the previous calendar year of less than \$10,000, or less than the designated amount for the additional homestead exemption under Section 196.075, Florida Statutes, and the applicant is 65 years old or older, may defer the taxes and assessments in their entirety. Any such deferred taxes and assessments bear interest at a variable rate not to exceed 7%.

Collection of delinquent taxes is, in essence, based upon the sale by the Tax Collector of "tax certificates" on the assessed parcel and the remittance to the District of the proceeds of such sale. In the event of a delinquency in the payment of taxes, the landowner may, prior to the sale of tax certificates, pay delinquent taxes plus an interest charge of up to eighteen percent (18%) per annum on the amount of delinquent taxes. If the landowner does not act, the Tax Collector is required to sell a tax certificate to the person who pays the taxes owing and interest and penalties thereon and certain costs, and who accepts the lowest interest rate (not to exceed 18% per annum) to be borne by the certificate. If there are no bidders, the County is to hold, but not pay for, tax certificates with respect to the property, bearing interest at the maximum legal rate of interest. The County may sell such certificates to the public at any time at the principal amount thereof plus interest at the rate of not more than eighteen percent (18%) per annum and a fee. The demand for such certificates is dependent upon various factors which include the interest (and the rate thereof) which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates (which may be subject to sale after 2

years at the demand of the certificate holder). The underlying market value of the property in the District should determine the demand for such property and the expectation of successful collection of delinquent annual installments of Series 2013 Assessments thereon which are the source of payment of the Series 2013 Bonds.

Any tax certificate in the hands of a person other than the County may be redeemed and canceled by anyone prior to the time a tax deed is issued or the property is placed on the list of lands available for sale. The person affecting such redemption must pay the face amount of the certificate and interest at the rate borne by the certificate plus costs and other charges. When a tax certificate is redeemed and the interest earned on the tax certificate is less than five percent (5%) of the face amount of the certificate, a mandatory minimum interest of an absolute five percent (5%) is levied upon the face value of the tax certificate. The person redeeming the tax certificate must pay the interest rate due on the certificate or the five percent (5%) mandatory minimum interest, whichever is greater. The mandatory minimum interest provision applies to all County-held tax certificates and all individual tax certificates except those with an interest rate bid of zero percent (0%). 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 below.

The private holder of a tax certificate that has not been redeemed has seven years from the date of issuance of the tax certificate in which to act against the property. After an initial period of two years from April 1 of the year of issuance of the tax certificate has passed, during which time action against the land is held in abeyance to allow for sales and redemptions of tax sales certificates, such holders may apply for a tax deed. The applicant is required to pay the Tax Collector all amounts required to redeem all other outstanding tax certificates covering the land, any omitted taxes or delinquent taxes, current taxes, if due, and interest. Thereafter, the property is advertised for public sale.

In any such public sale by the Clerk of the Court of the County (the "Clerk"), 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, and charges for cost of sale, redemption of other tax sales certificates on the land, and the amounts paid by such holder in applying for the tax deed, plus interest thereon. In the case of homestead property, the minimum bid must include, in addition to the amount of money required for the opening bid on non-homestead property, an amount equal to one-half of the assessed value of the homestead. If there are no higher bids, the holder receives title to the land, and the amounts paid for the certificate and in applying for a tax deed are credited toward the purchase price. If there are other bidders, 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 sale certificate (and all other amounts paid by such person in applying for a tax deed) are forwarded to the holder thereof or credited to such holder if he or she is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the property and then to the former title holder of the property (less service charges), lien holders of record, mortgagees of record, vendees of recorded contracts for deeds, other lien holders and persons to whom the land was assessed on the tax roll for the year in which the land was last assessed, all as their interests may appear.

If the County holds a tax certificate and has not succeeded in selling it, the County may apply for a tax deed after the County's ownership of such certificate for two years. The County

pays costs and fees to the Tax Collector but not any amount to redeem other outstanding certificates covering the land. The public bidding on non-homestead property must start at a minimum bid equal to the value of all outstanding certificates, plus omitted years' taxes, delinquent taxes, interest and all costs and fees paid by the County. The minimum bid on homestead property must also include an amount equal to one-half of the latest assessed value of the homestead. If there are no bidders, the County may purchase the land for the opening minimum bid. After ninety days, any person or governmental unit may purchase the land without further notice or advertising by paying the opening minimum bid to the County. Taxes and any non-ad valorem special assessments accruing after the date of public sale do not require repetition of this process, but are added to the required minimum bid. Three years after the date of public sale, unsold lands escheat to the County and all tax certificates and liens against the property will be canceled and the Clerk will execute a tax deed vesting title in the County.

Neither the District nor the Underwriter can give any assurance to the owners of the Series 2013 Bonds (1) that the past experience of the County with regard to tax and special assessment delinquencies is applicable in any way to the Series 2013 Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2013 Assessments, (3) that a market will exist in the future for the aforementioned tax certificates in the event of sale of such certificates for taxable units within the District, or (4) that 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 2013 Indenture to discharge the lien of Series 2013 Assessments and all other liens that are coequal therewith.

Collection Through Lien Foreclosure

After platting, it is anticipated the Series 2013 Assessments for the Series 2013 Bonds will be collected using the Uniform Method as referred to above. It is anticipated that Series 2013 Assessments on lands which have not yet been platted will be collected by the District directly, rather than using the Uniform Method. The District has covenanted in the Indenture to assess, levy, collect or cause to be collected and enforce the payment of Series 2013 Assessments in the manner prescribed by the Indenture and all resolutions, ordinances or laws thereunto appertaining and pay or cause to be paid to the Trustee the proceeds of Series 2013 Assessments for deposit in the Series 2013A Revenue Account and Series 2013A-3 Revenue Account, as applicable, as received.

Section 170.10, Florida Statutes provides that upon the failure of any property owner to pay all or any part of the principal of a special assessment or the interest thereon, when due, the governing body of the entity levying the assessment is authorized to commence legal proceedings for the enforcement of the payment thereof, including commencement of an action in chancery, commencement of a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or commencement of an action under Chapter 173, Florida Statutes, relating to foreclosure of municipal tax and special assessment liens.

THERE CAN BE NO ASSURANCE THAT ANY SALE, PARTICULARLY A BULK SALE, OF LAND SUBJECT TO DELINQUENT ASSESSMENTS WILL PRODUCE PROCEEDS SUFFICIENT TO PAY THE FULL AMOUNT OF SUCH DELINQUENT ASSESSMENTS PLUS OTHER DELINQUENT TAXES AND ASSESSMENTS APPLICABLE THERETO. ANY SUCH DEFICIENCY COULD RESULT IN THE INABILITY OF THE DISTRICT TO REPAY, IN FULL, THE PRINCIPAL OF AND INTEREST ON THE SERIES 2013 BONDS.

Enforcement of the obligation to pay Series 2013 Assessments and the ability to foreclose the lien created by the failure to pay Series 2013 Assessments, or the ability of the Tax Collector to sell tax certificates and ultimately tax deeds, may not be readily available or may be limited as such enforcement is dependent upon judicial actions which are often subject to discretion and delay.

ESTIMATED SOURCES AND USES OF BOND PROCEEDS

Sources:

Par Amount of Series 2013A-1 Bonds	\$3,430,000.00
Par Amount of Series 2013A-2 Bonds	2,585,000.00
Par Amount of Series 2013A-3 Bonds	<u>2,500,000.00</u>
Total Sources	\$8,515,000.00

Uses:

Deposit to Series 2013A Acquisition and Construction Subaccount	\$4,946,612.81
Deposit to Series 2013A-1 Capitalized Interest Account	197,656.67
Deposit to Series 2013A-1 Reserve Account	273,912.50
Deposit to Series 2013A Costs of Issuance Account	127,152.08
Deposit to Series 2013A-2 Capitalized Interest Account	145,890.94
Deposit to Series 2013A-2 Reserve Account	203,475.00
Deposit to Series 2013A-3 Acquisition and Construction Subaccount	2,038,625.69
Deposit to Series 2013A-3 Capitalized Interest Account	151,545.14
Deposit to Series 2013A-3 Reserve Account	206,981.25
Deposit to Series 2013A-3 Costs of Issuance Account	52,847.92
Underwriter's Discount	<u>170,300.00</u>
Total Uses	\$8,515,000.00

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The following table sets forth the scheduled debt service on the Series 2013 Bonds:

DEBT SERVICE REQUIREMENTS

<u>Period Ending November 1</u>	<u>Series 2013A-1 Principal</u>	<u>Series 2013A-1 Interest</u>	<u>Series 2013A-2 Principal</u>	<u>Series 2013A-2 Interest</u>	<u>Series 2013A-3 Principal</u>	<u>Series 2013A-3 Interest</u>	<u>Total Series 2013 Debt Service</u>
2014	-	\$197,656.67	-	\$145,890.94	-	\$151,545.14	\$495,092.75
2015	\$35,000	235,218.75	\$30,000	173,475.00	\$25,000	180,343.75	679,037.50
2016	40,000	232,687.50	30,000	171,450.00	25,000	178,531.25	677,668.75
2017	40,000	229,987.50	30,000	169,425.00	30,000	176,537.50	675,950.00
2018	45,000	227,118.75	35,000	167,231.25	30,000	174,362.50	678,712.50
2019	50,000	223,912.50	35,000	164,868.75	30,000	172,187.50	675,968.75
2020	50,000	220,537.50	40,000	162,337.50	35,000	169,831.25	677,706.25
2021	55,000	216,993.75	40,000	159,637.50	35,000	167,293.75	673,925.00
2022	60,000	213,112.50	45,000	156,768.75	40,000	164,575.00	679,456.25
2023	65,000	208,893.75	45,000	153,731.25	45,000	161,493.75	679,118.75
2024	65,000	204,506.25	50,000	150,525.00	45,000	158,231.25	673,262.50
2025	70,000	199,950.00	55,000	146,981.25	50,000	154,787.50	676,718.75
2026	75,000	195,056.25	60,000	143,100.00	55,000	150,981.25	679,137.50
2027	80,000	189,825.00	60,000	139,050.00	60,000	146,812.50	675,687.50
2028	85,000	184,256.25	65,000	134,831.25	60,000	142,462.50	671,550.00
2029	95,000	178,181.25	70,000	130,275.00	65,000	137,931.25	676,387.50
2030	100,000	171,600.00	75,000	125,381.25	70,000	133,037.50	675,018.75
2031	105,000	164,681.25	80,000	120,150.00	75,000	127,781.25	672,612.50
2032	115,000	157,256.25	85,000	114,581.25	85,000	121,981.25	678,818.75
2033	120,000	149,325.00	90,000	108,675.00	90,000	115,637.50	673,637.50
2034	130,000	140,887.50	100,000	102,262.50	95,000	108,931.25	677,081.25
2035	140,000	131,600.00	105,000	95,343.75	105,000	101,681.25	678,625.00
2036	150,000	121,450.00	115,000	87,918.75	110,000	93,887.50	678,256.25
2037	160,000	110,600.00	120,000	79,987.50	120,000	85,550.00	676,137.50
2038	170,000	99,050.00	130,000	71,550.00	130,000	76,487.50	677,087.50
2039	185,000	86,625.00	140,000	62,437.50	135,000	66,881.25	675,943.75
2040	200,000	73,150.00	150,000	52,650.00	145,000	56,731.25	677,531.25
2041	210,000	58,800.00	160,000	42,187.50	160,000	45,675.00	676,662.50
2042	230,000	43,400.00	170,000	31,050.00	170,000	33,712.50	678,162.50
2043	245,000	26,775.00	180,000	19,237.50	185,000	20,843.75	676,856.25
2044	260,000	9,100.00	195,000	6,581.25	195,000	7,068.75	672,750.00
Total	\$3,430,000	\$4,902,194.17	\$2,585,000	\$3,589,572.19	\$2,500,000	\$3,783,795.14	\$20,790,561.50

BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds secured by special assessments issued by a public authority or governmental body in the State of Florida. Certain of these risks are described in the section above entitled "THE SERIES 2013 ASSESSMENTS"; however, certain additional risks are associated with the Series 2013 Bonds offered hereby. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2013 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum including all appendices hereto in its entirety to identify investment considerations relating to the Series 2013 Bonds.

(a) Until further development takes place in the Development, payment of the Series 2013 Assessments is dependent upon their timely payment by the Developer. At closing of the sale of the Series 2013 Bonds, the 2013A Assessment Area and the Series 2013A-3 Assessed Lands will continue to be owned by the Developer. In the event of the institution of bankruptcy or similar proceedings with respect to the Developer or any other subsequent significant owner of property within the District, delays could most likely occur in the payment of Debt Service on the Series 2013 Bonds as such bankruptcy could negatively impact the ability of: (i) the Developer and any other landowner being able to pay the Series 2013 Assessments; (ii) the District to foreclose the lien on the Series 2013 Assessments if tax certificates are not sold; and (iii) the County to sell tax certificates in relation to such property (in the case of (ii) and (iii) to the extent that any portion of the Series 2013 Assessments are being collected by the Uniform Method). In addition, the remedies available to the Beneficial Owners of the Series 2013 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, during a bankruptcy of the Developer, the remedies specified by federal, state and local law and in the Indenture and the Series 2013 Bonds, including, without limitation, enforcement of the obligation to pay the Series 2013 Assessments may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2013 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available respecting the Series 2013 Bonds could have a material adverse impact on the interest of the Beneficial Owners thereof. The failure of a landowner to pay the required Series 2013 Assessments on its property will not result in an increase in the amount of Series 2013 Assessments other landowners are or would be required to pay.

(b) A recent bankruptcy court decision in Florida held that only the governing body of such district could vote to approve a reorganization plan submitted by the developer/debtor in the case and thus, the bondholders of such district were not able to vote for or against the plan. The governing body of that district was affiliated with the debtor. As a result of the reorganization plan that was approved, the bondholders were denied payment of their bonds for over two (2) years. The Series 2013 Indenture contains special provisions related to the bankruptcy or insolvency of a landowner that are detailed herein in the subsection "Provisions Relating to Bankruptcy or Insolvency of Landowner" under the heading "SECURITY FOR AND SOURCE OF PAYMENT OF BONDS." The District cannot express any view or guaranty that such provisions will be enforceable.

(c) The principal security for the payment of the principal of and interest on the Series 2013 Bonds is the timely collection of the Series 2013 Assessments. The Series 2013 Assessments do not constitute a personal indebtedness of the owners of the land subject thereto, but are secured only by a lien on such land. The Developer expects to proceed in its normal course of business to develop lots and build homes to sell to end user. There is no assurance that the subsequent owners of this land will be able to pay the Series 2013 Assessments or that they will pay such Series 2013 Assessments even though financially able to do so. Beyond legal delays that could result from bankruptcy, the ability of the County to sell tax certificates (to the extent that any portion of the Series 2013 Assessments are being collected by the Uniform Method) will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two years. The determination of the benefits to be received by the land within the District as a result of implementation and development of the Series 2013 Project is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. In other words, the value of the land could potentially be ultimately less than the debt secured by the Series 2013 Assessments associated with it. To the extent that the realizable or market value of the land is lower than the assessment of benefits, the ability of the County to sell tax certificates relating to such land may be adversely affected (to the extent that any portion of the Series 2013 Assessments are being collected by the Uniform Method). Such adverse effect could render the District unable to collect Delinquent Assessments, if any, and could negatively impact the ability of the District to make the full or punctual payment of Debt Service on the Series 2013 Bonds. The payment of the annual Series 2013 Assessments and the ability of the Tax Collector to sell tax certificates or the District to foreclose the lien of the unpaid taxes, including the Series 2013 Assessments, may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to court foreclosure. Bankruptcy of a property owner will most likely also result in a delay by the Tax Collector or the District in prosecuting court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of principal of and interest on the Series 2013 Bonds.

(d) The District is required to comply with statutory procedures in levying the Series 2013 Assessments. Failure of the District to follow these procedures could result in the Series 2013 Assessments not being levied or potential future challenges to such levy. See "SECURITY FOR AND SOURCE OF PAYMENT OF BONDS" herein.

(e) From roughly 2006 to 2012, the residential real estate market in Florida experienced historically high levels of foreclosure for existing homes. The area in which the Development is located has experienced foreclosures as well as drops in the value of homes, although such values are now on the rise. In addition, the market for subprime lending which was an integral part of real estate sales prior to 2007, essentially evaporated and is only now resurging, which in turn impacts the ability of borrowers to obtain financing. No prediction can be made when such economic or market conditions will improve.

(f) The District has not granted, and may not grant under Florida law, a mortgage or security interest in the Series 2013 Project. Furthermore, the District has not pledged the revenues, if any, from the operation of the Series 2013 Project as security for, or a source of payment of, the Series 2013 Bonds. Neither has the District covenanted to establish rates, fees and charges for the Series 2013 Project at any specified levels. The Series 2013 Bonds are payable solely from, and secured solely by, the Series 2013 Assessments. The Developer's

obligation to pay the Series 2013 Assessments is limited solely to the obligation of any landowner to pay Series 2013 Assessments levied against its land. The Developer is not a guarantor of payment of any Series 2013 Assessments and the recourse for the Developer's failure to pay the Series 2013 Assessments, like any landowner, is limited to the collection proceedings against the land owned by the Developer which is subject to the Series 2013 Assessments.

(g) In addition to legal delays that could result from bankruptcy, the ability of the District to enforce collection of delinquent Series 2013 Assessments will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the Series 2013 Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. If the District has difficulty in collecting the Series 2013 Assessments, the Series 2013A-1 Reserve Account and the Series 2013A-2 Reserve Account for the Series 2013A Bonds and the Series 2013A-3 Reserve Account for the Series 2013A-3 Bonds could be rapidly depleted and the ability of the District to pay debt service could be materially adversely affected.

(h) Some of the risk factors described herein, which, if materialized, would result in a delay in the collection of the Series 2013 Assessments, may not affect the timely payment of debt service on the Series 2013 Bonds because of the Series 2013A Reserve Account established by the District for the Series 2013A Bonds and the Series 2013A-3 Reserve Account established by the District for the Series 2013A-3 Bonds. The ability of the Series 2013A Reserve Account and the Series 2013A-3 Reserve Account, as applicable, to fund deficiencies caused by delinquent Series 2013 Assessments is dependent upon the amount, duration and frequency of such deficiencies. Moneys on deposit in the Series 2013A Reserve Account and the Series 2013A-3 Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys available in the Series 2013A Reserve Account and the Series 2013A-3 Reserve Account to make up deficiencies.

(i) Owners should note that although the Indenture contains a Series 2013A Reserve Account Requirement and a Series 2013A-3 Reserve Account Requirement for the Series 2013A Reserve Account and the Series 2013A-3 Reserve Account, respectively, and a corresponding obligation on the part of the District to replenish the Series 2013A Reserve Account and the Series 2013A-3 Reserve Account to the Series 2013A Reserve Account Requirement and the Series 2013A-3 Reserve Account Requirement, respectively, if in fact those accounts are accessed for any purpose, the District does not have a designated revenue source for replenishing that fund. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2013 Assessments in order to provide for the replenishment of the Series 2013A Reserve Account and the Series 2013A-3 Reserve Account.

(j) The willingness and/or ability of an owner of land within the Development to pay the Series 2013 Assessments could be affected by the existence of other taxes and assessments imposed upon the property by the District, the County or other governmental entities with jurisdiction over the District. Public entities whose boundaries overlap those of the District, such as the County, the Manatee County School District and other special districts, could, without the consent of the owners of the land within the Development, impose additional taxes or assessments on the property within the Development. County, municipal, school, special district taxes and assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, including the Series 2013 Assessments, are payable at

one time. As referenced above, if a taxpayer does not make complete payment, he or she cannot designate specific line items on the tax bill as deemed paid in full. In such case, the Tax Collector does not accept such partial payment. Therefore, any failure to pay any one line item, whether or not it is the Series 2013 Assessments, would cause the Series 2013 Assessments not to be collected to that extent, which could have a significant adverse impact on the District's ability to make full or punctual payment of debt service on the Series 2013 Bonds. 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 or assessments on the property within the District. As referenced herein, the District may also impose additional assessments which could encumber the property burdened by the Series 2013 Assessments.

(k) Florida law provides a procedure whereby a taxpayer may contest a "tax assessment." It is unclear whether this procedure applies to non-ad valorem assessments such as the Series 2013 Assessments and there are judicial decisions that support both views. Under the procedure, a taxpayer may bring suit to contest a "tax assessment" if the taxpayer pays the amount of "tax" that the taxpayer admits to owing, and upon the making of such payment, all procedures for the collection of the unpaid taxes are suspended until the suit is resolved. If it is determined that the procedure applies to non-ad valorem assessments such as the Series 2013 Assessments, then it is possible that as a result of a challenge to such assessments, the collection procedures described above under the caption "SECURITY FOR AND SOURCE OF PAYMENT OF BONDS – Enforcement and Collection of Series 2013 Assessments" could be held in abeyance until the challenge is resolved. This would result in a delay in the collection of the Series 2013 Assessments which could have a material and adverse affect upon the ability of the District to timely pay debt service on the Series 2013 Bonds.

(l) The proposed Development may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer. Although the Developer expects to develop lots and build homes to sell to end users, there can be no assurance that such sales will occur or be realized in the manner currently anticipated. In addition, the proposed development of the Development is subject to comprehensive federal, state, and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of required public improvements, both public and private, and construction of the Series 2013 Project in accordance with applicable zoning, land use and environmental regulations for the Development. Although no delays are anticipated, failure to obtain any such approvals in a timely manner could delay or adversely affect the development of the Development, which may negatively impact the Developer's desire or ability to develop the Development as contemplated. See "APPENDIX A – REPORT OF DISTRICT ENGINEER" attached hereto for a discussion of permits and approvals.

(m) The Series 2013 Bond proceeds will not be sufficient to finance the completion of the CIP. The portions of the CIP not funded with proceeds of the Series 2013 Bonds have been, and will continue to be, funded with proceeds from the Developer. See, "THE DEVELOPMENT – Land Acquisition/Developer Financing" herein. Further, it is anticipated that the District will issue its Future Bonds to acquire and/or construct additional portions of the CIP. Pursuant to the Completion Agreement to be executed at closing, the Developer will agree to fund any remaining costs of the CIP (by providing funds to the District to enable it to complete the CIP or by completing such portions of the CIP and conveying them to the District); however, such obligations are unsecured. There is no assurance that the Developer will be able to pay, or

arrange to pay, for the cost of any of these improvements or that the District will issue its Future Bonds.

(n) Except to the extent described in this Limited Offering Memorandum under the captions "THE DEVELOPMENT" and "THE DEVELOPER," the District has not been provided information regarding the Developer and has not undertaken to independently verify or confirm any such information.

(o) Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the Owners of the Series 2013 Bonds should it be necessary to institute proceedings due to the nonpayment of the Series 2013 Assessments. Failure to complete or substantial delays in the completion of the development of the Development due to litigation or other causes may reduce the value of the lands in the District and increase the length of time during which Series 2013 Assessments will be payable from undeveloped property and may affect the willingness and ability of the landowners to pay the Series 2013 Assessments when due.

(p) The interest rate borne by the Series 2013 Bonds is, in general, higher than interest rates borne by other bonds of political subdivisions that do not involve the same degree of risk as investment in the Series 2013 Bonds. These higher interest rates are intended to compensate investors in the Series 2013 Bonds for the risk inherent in a purchase of the Series 2013 Bonds. However, such higher interest rates, in and of themselves, increase the amount of Series 2013 Assessments that the District must levy in order to provide for payments of debt service on the Series 2013 Bonds, and, in turn, may increase the burden upon owners of lands within the District, thereby possibly increasing the likelihood of non-payment or delinquency in payment of such Series 2013 Assessments.

(q) The Series 2013 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2013 Bonds in the event an Owner thereof determines to solicit purchasers of the Series 2013 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2013 Bonds may be sold. Such price may be lower than that paid by the current Owner of the Series 2013 Bonds, depending on the progress of the Development, existing market conditions and other factors.

(r) The Indenture does not provide for any adjustment to the interest rate(s) borne by the Series 2013 Bonds in the event of a change in the tax-exempt status of the Series 2013 Bonds. Such a change could occur as a result of the District's failure to comply with tax covenants contained in the Indenture or due to a change in the United States income tax laws.

The IRS is examining certain bonds issued by Village Center Community Development District ("Village Center"). The IRS's Chief Counsel has advised Village Center, through the issuance of a Technical Advice Memorandum (TAM-127670-12), that the Chief Counsel has concluded that Village Center is not a political subdivision for purposes of Section 103(a) because Village Center was organized and operated to perpetuate private control and avoid indefinitely responsibility to a public electorate, either directly or through another elected State or local governmental body. Although all current members of the Board of Supervisors of the District were elected by the Developer, as the sole landowner in the District, the District was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by the general electorate. It is not possible to predict when the IRS's

examinations of the Village Center bonds will be concluded, the outcome of the examinations and the impact, if any, of such outcome on the District and/or the Series 2013 Bonds. See “THE DISTRICT - IRS Examination of Village Center CDD and Related Matters” herein.

There is no assurance that an audit by the IRS of the Series 2013 Bonds will not be commenced. Owners of the Series 2013 Bonds are advised that, if the IRS does audit the Series 2013 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 2013 Bonds may have limited rights to participate in such procedure.* The commencement of such an audit could adversely affect the market value and liquidity of the Series 2013 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 2013 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. An adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2013 Bonds may adversely impact any secondary market for the Series 2013 Bonds, and, if a secondary market exists, will likely adversely impact the price for which the Series 2013 Bonds may be sold.

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 2013 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2013 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 2013 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2013 Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been made and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2013 Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of the Series 2013 Bonds.

(s) While the District has represented to the Underwriter that it has selected its District Manager, District Counsel, District Engineer, Trustee and other professionals with the appropriate due diligence and care, and while the foregoing parties have each represented in their respective areas as having the requisite experience to accurately and timely perform the duties assigned to them in such roles, the District does not guaranty any portion of the performance of these parties.

(t) The value of the land within the District, the success of the Development and the likelihood of timely payment of principal and interest on the Series 2013 Bonds could be affected by environmental factors with respect to the lands in the District. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of

* Owners of the Series 2013 Bonds are advised to consult with their own tax advisors regarding their rights (if any) with respect to such audit.

the lands in the District, which could materially and adversely affect the success of the Development and the likelihood of timely payment of the Series 2013 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.

This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2013 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety, to visit the District and to ask questions of representatives of the District to obtain a more complete description of investment considerations relating to the Series 2013 Bonds.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, the form of which is included as APPENDIX D hereto, the interest on the Series 2013 Bonds is excludable from gross income and is not a specific item of tax preference for federal income tax purposes under existing statutes, regulations, rulings and court decisions. However, interest on the Series 2013 Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). Failure by the District to comply subsequently to the issuance of the Series 2013 Bonds with certain requirements of the Code, regarding the use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2013 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue. 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 2013 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 2013 Bonds, including, among other things, restrictions relating to the use of investment of the proceeds of the Series 2013 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2013 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2013 Bonds being included in gross income for federal income tax purposes retroactive to their date of issue.

Collateral Tax Consequences

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2013 Bonds. Prospective purchasers of the Series 2013 Bonds should be aware that the ownership of the Series 2013 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2013 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 2013 Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2013 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2013 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 2013 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL OR CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Bank Qualified Obligations

The District has designated the Series 2013 Bonds as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3)(B) of the Code, which may be treated pursuant to Section 265(b)(3)(A) of the Code as being acquired on August 7, 1986 for purposes of the application of Section 265(b)(2) of the Code in the case of certain financial institutions owning the Series 2013 Bonds. Any change in the findings and facts set forth in Resolution No. 2013-9 of the District adopted on August 1, 2013, and in the certifications of the District delivered at the closing with respect to the Series 2013 Bonds and relating to such designation could adversely impact the status of the Series 2013 Bonds as “qualified tax-exempt obligations.”

Florida Taxes

In the opinion of Bond Counsel, the Series 2013 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 2013 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2013 Bonds should consult their tax advisors as to the income tax status of interest on the Series 2013 Bonds in their particular state or local jurisdictions.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2013 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2013 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 2013 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 2013 Bonds.

Additional Matters Relating to Special Districts

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

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

The Board of Supervisors of the District is necessarily elected by the landowners in the District, since there is not yet in existence the public infrastructure to support residents. The Act, which contains the uniform statutory charter for all community development districts, by which the District is governed delegates to the District traditional sovereign powers including, but not limited to, eminent domain, ad valorem taxation and regulatory authority over zoning and building codes and rates, fees and charges for district facilities. On the basis of the Act and certain representations by the landowner forming a part of the District's tax certificate as to reasonable expectations of transition to a resident elected board of supervisors and, therefore, it does not appear from the facts and circumstances that the District was organized to avoid indefinitely responsibility to a public electorate. On the basis of the foregoing and other factors, Bond Counsel has concluded that under current law the District is a political subdivision for purposes of Section 103 of the Code, notwithstanding that its Board of Supervisors is temporarily elected by landowners. Bond counsel intends to deliver its unqualified approving opinion in the form attached hereto as "APPENDIX D - Form of Bond Counsel Opinion."

The release of the Villages TAM may cause an increased risk of examination of the Series 2013 Bonds. Owners of the Series 2013 Bonds are advised that, if the IRS does audit the Series 2013 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 2013 Bonds may have limited rights to participate in such procedure. The Indenture does not provide for any adjustment to the interest rates borne by the Series 2013 Bonds in the event of a change in the tax-exempt status of the Series 2013 Bonds. The commencement of an audit or an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2013 Bonds would adversely impact both liquidity and pricing of the Series 2013 Bonds in the secondary market. See also "BONDOWNERS' RISKS" paragraphs (p) and (q).

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (the "Disclosure Act") requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975. The District was established on August 16, 2007, and has issued no bonds prior to the issuance of the Series 2013 Bonds.

NO RATING OR CREDIT ENHANCED

The Series 2013 Bonds are neither rated nor credit enhanced. No application for a rating or credit enhancement with respect to the Series 2013 Bonds was made.

VALIDATION

The Bonds issued pursuant to the terms of the Master Indenture, which includes the Series 2013 Bonds, were validated by a Final Judgment of the Circuit Court in and for Manatee County, Florida, entered October 12, 2007. The appeal period from such final judgment has expired with no appeal being filed.

LITIGATION

The District

There is no pending or, to the knowledge of the District, any threatened litigation against the District of any nature whatsoever which in any way questions or affects the validity of the Series 2013 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the execution of the Indenture. Neither the creation, organization or existence, nor the title of the present members of the Board of Supervisors or the District Manager is being contested.

From time to time, the District expects to experience routine litigation and claims incidental to the conduct of its affairs. In connection with the issuance and sale of the Series 2013 Bonds, District Counsel will represent to the District that there is no litigation of any nature now pending, or to the knowledge of the District, threatened, against the District which could reasonably be expected to have a material adverse effect on the availability of the Series 2013A Trust Estate or the Series 2013A-3 Trust Estate, as applicable, or the ability of the District to pay the Series 2013 Bonds from the Series 2013A Trust Estate or the Series 2013A-3 Trust Estate, as applicable. From time to time, the District is party to other various legal proceedings which individually are not expected to have a material and adverse effect on the operations or financial condition of the District, but may, in the aggregate, have a material impact thereon.

The Developer

In connection with the issuance of the Series 2013 Bonds, the Developer will represent to the District that there is no litigation of any nature now pending or, to the knowledge of the Developer, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Developer to complete the Development as described herein, materially and adversely affect the ability of the Developer to pay the Series 2013 Assessments imposed against the land within the District owned by the Developer or materially and

adversely affect the ability of the Developer to perform its various obligations described in this Limited Offering Memorandum.

CONTINUING DISCLOSURE

In order to comply with the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "SEC Rule"), the District, the Developer and Prager & Co., LLC, as dissemination agent (the "Dissemination Agent") will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement"), the form of which is attached hereto as APPENDIX E. Pursuant to the Disclosure Agreement, the District has covenanted for the benefit of Bondholders to provide to the Dissemination Agent certain financial information and operating data relating to the District and the Series 2013 Bonds in each year (the "District Annual Report"), and to provide notices of the occurrence of certain enumerated material events. Such covenant by the District shall only apply so long as the Series 2013 Bonds remain outstanding under the Indenture.

Pursuant to the Disclosure Agreement, the Developer has covenanted for the benefit of Bondholders to provide to the District and the Dissemination Agent certain financial information and operating data relating to the Developer and the Development in each year, except if the Developer is a reporting company such reports will be filed quarterly on its date of filing its respective 10K or 10Q, as the case may be (the "Developer Report"). Such covenant by the Developer will apply only until the earlier to occur of (x) the payment and redemption of the Series 2013 Bonds, or (y) the date on which the Developer owns less than twenty (20) percent of the real property encumbered by the Series 2013 Assessments that secure the Series 2013 Bonds; provided, however, that the Developer has covenanted and agreed with the District that such covenant will run with the land to the extent that any successor in interest which holds the land for development shall assume the continuing disclosure obligations of the Developer.

The District Annual Report and the Developer Report (together, the "Reports") will each be filed by the Dissemination Agent with the Municipal Security Rulemaking Board's Electronic Municipal Markets Access ("EMMA") repository described in the form of the Disclosure Agreement attached hereto as APPENDIX E. The notices of material events will also be filed by the District with EMMA. The specific nature of the information to be contained in the Reports and the notices of material events are described in APPENDIX E. The Disclosure Agreement will be executed by the District, the Developer and the Dissemination Agent at the time of issuance of the Series 2013 Bonds. The foregoing covenants have been made in order to assist the Underwriter in complying with the SEC Rule.

For the immediately preceding five fiscal years ending September 30 the District has not been a party to any continuing disclosure undertaking. With respect to the Series 2013 Bonds, no parties other than the District and the Developer are obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the SEC Rule.

UNDERWRITING

The Underwriter will agree, pursuant to a contract to be entered into with the District, subject to certain conditions, to purchase the Series 2013 Bonds from the District at an aggregate purchase price of \$8,344,700.00 (including Underwriter's discount of \$170,300.00). See "ESTIMATED SOURCES AND USES OF BOND PROCEEDS" herein. The Underwriter's

obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all the Series 2013 Bonds if any are purchased.

The Underwriter intends to offer the Series 2013 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 Underwriter may offer and sell the Series 2013 Bonds to certain dealers (including dealers depositing the Series 2013 Bonds into investment trusts) at prices lower than the initial offering prices and such initial offering prices may be changed from time to time by the Underwriter.

LEGAL MATTERS

The Series 2013 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, as to the validity of the Series 2013 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams, P.A., Tallahassee, Florida, for the Developer by its counsel, GrayRobinson, P.A., Tampa, Florida and Grimes, Goeble, Grimes, Hawkins, Gladfelter & Galvano, P.L, Bradenton, Florida, for the Trustee by its counsel, Foley & Lardner LLP, Jacksonville, Florida and for the Underwriter by its counsel, Bryant Miller Olive P.A., Orlando, Florida.

AGREEMENT BY THE STATE

Under the Act, the State of Florida pledges to the holders of any bonds issued thereunder, including the Series 2013 Bonds, that it will not limit or alter the rights of the issuer of such bonds to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

NO FINANCIAL STATEMENTS

The District was established pursuant to the Ordinance and became effective August 16, 2007. Since its establishment, the District has not issued any debt nor levied any capital Assessments. Therefore, no financial statements for the District are attached to this Limited Offering Memorandum.

EXPERTS AND CONSULTANTS

The references herein to Stantec Consulting Services Inc. as the District Engineer have been approved by said firm. The Engineer's Report prepared by such firm relating to the CIP and Series 2013 Project, has been included as APPENDIX A attached hereto in reliance upon such firm as an expert in engineering. References to and excerpts herein from such Engineer's Report do not purport to be adequate summaries of such CIP and Series 2013 Project or complete in all respects. Such Engineer's Report is an integral part of this Limited Offering Memorandum and should be read in its entirety for complete information with respect to the subjects discussed therein.

The references herein to Rizzetta & Company, Inc. as Assessment Consultant have been approved by said firm. The Assessment Consultant's Assessment Report prepared by such firm relating to the issuance of the Series 2013 Bonds has been included as APPENDIX B attached hereto in reliance upon such firm as an expert in developing assessment methodologies. References to and excerpts herein from such report do not purport to be adequate summaries of such report or complete in all respects. Such report is an integral part of this Limited Offering Memorandum and should be read in its entirety for complete information with respect to the subjects discussed therein.

CONTINGENT AND OTHER FEES

The District has retained a District Engineer, Bond Counsel, Issuer's Counsel, the Assessment Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (who has retained Trustee's Counsel), with respect to the authorization, sale, execution and delivery of the Series 2013 Bonds. Payment of the fees of such professionals, except for the payment of fees to District Counsel and the District Engineer, are each contingent upon the issuance of the Series 2013 Bonds.

MISCELLANEOUS

Any statements made in this Limited Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Limited Offering Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2013 Bonds.

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

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District from the date hereof. However, certain parties to the transaction, including the District, will, on the closing date of the Series 2013 Bonds, deliver certificates to the effect that nothing has come to their attention that would lead them to believe that applicable portions of the Limited Offering Memorandum contain an untrue statement of a material fact or omit to state a material fact that should be included herein for the purpose for which the Limited Offering Memorandum is intended to be used, or that is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading and to the effect that from the date of the Limited Offering Memorandum to the date of closing of the Series 2013 Bonds that there has been no material adverse change in the information provided.

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

**ARTISAN LAKES COMMUNITY
DEVELOPMENT DISTRICT**

By: /s/ Andrew Miller
Its: Chair

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APPENDIX A

Report of District Engineer

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Report of the District Engineer

**ARTISAN LAKES
COMMUNITY DEVELOPMENT DISTRICT
PHASE 1 CAPITAL IMPROVEMENT PROGRAM**

Prepared For:

**Artisan Lakes Community Development District
Board of Supervisors
Manatee County, Florida**

**July 23, 2007
Supplemental November 15, 2013
Supplemental November 26, 2013**

Prepared By:

**Stantec Consulting Services Inc.
2205 North 20th Street
Tampa, Florida 33605**



Stantec

I. INTRODUCTION

The Artisan Lakes Community Development District (the "District") encompasses approximately 854 +/- acres within Sections 9, 16 and 17, Township 33 South, Range 18 East, Manatee County, Florida (the "County"). The District is bound on the west by 40th Street, on the east by I-75, and Grass Farm Road, on the south by Moccasin Wallow Road, and on the north by Buckeye Road.

II. PURPOSE

The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of all, or a portion of the, public infrastructure to be constructed within, or abutting, the District. The subdivision has been divided into multiple phases with portions of the infrastructure partially constructed. The purpose of this report is to provide a description of the public improvements and community facilities to be financed and/or acquired by the District within the Phase 1 portion of the subdivision which is known as Esplanade at Artisan Lakes ("Esplanade").

This report describes the public and private Capital Improvement Programs ("CIP") within Esplanade. The District intends to issue one or more series of bonds ("Bonds") to acquire and/or construct a portion of the public component of the CIP, and Taylor Woodrow Communities at Artisan Lakes, LLC (the "Developer"), the property owner, will be responsible for funding and completing the private infrastructure within Esplanade, as well as that portion of the public infrastructure not funded with bond proceeds.

III. DESCRIPTION OF DEVELOPMENT

The District is within:

- 1) the Gateway North (A/K/A Property Reserve, Inc.) Development of Regional Impact (D.R.I.) No. 21 – Gateway North (amended and approved by Manatee County Board of County Commissioners (BOCC) on August 23, 2005), and
- 2) Manatee County's approved Ordinance No. PDMU-91-01(G)(R3), (Amended and Adopted on 8/23/2005).

The Developer is currently modifying these approvals in order to update the transportation analysis and change the originally required off-site transportation improvements for the overall development. However, such modification will not affect the Developer's ability to develop Esplanade as currently planned. The District is currently planned to total 1,844 single family lots with Esplanade containing 807 of those units.

IV. CONSTRUCTION AND CONSTRUCTION PERMITTING STATUS

The partially constructed infrastructure that has been constructed since 2008 includes the following:

- 1) approximately 6500 l.f. of the public Artisan Lakes Parkway and its associated sanitary sewer collection systems, potable water system, storm sewer systems, and reclaimed water system,
- 2) subdivision infrastructure, including private roads, subdivision public potable water and sanitary sewer collection systems, on both the north and south side of Artisan Lakes Parkway that will serve more than the 807 units that is now planned in Esplanade,
- 3) the public storm sewer systems and stormwater management systems,
- 4) a private clubhouse located on Moccasin Wallow Road that is planned to be owned by a Property Owners' Association, and
- 5) public off-site intersection improvements at Moccasin Wallow Road.

Since some public infrastructure is partially constructed, we have obtained a summary of the status of construction permits to make sure the infrastructure can be properly conveyed and accepted for operation and maintenance. The infrastructure associated with the first phase of Esplanade containing 184 units is currently being inspected and repaired in order for the District, Property Owners' Association, and the County to accept each one's improvements for ownership, operation, and maintenance. All of the storm sewer systems and stormwater management ponds within Esplanade are being inspected and repaired and will be certified by the Engineer of Record so that the District can acquire the systems in their entirety to take over the long term maintenance. In discussions with the Engineer of Record who is coordinating the inspection of the existing improvements, we understand that the condition of the infrastructure is good and in need of minor repair work.

The current active infrastructure construction permits for Esplanade Phase 1 containing 184 units include the Florida Department of Environmental Protection (FDEP) Water and Wastewater Permits and the Southwest Florida Water Management District (SWFWMD) Environmental Resource Permit (ERP), which is currently being renewed. The County is finalizing their review of the Preliminary Plat / Final Site Plan / Construction Plans with an approval expected within the next 30 days.

The construction environmental permits and permitting agencies associated with Esplanade Phase 1, as well as those that cover the partially constructed improvements, include the SWFWMD ERP, the US Army Corps of Engineers, the County, and the

Florida Fish and Wildlife Conservation Commission. All approved wildlife and wetland impacts, and their associated mitigation, were completed during the 2008 construction, and some permitting compliance work is required. The Developer has committed to bring the entire Esplanade area into full environmental compliance.

V. CAPITAL IMPROVEMENT PROGRAMS

The CIP for Esplanade includes the following infrastructure improvements:

A. Public – Series 2013 Bond Fund Eligible

1. Artisan Lakes Parkway

Vehicular access to Esplanade is provided from Moccasin Wallow Road via the development's main public collector road, Artisan Lakes Parkway, which is also the right of way that contains the potable water transmission system and sanitary sewer collection system that provides service to Esplanade.

Artisan Lakes Parkway is planned to be acquired by the District and conveyed to Manatee County for operation and maintenance. The acquisition and/or construction will include the roadway, potable water system, sanitary sewer collection systems, storm sewer systems and their associated stormwater management ponds and control structures, street lighting, and landscaping/irrigation/hardscaping. Since this infrastructure is partially complete, we have included the costs spent to date plus costs to repair damaged improvements for proper operation and maintenance, as well as costs to complete the paving, as well as the landscaping, of the road that was not originally done.

Artisan Lakes Parkway will be acquired in phases, as the Developer inspects and repairs the partially completed infrastructure and extends the road to Buckeye Road. The first phase of the road to be acquired is from Moccasin Wallow Road to the access to Phase 1 of Esplanade. The second segment of the road continues to the end of the partially constructed infrastructure, and the third segment is the future segment from the terminus of the existing infrastructure to Buckeye Road. The third segment is outside the boundary of Esplanade and is not analyzed in this report.

2. Main Sanitary Sewer Collection System

A 27" gravity sanitary sewer system, including the gravity main and manholes, has been constructed from Artisan Lakes Parkway to

Moccasin Wallow Road near Gillet Drive which collects the wastewater from the entire District. This system connects to off-site regional sanitary sewer collection system that was constructed by the Developer and conveyed to the County.

This system is currently being inspected, tested, and repaired for acceptance by the County for operation and maintenance.

This main collection system may be acquired by the District and then conveyed to the County for operation and maintenance.

3. Environmental

Any environmental impacts associated with the construction of the public infrastructure requires environmental mitigation, and the District may fund work to bring all environmental construction permit conditions into compliance within the Esplanade area.

4. Off-Site Intersection Improvements

For compliance with the Development Order and zoning stipulations, intersection improvements at Moccasin Wallow Road have been completed, including widening and the construction of turn lanes, and striping and signage. No other off-site transportation improvements are necessary for the completion of Esplanade. Provided that necessary approvals are in place from the County, the District intends to acquire these improvements and convey them to the County for operation and maintenance.

5. Stormwater / Floodplain Management

The design criteria for the District's stormwater/floodplain management systems is regulated by the County and Southwest Florida Water Management District ("SWFWMD"). The stormwater management plan for the District focuses on utilizing new ponds constructed in upland areas of the property, for treatment and attenuation of stormwater runoff from the District lands. Stormwater runoff will be discharged into on-site wetlands, which naturally convey the runoff to off-site lands. The primary objectives of the stormwater management system for the District are:

- To provide a stormwater management system that will treat, attenuate, and convey stormwater in accordance with local, state, and federal regulations.

- To adequately protect development within the District from regulatory-defined rainfall events.
- To maintain, or enhance, wetland hydrology and wetland function. This includes physical enhancement of existing wetlands and creation of wetland mitigation required due to District infrastructure.
- To insure that adverse stormwater impacts do not occur upstream or downstream as a result of the development.
- To satisfactorily accommodate stormwater runoff from adjacent off site areas which naturally drain through the District.
- To properly mitigate for any 100 year flood plain impacts due to the Development.

The stormwater collection and management systems will be a combination of curb inlets, manholes, pipe culverts, control structures and stormwater ponds and open waterways.

The County will own, operate and maintain the inlets and storm sewer systems within their right of way and drainage easements.

The District will own, operate, and maintain the storm sewer systems within Esplanade that are not owned and maintained by the County. The stormwater management ponds and outfall structures located within drainage tracts of land owned by the District will be maintained by the District.

The District may acquire partially completed improvements upon inspection and acceptance by the County as well as construct new systems required for Esplanade.

6. Sanitary Sewer Collection and Potable Water Systems

The subdivision road rights of way that connect to Artisan Lakes Parkway and access the single family units will be private and owned by a Property Owners' Association. The sanitary sewer collection and potable water systems within these rights of way will be public and will be acquired by the District and then conveyed to Manatee County for ownership, operation, and maintenance.

The District Bonds may acquire partially completed sanitary sewer collection and potable water systems upon inspection and

acceptance by the County, as well as construct new systems required for Esplanade.

B. Developer Funded

1. Stormwater/Floodplain Management

The grading of the rights of way and lots to establish the design drainage basin boundaries have and will continue to be constructed and funded by the Developer.

2. Subdivision Roads

The subdivision roads that connect to Artisan Lakes Parkway will be privately owned and maintained by a Property Owners' Association, and they have been partially completed. The Developer funded the original construction and will be responsible for completing the work.

3. Amenity Center

The Developer has constructed an amenity center accessible from Moccasin Wallow Road, and this facility will be private and owned by the Property's Owners' Association. An additional amenity center is also planned within the Esplanade area, and it will be constructed and funded by the Developer.

V. ESPLANADE CAPITAL IMPROVEMENT PROGRAMS COST ESTIMATE

See Appendix 1, which outlines the estimated costs associated with the construction of the CIP for Esplanade.

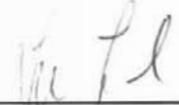
VI. SUMMARY AND CONCLUSION

The CIP for Esplanade, is located within or abutting the boundary of the District, constituting a system of improvements, and is necessary for the functional development of the Esplanade lands within the District. The planning and design of Esplanade is in accordance with current governmental regulatory requirements, and the development will provide its intended function so long as the construction is in substantial compliance with the design and construction permits. It is my professional opinion that the CIP for Esplanade is feasible and that all necessary permits and entitlements have been obtained or can reasonably be obtained.

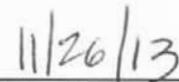
Items within the CIP for Esplanade Cost Estimate for the CIP for Esplanade included in this report are based on approved plans, the General Development Plan, information

from the petition to establish the District, information provided by the Developer, and actual contract payments for the Artisan Lakes Phase 1 improvements. It is also based on my experience and judgment, cost information provided by the Developer, historical unit prices, current pricing being experienced for ongoing and similar items of work in the County. It should be noted that this cost estimate is only the engineer's opinion and that the engineer cannot make any warranty, either expressed or implied, that the actual construction cost will be comparable to the cost estimate. The labor market, future costs of equipment and materials, and the actual construction process are all beyond our control. Due to this inherent opportunity for fluctuation in cost, the total final cost may be more or less than this estimate.

The professional service for establishing the opinion of estimated construction cost is consistent with the degree of care and skill exercised by members of the same profession under similar circumstances.



Tonja L. Stewart, P.E. FL P.E. No. 47704
District Engineer



Date

APPENDIX 1

Esplanade Capital Improvement Programs Cost Estimate



**Esplanade Capital Improvement Programs Cost Estimate
Artisan Lakes Community Development District
November 26, 2013**

No.	Facility	PUBLIC WORK COMPLETED TO DATE*	DEVELOPER FUNDED WORK COMPLETED TO DATE	FUTURE PUBLIC IMPROVEMENTS*	FUTURE DEVELOPER FUNDED IMPROVEMENTS	TOTAL PROJECT COSTS
1	Stormwater/Floodplain Management	\$3,500,000	\$1,750,000	\$2,000,000	\$500,000	\$7,750,000
2	Subdivision Roads		\$2,500,000		\$750,000	\$3,250,000
3	Subdivision Sanitary Sewer Collection System	\$1,210,000		\$200,000	\$300,000	\$1,710,000
4	Subdivision Potable Water System	\$550,000		\$250,000	\$200,000	\$1,000,000
5	Amenity Center				\$3,800,000	\$3,800,000
6	Phase I Inspection and Repair for County Acceptance		\$250,000			\$250,000
	Subtotal (On-Site Subdivision)	\$5,260,000	\$4,500,000	\$2,450,000	\$5,550,000	\$17,760,000
7	Main San Sewer Construction South of Artisan Lakes Pkwy	\$275,000		\$25,000		\$300,000
8	Artisan Lakes Parkway (all improvements included)	\$2,805,000		\$4,120,000		\$6,925,000
9	Environmental	\$200,000		\$50,000		\$250,000
10	Off Site Moccasin Wallow Road Intersection	\$410,497				\$410,497
	Subtotal (Improvements Benefiting All Units)	\$3,690,497		\$4,195,000		\$7,885,497
	Subtotal	\$8,950,497	\$4,500,000	\$6,645,000	\$5,550,000	\$25,645,497
	Contingency	\$100,000	\$650,000	\$250,000	\$750,000	\$1,750,000
	Total	\$9,050,497	\$5,150,000	\$6,895,000	\$6,300,000	\$27,395,497
	Professional Fees	\$1,400,000	\$2,700,000	\$150,000	\$250,000	\$4,500,000
	Grand Total	\$10,450,497	\$7,850,000	\$7,045,000	\$6,550,000	\$31,895,497

Notes: The estimated cost to complete Artisan Lakes Parkway is \$12,775,000 which includes \$2,805,000 already spent to date. The Parkway is planned to be constructed in two (2) segments, segment 1 is approximately 6800 l.f and segment 2 is approximately 4500 l.f. Based upon a cost of allocation of the improvements benefiting all units, only 45% of these improvements allocable to Esplanade.

*The District's CIP for Esplanade includes the improvements identified in these columns. The District's "2013 Project" includes those portions of the CIP for Esplanade funded with the 2013 Bonds.

APPENDIX 2

Location Map



SITE MAP

PROJECT: ARTISAN LAKES



Stantec Consulting Services Inc.
2205 North 20th Street, Tampa FL 33605-3921

SITE MAP

SCALE:	1" = 2000'		DATE:	04-19-07
SEC:	TWP:	RGE:	REV NO.	
9, 16, 17	33	18		
PROJECT NO.	3160-100-000		INDEX NO.	
			03160-008X100	
DRWN BY/EMP NO.	MLO/2330		SHEET NO.	
			1 of 1	

APPENDIX 3
Overall Site Plan

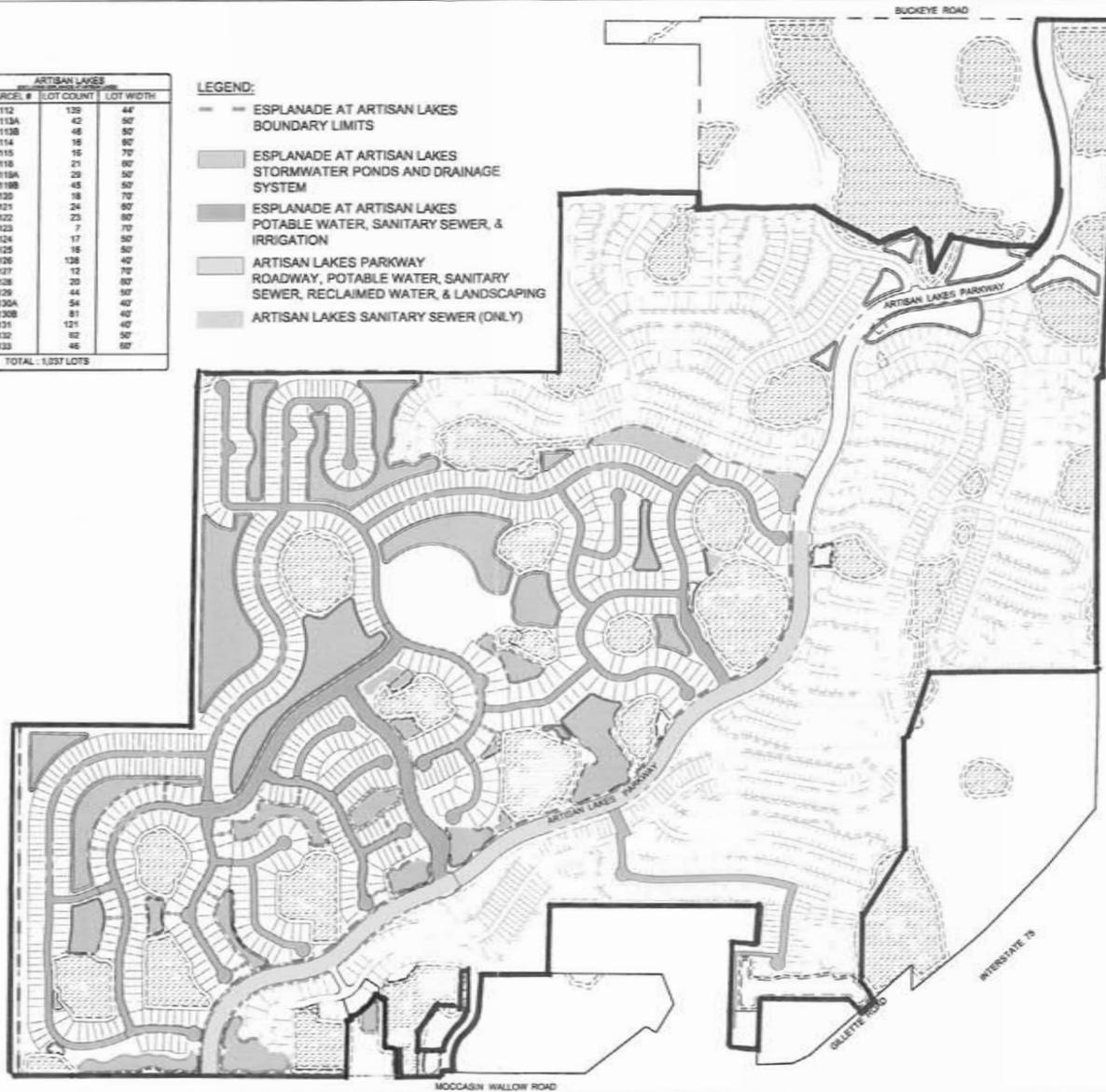
ESPLANADE AT ARTISAN LAKES		
PARCEL #	LOT COUNT	LOT WIDTH
101	72	55'
102A	34	65'
102B	36	65'
103A	45	44'
103B	44	44'
104A	33	*MODELS
104B	10	70'
105	35	50'
106	62	44'
107A	31	65'
107B	39	45'
108	52	50'
109A	65	60'
109B	38	60'
110A	26	70'
110B	18	70'
111A	19	50'
111B	35	50'
112	67	44'
117	36	50'
TOTAL: 807 LOTS		

*MODEL UNIT MIX:
 44' - 8
 50' - 3
 60' - 5
 70' - 17

ARTISAN LAKES		
PARCEL #	LOT COUNT	LOT WIDTH
112	139	44'
113A	42	50'
113B	48	50'
114	16	60'
115	16	70'
116	21	60'
118A	29	50'
118B	45	50'
120	18	70'
121	24	60'
122	23	60'
123	7	70'
124	17	50'
125	16	50'
126	136	40'
127	12	70'
128	20	60'
129	44	50'
130A	54	40'
130B	81	40'
131	121	40'
132	62	50'
133	46	60'
TOTAL: 1,037 LOTS		

LEGEND:

- ESPLANADE AT ARTISAN LAKES BOUNDARY LIMITS
- ESPLANADE AT ARTISAN LAKES STORMWATER PONDS AND DRAINAGE SYSTEM
- ESPLANADE AT ARTISAN LAKES POTABLE WATER, SANITARY SEWER, & IRRIGATION
- ARTISAN LAKES PARKWAY ROADWAY, POTABLE WATER, SANITARY SEWER, RECLAIMED WATER, & LANDSCAPING
- ARTISAN LAKES SANITARY SEWER (ONLY)



WALDROP ENGINEERING

12015 ENGINEERING & LAND SURVEYING
 12015 ENGINEERING & LAND SURVEYING

REGISTERED PROFESSIONAL ENGINEERS

ESPLANADE AT ARTISAN LAKES
 CAPITAL IMPROVEMENTS PLAN

SCALE: AS SHOWN

PREPARED FOR:
 taylor morrison

FILE NAME: 22015ESLAKES
 UPDATED: 2015.08.29

WALDROP ENGINEERING & LAND SURVEYING, INC. 12015 ENGINEERING & LAND SURVEYING

APPENDIX 4

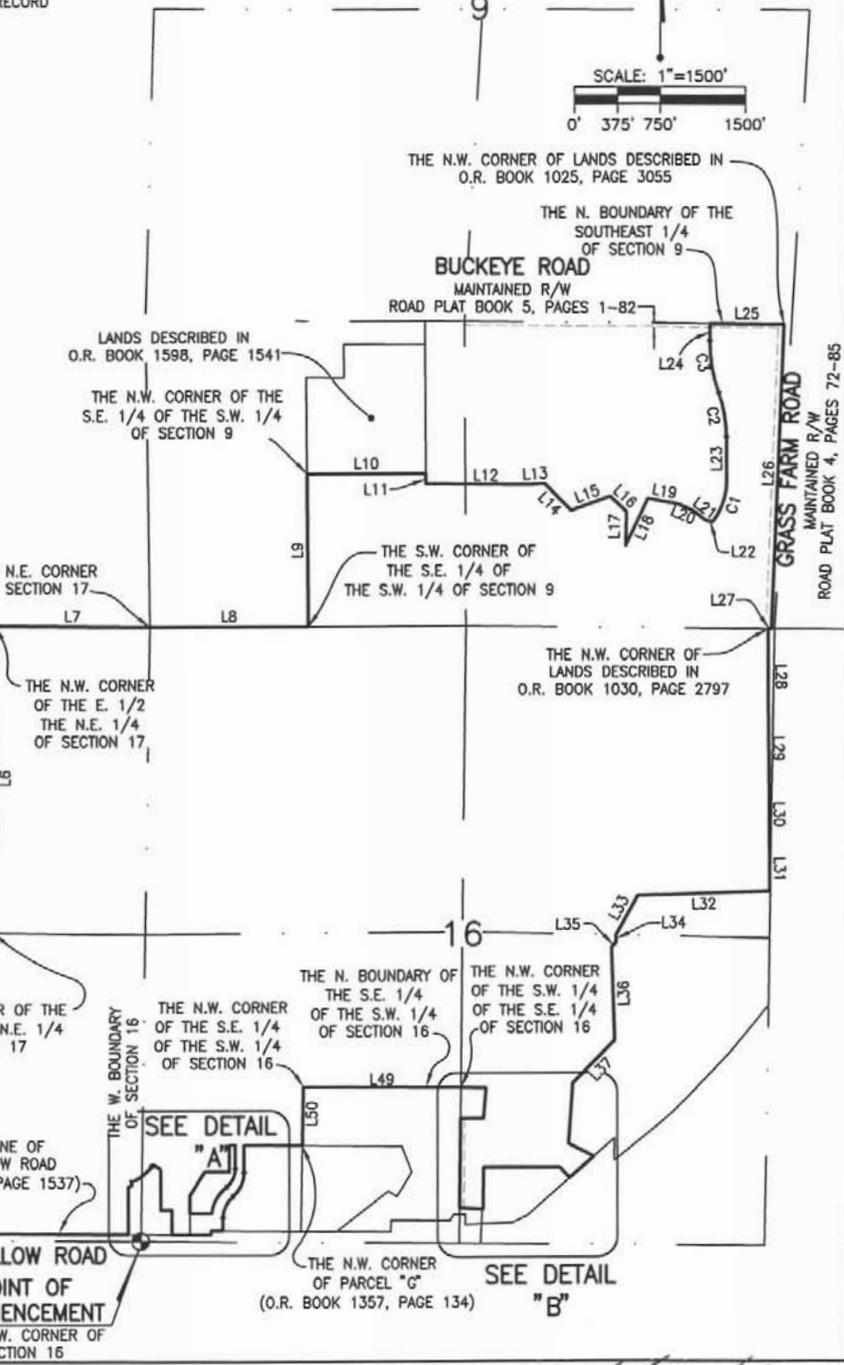
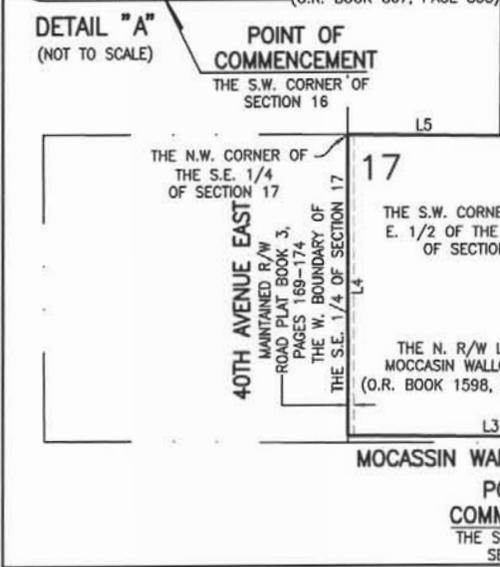
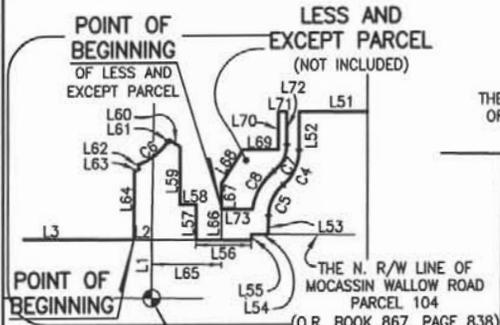
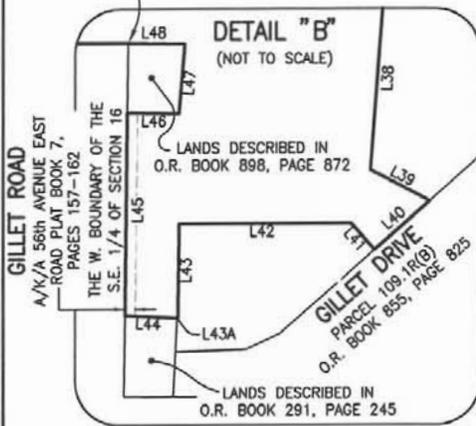
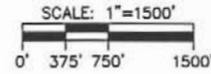
Boundary and Legal Description

DESCRIPTION SKETCH - NOT A BOUNDARY SURVEY

LEGEND

THE N.W. CORNER
OF THE S.W. 1/4
OF THE S.E. 1/4
OF SECTION 16

P.O.B. = POINT OF BEGINNING
P.O.C. = POINT OF COMMENCEMENT
O.R. = OFFICIAL RECORD



PROJECT: ARTISAN LAKES CDD

CLIENT: TAYLOR WOODROW COMMUNITIES



Planners • Engineers • Ecologists • Surveyors • Landscape Architects • Transportation Consultants

WilsonMiller, Inc.

Naples • Fort Myers • Sarasota • Bradenton • Tampa • Tallahassee
2205 North 20th Street Tampa, Florida 33605 Phone: 813-223-9500 Fax: 813-223-0009 Web-Gite: www.wilsonmiller.com

[Signature]
MARK H. FOSTER, P.S.M.
FLORIDA LICENSE NO. LS5535

SCALE: 1" = 1500'		DATE: 8/23/06	
SEC: 9, 16, 17	TWP: 33S	RGE: 18E	REV NO: 00
PROJECT NO: 03160-001-000		INDEX NO: 03160-001-001	
DRAWN BY/EMP NO: LAT/1685		SHEET NO: 1 OF 5	

DESCRIPTION SKETCH - NOT A BOUNDARY SURVEY

LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
L1	N 00°54'44"E	60.00'	L31	S 00°13'12"E	392.66'
L2	N 89°33'35"W	110.46'	L32	S 88°02'25"W	1171.02'
L3	N 89°33'35"W	2491.66'	L33	S 28°58'04"W	388.49'
L4	N 00°12'12"W	2617.43'	L34	S 00°05'47"W	66.57'
L5	S 89°18'27"E	1326.53'	L35	S 46°39'28"W	57.82'
L6	N 00°32'19"E	2660.11'	L36	S 01°53'50"E	812.65'
L7	S 89°31'28"E	1343.85'	L37	S 44°37'09"W	520.64'
L8	N 89°59'24"E	1380.88'	L38	S 04°12'24"W	526.73'
L9	N 00°23'32"W	1327.39'	L39	S 62°33'13"E	247.54'
L10	S 89°48'17"E	1040.44'	L40	S 48°37'44"W	280.27'
L11	S 00°12'03"E	85.55'	L41	N 41°22'16"W	126.09'
L12	S 89°19'36"E	887.08'	L42	S 89°58'22"W	665.46'
L13	N 86°32'28"E	152.47'	L43	S 00°37'55"W	362.47'
L14	S 44°21'33"E	328.11'	L43A	N 86°57'02"W	7.31'
L15	N 70°30'46"E	361.28'	L44	N 86°57'02"W	197.87'
L16	S 46°38'53"E	195.39'	L45	N 00°37'55"E	778.36'
L17	S 01°31'09"W	293.63'	L46	S 89°12'45"E	199.78'
L18	N 25°29'24"E	452.24'	L47	N 04°45'20"E	267.26'
L19	S 80°20'33"E	269.65'	L48	N 89°11'22"W	219.00'
L20	S 66°52'19"E	150.23'	L49	N 89°38'23"W	1380.32'
L21	S 52°56'25"E	140.09'	L50	S 01°06'10"W	510.56'
L22	S 79°33'33"E	58.13'	L51	N 89°29'28"W	509.23'
L23	N 00°16'09"W	384.99'	L52	S 00°01'36"W	233.34'
L24	N 00°32'14"E	150.00'	L53	S 01°32'01"W	114.60'
L25	S 89°27'46"E	654.80'	L54	N 89°33'56"W	100.02'
L26	S 02°28'37"W	2646.49'	L55	S 00°26'04"W	35.19'
L27	N 89°49'53"W	29.86'	L56	N 89°31'37"W	337.22'
L28	S 00°17'37"E	738.86'	L57	N 00°28'23"E	212.91'
L29	S 00°19'09"E	600.20'	L58	N 89°31'37"W	99.36'
L30	S 00°25'40"E	539.15'	L59	N 00°28'23"E	349.61'
			L60	N 55°59'39"W	83.63'
			L61	S 34°00'21"W	18.51'
			L62	S 19°01'15"E	29.74'
			L63	S 70°58'45"W	34.06'
			L64	S 00°26'25"W	415.05'
			L65	S 89°31'37"E	423.69'
			L66	N 00°17'08"E	185.00'
			L67	N 00°20'25"W	155.34'
			L68	N 32°11'18"E	242.08'
			L69	S 90°00'00"E	215.88'
			L70	N 00°00'00"E	230.99'
			L71	S 89°29'28"E	51.96'
			L72	S 00°01'36"W	201.75'
			L73	N 89°31'43"W	187.17'

CURVE	DELTA	RADIUS	ARC	CHORD	TANGENT	CHORD BEARING
C1	39°18'50"	560.00	384.25	376.76	200.04	N 19°23'16"E
C2	19°48'12"	1120.00	387.11	385.19	195.51	N 10°10'15"W
C3	20°36'36"	1280.00	460.43	457.95	232.73	N 09°46'03"W
C4	49°47'01"	275.00	238.94	231.50	127.60	S 24°55'06"W
C5	48°16'36"	250.00	210.65	204.47	112.03	S 25°40'19"W
C6	36°58'31"	355.90	229.68	225.71	119.00	S 52°29'30"W
C7	51°57'06"	200.00	181.35	175.20	97.44	S 26°00'09"W
C8	44°58'40"	350.00	274.75	267.75	144.89	S 29°29'22"W

PROJECT: ARTISAN LAKES CDD

CLIENT: TAYLOR WOODROW COMMUNITIES



WilsonMiller

WilsonMiller, Inc. - P. Lic# LC-000070
WilsonMiller, Inc. - Certificate of Authorization #40

MARK H. FOSTER, P.S.M.
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SCALE:	N/A	DATE:	8/23/06
SEC:	TWP:	RGE:	REV. NO.:
9,16,17	33S	18E	00
PROJECT NO.:	INDEX NO.:		
03160-001-000	03160-001-001		
DRAWN BY/EMP. NO.:	SHEET NO.:		
LAT/1685	2		OF 5

DESCRIPTION SKETCH - NOT A BOUNDARY SURVEY

DESCRIPTION:

LEGAL DESCRIPTION

ARTISAN LAKES - CDD

A PARCEL OF LAND LYING WITHIN SECTIONS 9, 16 AND 17, TOWNSHIP 33 SOUTH, RANGE 18 EAST, MANATEE COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF SECTION 16, TOWNSHIP 33 SOUTH, RANGE 18 EAST AND RUN THENCE N00°54'44"E ALONG THE WEST BOUNDARY OF SAID SECTION 16, A DISTANCE OF 60.00 FEET TO A POINT OF INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF MOCCASIN WALLOW ROAD AS RECORDED IN OFFICIAL RECORD BOOK 1598, PAGE 1537 OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA; THENCE N89°33'35"W, ALONG SAID RIGHT-OF-WAY LINE, 110.46 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE ALONG SAID LINE N89°33'35"W, 2,491.66 FEET TO A POINT OF INTERSECTION WITH THE WEST BOUNDARY OF THE SOUTHEAST 1/4 OF AFOREMENTIONED SECTION 17 ; THENCE N00°12'12"W, ALONG SAID WEST BOUNDARY, 2,617.43 FEET TO THE NORTHWEST CORNER OF SAID SOUTHEAST 1/4; THENCE S89°18'27"E, 1,326.53 FEET TO THE SOUTHWEST CORNER OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 17; THENCE N00°32'19"E, 2,660.11 FEET TO THE NORTHWEST CORNER OF THE EAST 1/2 OF SAID NORTHEAST 1/4; THENCE S89°31'28"E, 1,343.85 FEET TO THE NORTHEAST CORNER OF SAID SECTION 17; THENCE N89°59'24"E, 1,380.88 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF AFOREMENTIONED SECTION 9; THENCE N00°23'32"W, 1,327.39 FEET TO THE NORTHWEST CORNER OF THE SOUTHEAST 1/4 OF SAID SOUTHWEST 1/4 OF SECTION 9, SAID POINT BEING THE SOUTHWEST CORNER OF THOSE LANDS DESCRIBED IN OFFICIAL RECORD BOOK 1598, PAGE 1541 OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA; THENCE S89°48'17"E, 1,040.44 FEET (S88°54'50"E, 1040.38 FEET PER DEED) TO THE SOUTHEAST CORNER SAID LANDS; THENCE S00°12'03"E, 85.55 FEET; THENCE S89°19'36"E, 887.08 FEET; THENCE N86°32'28"E, 152.47 FEET; THENCE S44°21'33"E, 328.11 FEET; THENCE N70°30'46"E, 361.28 FEET; THENCE S46°38'53"E, 195.39 FEET; THENCE S01°31'09"W, 293.63 FEET; THENCE N25°29'24"E, 452.24 FEET; THENCE S80°20'33"E, 269.65 FEET; THENCE S66°52'19"E, 150.23 FEET; THENCE S52°56'25"E, 140.09 FEET; THENCE S79°33'33"E, 58.13 FEET TO A POINT ON THE ARC OF A CURVE; THENCE 384.25 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 39°18'50", SAID CURVE HAVING A RADIUS OF 560.00 FEET AND BEING SUBTENDED BY A CHORD WHICH BEARS N19°23'16"E, 376.76 FEET; THENCE N00°16'09"W, 384.99 FEET TO A POINT OF CURVATURE; THENCE 387.11 FEET ALONG THE ARC OF A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 19°48'12", SAID CURVE HAVING A RADIUS OF 1,120.00 FEET AND BEING SUBTENDED BY A CHORD WHICH BEARS N10°10'15"W, 385.19 FEET TO A POINT OF REVERSE CURVATURE; THENCE 460.43 FEET ALONG THE ARC OF A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 20°36'36", SAID CURVE HAVING A RADIUS OF 1,280.00 FEET AND BEING SUBTENDED BY A CHORD WHICH BEARS N09°46'03"W, 457.95 FEET; THENCE N00°32'14"E, 150.00 FEET TO A POINT OF INTERSECTION WITH THE NORTH BOUNDARY OF THE SOUTHEAST 1/4 OF AFOREMENTIONED SECTION 9; THENCE S89°27'46"E, ALONG SAID BOUNDARY, 654.80 FEET TO THE NORTHWEST CORNER OF THOSE LANDS DESCRIBED IN OFFICIAL RECORD BOOK 1025, PAGE 3055 OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA;

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PROJECT: ARTISAN LAKES CDD

CLIENT: TAYLOR WOODROW COMMUNITIES

WilsonMiller

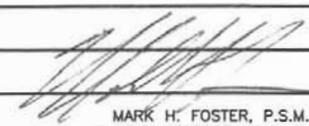
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FLORIDA LICENSE NO. LS5535

SCALE: N/A		DATE: 8/23/06	
SEC: 9,16,17	TWP: 33S	RGE: 18E	REV NO: 00
PROJECT NO: 03160-001-000		INDEX NO: 03160-001-001	
DRWN BY/EMP NO: LAT/1685		SHEET NO: 3 OF 5	

DESCRIPTION SKETCH - NOT A BOUNDARY SURVEY

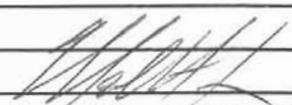
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THENCE S02°28'37"W, 2,646.49 FEET (S02°28'51"W, 2,646.54 FEET PER DEED) TO THE SOUTHWEST CORNER OF SAID LANDS; THENCE N89°49'53"W, 29.86 FEET TO THE NORTHWEST CORNER OF THOSE LANDS DESCRIBED IN OFFICIAL RECORD BOOK 1030, PAGE 2797 OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA; THENCE ALONG THE WEST BOUNDARY OF SAID LANDS BY THE FOLLOWING FOUR (4) COURSES: (1) S00°17'37"E, 738.86 FEET (S00°17'15"E, 739.10 FEET PER DEED), (2) S00°19'09"E, 600.20 FEET (S00°19'00"E, 600.00 FEET PER DEED), (3) S00°25'40"E, 539.15 FEET (S00°25'54"E, 539.17 FEET PER DEED), (4) S00°13'12"E (S00°14'00"E PER DEED), 392.66 FEET; THENCE DEPARTING SAID WEST BOUNDARY, S88°02'25"W, 1,171.02 FEET; THENCE S28°58'04"W, 388.49 FEET; THENCE S00°05'47"W, 66.57 FEET; THENCE S46°39'28"W, 57.82 FEET; THENCE S01°53'50"E, 812.65 FEET; THENCE S44°37'09"W, 520.64 FEET; THENCE S04°12'24"W, 526.73 FEET; THENCE S62°33'13"E, 247.54 FEET TO A POINT OF INTERSECTION WITH THE NORTHWESTERLY BOUNDARY OF PARCEL 109.1-R(B) (FRONTAGE ROAD - ALSO KNOWN AS GILLET DRIVE) AS RECORDED IN OFFICIAL RECORD BOOK 855, PAGE 25 OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA; THENCE S48°37'44"W, ALONG SAID BOUNDARY, 280.27 FEET; THENCE DEPARTING SAID BOUNDARY, N41°22'16"W, 126.09 FEET; THENCE S89°58'22"W, 665.46 FEET; THENCE S00°37'55"W, 362.47 FEET TO A POINT OF INTERSECTION WITH THE EASTERLY PROLONGATION OF THE NORTHERLY BOUNDARY OF THOSE LANDS DESCRIBED IN OFFICIAL RECORD BOOK 291, PAGE 245 OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA; THENCE N86°57'02"W, ALONG SAID EASTERLY PROLONGATION, 7.31 FEET TO THE NORTHEAST CORNER OF SAID LANDS; THENCE N86°57'02"W, ALONG SAID NORTH BOUNDARY, 197.87 FEET TO THE NORTHWEST CORNER OF SAID LANDS, SAID CORNER BEING A POINT ON THE WEST BOUNDARY OF THE SOUTHEAST 1/4 OF AFOREMENTIONED SECTION 16; THENCE N00°37'55"E, ALONG SAID WEST BOUNDARY, 778.36 FEET TO THE SOUTHWEST CORNER OF THOSE LANDS DESCRIBED IN OFFICIAL RECORD BOOK 898, PAGE 872 OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA; THENCE S89°12'45"E, 199.78 FEET ("EAST" 200 FEET PER DEED) TO THE SOUTHEAST CORNER OF SAID LANDS; THENCE N04°45'20"E, 267.26 FEET (N04°04'13"E, 267.68 FEET PER DEED) TO THE NORTHEAST CORNER OF SAID LANDS; THENCE N89°11'22"W, 219.00 FEET ("WEST" 219 FEET PER DEED) TO THE NORTHWEST CORNER OF SAID LANDS, SAID CORNER BEING THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF AFOREMENTIONED SECTION 16; THENCE N89°38'23"W, ALONG THE NORTH BOUNDARY OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 16, A DISTANCE OF 1,380.32 FEET TO THE NORTHWEST CORNER OF SAID SOUTHEAST 1/4 OF THE SOUTHWEST 1/4; THENCE S01°06'10"W, 510.56 FEET TO THE NORTHWEST CORNER OF PARCEL G AS RECORDED IN OFFICIAL RECORD BOOK 1357, PAGE 134 OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA; THENCE N89°29'28"W, 509.23 FEET; THENCE S00°01'36"W, 233.34 FEET TO A POINT OF CURVATURE; THENCE 238.94 FEET ALONG THE ARC OF A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 49°47'01", SAID CURVE HAVING A RADIUS OF 275.00 FEET AND BEING SUBTENDED BY A CHORD WHICH BEARS S24°55'06"W, 231.50 FEET TO A POINT OF REVERSE CURVATURE; THENCE 210.65 FEET ALONG THE ARC OF A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 48°16'36", SAID CURVE HAVING A RADIUS OF 250.00 FEET AND BEING SUBTENDED BY A CHORD WHICH BEARS S25°40'19"W, 204.47 FEET; THENCE S01°32'01"W, 114.60 FEET TO A POINT OF INTERSECTION WITH THE NORTH RIGHT-OF-WAY OF MOCCASIN WALLOW ROAD (PARCEL 104) AS RECORDED IN OFFICIAL RECORD BOOK 867, PAGE 838 OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA; THENCE N89°33'56"W, ALONG SAID RIGHT-OF-WAY LINE, 100.02 FEET TO THE NORTHWEST CORNER OF SAID PARCEL 104; THENCE S00°26'04"W, ALONG THE WEST BOUNDARY OF SAID PARCEL 104, A DISTANCE OF 35.19 FEET TO A POINT OF INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF MOCCASIN WALLOW ROAD AS RECORDED IN OFFICIAL RECORD BOOK 1598, PAGE 1537 OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA;

(CONTINUED)

PROJECT: ARTISAN LAKES CDD

CLIENT: TAYLOR WOODROW COMMUNITIES



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MARK H. FOSTER, P.S.M.
FLORIDA LICENSE NO. LS5535

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		RGE:	18E
PROJECT NO.:	03160-001-000		INDEX NO.:
			03160-001-001
DRWN BY/EMP NO.:	LAT/1685		SHEET NO.:
			4 OF 5

DESCRIPTION SKETCH - NOT A BOUNDARY SURVEY

(CONTINUED)

THENCE N89°31'37"W, ALONG SAID RIGHT-OF-WAY LINE, 337.22 FEET; THENCE DEPARTING SAID LINE, N00°28'23"E, 212.91 FEET; THENCE N89°31'37"W, 99.36 FEET; THENCE N00°28'23"E, 349.61 FEET; THENCE N55°59'39"W, 83.63 FEET; THENCE S34°00'21"W, 18.51 FEET TO A POINT ON THE ARC OF A CURVE; THENCE 229.68 FEET ALONG THE ARC OF SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 36°58'31", SAID CURVE HAVING A RADIUS OF 355.90 FEET AND BEING SUBTENDED BY A CHORD WHICH BEARS S52°29'30"W, 225.71 FEET; THENCE S19°01'15"E, 29.74 FEET; THENCE S70°58'45"W, 34.06 FEET; THENCE S00°26'25"W, 415.05 FEET TO THE POINT OF BEGINNING.

CONTAINING 856.589 ACRES (37,313,011 SQUARE FEET), MORE OR LESS.

LESS AND EXCEPT THAT PART THEREOF LYING WITHIN THE FOLLOWING METES AND BOUNDS DESCRIPTION:

COMMENCE AT THE SOUTHWEST CORNER OF SECTION 16, TOWNSHIP 33 SOUTH, RANGE 18 EAST AND RUN THENCE N00°54'44"E ALONG THE WEST BOUNDARY OF SAID SECTION 16, A DISTANCE OF 60.00 FEET TO A POINT OF INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF MOCCASIN WALLOW ROAD AS RECORDED IN OFFICIAL RECORD BOOK 1598, PAGE 1537 OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA; THENCE S89°31'37"E, ALONG SAID RIGHT-OF-WAY, 423.69 FEET; THENCE DEPARTING SAID LINE, N00°17'08"E, 185.00 FEET TO THE POINT OF BEGINNING; THENCE N00°20'25"W, 155.34 FEET; THENCE N32°11'18"E, 242.08 FEET; THENCE S90°00'00"E, 215.88 FEET; THENCE N00°00'00"E, 230.99 FEET; THENCE S89°29'28"E, 51.96 FEET; THENCE S00°01'36"W, 201.75 FEET TO A POINT OF CURVATURE; THENCE 181.35 FEET ALONG THE ARC OF A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 51°57'06", SAID CURVE HAVING A RADIUS OF 200.00 FEET AND BEING SUBTENDED BY A CHORD WHICH BEARS S26°00'09"W, 175.20 FEET TO A POINT OF REVERSE CURVATURE; THENCE 274.75 FEET ALONG THE ARC OF A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 44°58'40", SAID CURVE HAVING A RADIUS OF 350.00 FEET AND BEING SUBTENDED BY A CHORD WHICH BEARS S29°29'22"W, 267.75 FEET; THENCE N89°31'43"W, 187.17 FEET TO THE POINT OF BEGINNING.

CONTAINING 2.304 ACRES (100,344 SQUARE FEET), MORE OR LESS.

ALL CONTAINING 854.285 NET ACRES (37,212,667 NET SQUARE FEET), MORE OR LESS AND BEING SUBJECT TO RIGHTS-OF-WAY FOR BUCKEYE ROAD, GRASS FARM ROAD, 40TH AVENUE EAST AND GILLET ROAD (A/K/A 56TH AVENUE EAST).

PROJECT: ARTISAN LAKES CDD

CLIENT: TAYLOR WOODROW COMMUNITIES

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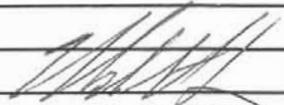
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FLORIDA LICENSE NO. LS5535

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SEC:	9,16,17	TWP:	33S
RGE:	18E	REV. NO.:	00
PROJECT NO.:	03160-001-000	INDEX NO.:	03160-001-001
DRWN BY/EMP. NO.:	LAT/1685	SHEET NO.:	5 OF 5

APPENDIX B

Final Series 2013 Special Assessment Allocation Report

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FINAL SERIES 2013 SPECIAL ASSESSMENT ALLOCATION REPORT

***ARTISAN LAKES
COMMUNITY DEVELOPMENT DISTRICT***

***PHASE 1 – ESPLANADE AT ARTISAN LAKES
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2013***

Prepared By:

RIZZETTA & COMPANY, INC.

3434 Colwell Ave.
Suite 200
Tampa, Florida 33614

December 19, 2013
Revised December 26, 2013

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**ARTISAN LAKES
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2013**

FINAL SERIES 2013 SPECIAL ASSESSMENT ALLOCATION REPORT

I. INTRODUCTION

This Final Series 2013 Master Special Assessment Allocation Report is being presented in anticipation of financing a capital infrastructure project by the Artisan Lakes Community Development District ("District"), a local unit of special purpose government established pursuant to Chapter 190, Florida Statutes. Rizzetta & Company, Inc. has been retained to prepare a methodology for allocating the special assessments related to the District's infrastructure project.

II. DEFINED TERMS

"Developer" – Taylor Woodrow Communities at Artisan Lakes, L.L.C., a Florida limited liability company.

"District" – Artisan Lakes Community Development District.

"Equivalent Assessment Unit" – (EAU) Allocation factor which reflects a quantitative measure of the amount of special benefit conferred by the District's capital project on a particular land use, relative to other land uses.

"Phase 1" - The first development phase of the community known as "Esplanade at Artisan Lakes", which will be developed in three (3) subphases.

"Phase 1 Allocable Costs" – Proportionate Phase 1 CIP costs allocable solely to Phase 1 based on special benefit in the amount of \$13,188,461.00.

"Phase 1 Capital Improvement Program" (Phase 1 CIP) – Public infrastructure necessary to support the development of Phase 1 in the estimated amount of \$17,495,497.00.

"Platted Units" – Lands configured as their intended end-use and subject to a recorded plat.

"Series 2013 Assessments" – Collectively, the District's Series 2013A-1, Series 2013A-2, and Series 2013A-3 Assessments.

"Series 2013 Bonds" – Collectively, the District's Series 2013A-1, Series 2013A-2, and Series 2013A-3 Bonds.

“Series 2013 Project” - Construction or acquisition of a portion of the Phase 1 Allocable Costs in the estimated amount of \$6,985,238.50.

“Series 2013A-1 Assessments” – Special assessments levied to secure repayment of the District’s Series 2013A-1 Bonds.

“Series 2013A-1 Bonds” - \$3,430,000.00 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-1.

“Series 2013A-2 Assessments” – Special assessments levied to secure repayment of the District’s Series 2013A-2 Bonds.

“Series 2013A-2 Bonds” - \$2,585,000.00 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-2.

“Series 2013A-3 Assessments” – Special assessments levied to secure repayment of the District’s Series 2013A-3 Bonds.

“Series 2013A-3 Bonds” - \$2,500,000.00 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-3.

“Unplatted Parcels” – Undeveloped lands or parcels not yet subject to a recorded plat in their final end-use configuration.

III. DISTRICT INFORMATION

The District, which was established on or about August 16, 2007 by Manatee County Ordinance #07-64, is located near Bradenton, Florida, and currently encompasses approximately 854 acres planned for approximately 1,844 residential units. Table 1 illustrates the mix for the 807 residential units associated with Phase 1 of the District.

On or about October 12, 2007, the Circuit Court for the Twelfth Judicial Circuit validated the issuance of District bonds in an amount not to exceed \$190,000,000.00. In anticipation of the bond validation process, the District adopted Resolution 2008-10, which adopted, equalized, and levied special assessments on lands within the District. However, the District ultimately did not issue bonds at that point in time, and ultimately rescinded Resolution 2008-10 via adoption of Resolution 2009-02. This report is intended to stand alone as the initial allocation report for the District’s special assessments and is not an amendment, supplement, or restatement of the assessment methodologies considered and/or adopted by the District in connection with the assessment proceedings described above. Any such prior methodologies are void, and shall have no effect on the allocation of District assessments.

This methodology will describe the allocation of the District’s special assessments for Phase 1. Table 1 illustrates the preliminary development plan, as provided by the Developer.

IV. SERIES 2013 PROJECT

The Phase 1 CIP includes, but is not limited to, roadways, sanitary sewer, potable water, and offsite improvements, as described in the District Engineer's report dated November 26, 2013, and is estimated to cost \$17,495,497.00. However, because the Phase 1 CIP includes master infrastructure that will benefit both Phase 1 and future development phases, only a portion of the Phase 1 CIP master infrastructure costs will be allocable to Phase 1, as further described below. The District will issue Series 2013 Bonds in order to the Series 2013 Project, which represents a portion of the Phase 1 Allocable Costs, in the amount of \$6,985,238.50.

V. SERIES 2013 BONDS AND ASSESSMENTS

In order to provide for the Series 2013 Project funding described in Section IV above, the District will issue three (3) series of bonds in the aggregate principal amount of \$8,515,000.00. The Series 2013 Bonds will be structured as amortizing current-interest bonds, with repayment occurring in thirty (30) substantially equal annual installments of principal and interest. Interest payment dates shall occur every May 1 and November 1 from the date of issuance until final maturity on May 1, 2044. The first scheduled payment of principal and interest will be on May 1, 2014, including the capitalized interest period. The annual principal payment will be due each May 1 thereafter until final maturity. The general financing terms for the individual Series 2013A-1, Series 2013A-2, and Series 2013A-3 Bonds are summarized on Tables 4, 6, and 8, respectively.

The Series 2013 Bonds will be secured by the pledged revenues from Series 2013 Assessments which will be levied and imposed on benefitting lands in Phase 1 of the District. Please note that the individual Platted Unit assessments associated with a particular bond series will eventually be assigned to a specific sub-phase of Phase 1, as described in further detail below. The Series 2013 Assessments will initially be levied in a like aggregate principal amount of \$8,515,000.00, and shall be structured in the same manner as the Series 2013 Bonds, so that revenues from the Series 2013 Assessments are sufficient to fulfill the debt service requirements for the Series 2013 Bonds. The general financing terms for the Series 2013A-1, Series 2013A-2, and Series 2013A-3 Assessments are summarized on Tables 5, 7, and 9, respectively.

It is expected that the Series 2013 Assessment installments assigned to Platted Units will be collected via the Manatee County property tax bill process (Uniform Method)¹. Accordingly, the Series 2013 Assessments may need to be adjusted to allow for current County collection costs and the possibility that landowners will avail themselves of early payment discounts. Currently, the aggregate rate for costs and discounts is 7.0%, but this may fluctuate as provided by law.

VI. ASSESSMENT ALLOCATION – SERIES 2013 ASSESSMENTS

Unlike property taxes, which are *ad valorem* in nature, a community development district may levy special assessments under Florida Statutes only if the parcels to be assessed receive special benefit

1 The ultimate collection procedure is subject to District approval. Nothing herein should be construed as mandating collections that conflict with the terms, privileges, and remedies provided in the Indenture, Florida law, assessment resolutions, and/or other applicable agreements.

from the infrastructure improvements acquired and/or constructed by the district. Special benefits act as a logical connection to property from the improvement system or services facilities being constructed and include, but are not limited to, added use, added enjoyment, increased access and increased property values. These special benefits are peculiar to lands within the district and differ in nature to those general or incidental benefits that landowners outside the district or the general public may enjoy. A district must also apportion or allocate its special assessments so that the assessments are fairly and reasonably distributed relative to the special benefit conferred. Generally speaking, this means the amount of special assessment levied on a parcel should not exceed the amount of special benefit enjoyed by that parcel. A district typically may develop and adopt an assessment methodology based on front footage, square footage, or any other reasonable allocation method, so long as the assessment meets the benefit requirement, and so long as the assessments are fairly and reasonably allocated.

A. Benefit Analysis

It is anticipated that the Phase 1 CIP will provide special benefit to lands within Phase 1. This infrastructure project is a program of improvements and was designed specifically to facilitate the development of Phase 1 properties into a viable portion of the community, from both a legal and socio-economic standpoint. Therefore, special benefits will accrue to the land uses within Phase 1.

As noted above, the Phase 1 CIP includes not only subdivision (Phase 1 specific) infrastructure, but also master infrastructure that will form part of a system of improvements servicing the entire District. Accordingly, the costs associated with the master infrastructure must be prorated so that the proportion of the master costs allocated to Phase 1 is commensurate with the special benefit derived from the master infrastructure. The master infrastructure costs will be prorated based on the percentage of Equivalent Assessment Unit (EAU) factors assigned to Phase 1 relative to future development phases. These EAU factors are commonly accepted in the industry for similar product types and will result in an allocation that is fair and reasonable. As reflected on Table 2, the master infrastructure costs are allocated to Phase 1 at approximately 45.4% of the total costs, resulting in Phase 1 Allocable Costs of \$13,188,461.00.

Table 3 demonstrates the allocation of the Phase 1 Allocable Costs among the Phase 1 development plan. These costs are allocated using an EAU factor applicable for each product type.

The site plan for Phase 1 contemplates the construction of a privately-funded clubhouse/amenity center. As reflected on Table 3, Phase 1 Allocable Costs have been allocated to the clubhouse. It is expected that the District will recognize a Developer contribution of infrastructure in the amount of \$64,161.81 in lieu of any bond assessments related to the Phase 1 Allocable Costs.

B. Allocation/Assignment Methodology

The Series 2013 Assessments assignable to Platted Units are provided on Tables 10-12. Each table provides the Series 2013 Assessment amount associated with its specific bond series (i.e. Series 2013A-1 Assessments and Series 2013A-1 Bonds). In the aggregate, the Series 2013 Assessments assignable to Platted Units are within the acceptable Series 2013 Project benefit levels provided on Table 3. The Series 2013 Assessments were stratified using the same EAU factor methodology used to allocate the Phase 1 Allocable Costs.

Currently, the Phase 1 lands subject to the Series 2013 Assessments are Unplatted Parcels. The Series 2013 Assessments will be initially levied on these parcels on an equal assessment per acre basis. Phase 1 is expected to be developed and platted in three (3) subphases. Phases 1-1 and 1-2 will encompass 311 residential units that are either developed or substantially developed at this time. As the units in Phases 1-1 and 1-2 become subject to a recorded plat, individual Series 2013A-1 and Series 2013A-2 Assessments, which are together considered a single assessment lien, will be layered (aggregated) and assigned on a first-platted, first assessed basis at the amounts shown in Tables 10 and 11. Any unassigned amount of the assessments encumbering the remaining Unplatted Parcels will continue to be calculated and levied on an equal assessment per acre basis.

It is expected that the 311 units in Phases 1-1 and 1-2 will be the first units platted and will fully absorb the Series 2013A-1 and Series 2013A-2 Assessments. Accordingly, it is further expected that upon platting, the 496 units in Phase 1-3 (constituting the balance of the Phase 1 residential development plan) will be assigned Series 2013A-3 Assessments, as reflected on Table 12. The lien securing the Series 2013A-3 Assessments is considered a separate and distinct lien. This may result in an initial allocation whereby Phases 1-1 and 1-2 realize Series 2013 Assessment levels which are relatively higher than those associated with Phase 1-3. However, as noted above, these allocations are well within acceptable benefit thresholds. Furthermore, it is reasonable to assume that Phases 1-1 and 1-2, which, based on representations by the District Engineer, consulting engineer, and others, are either developed or substantially developed, will realize benefit from the Series 2013 Project on an accelerated basis, as compared to Phase 1-3, which is substantially undeveloped at this time. Furthermore, any differences will likely be mitigated by anticipated prepayments of the Series 2013A-2 Assessments, as well as the levy of future assessments on Phase 1-3, as further described below.

It is anticipated that the balance of the Phase I CIP (i.e., that portion not funded with the 2013 Bonds) will either be completed by the developer as a contribution of infrastructure, and/or the District will issue additional bonds in order to finance the completion of the Phase I CIP, with such infrastructure benefitting the lands subject to the 2013A-3 Assessments. As such, and without intending to limit the District's ability to impose special assessments in the future in any manner authorized by law, it is anticipated that, in the event that the District issues additional bonds to finance the balance of the Phase I CIP, additional debt service special assessments may be levied and imposed on the lands subject to the 2013A-3 Assessments, in addition to the amounts identified above.

In the event that developable lands that derive benefit from the Phase 1 Allocable Costs are added to the Phase 1 boundaries, such lands will be subject to the Series 2013 Assessments, pursuant to the methodology described herein.

VII. PREPAYMENT AND TRUE-UP OF SERIES 2013 ASSESSMENTS

The assessments encumbering a Platted Unit may be prepaid in full at anytime, without penalty, together with interest at the rate on the respective bond series to the Interest Payment Date (as defined in the applicable bond trust indenture) that is more than forty-five (45) days next succeeding the date of prepayment. Notwithstanding the preceding provisions, the District does not waive the right to assess penalties and collection costs which would otherwise be permissible if the Platted Unit being prepaid is subject to an assessment delinquency.

Because this methodology addresses the assignment of defined, fixed assessments to Platted Units, the District's assessment program is predicated on the development of Phase 1 lots in the manner described in Table 1. However, if a change in development results in a net decrease in the overall principal amount of Series 2013 Assessments able to be assigned to the lands described in Table 1, then a true up payment will be required to cure the deficiency. The true up test to be applied will be to compare the principal amount of Series 2013 Assessments to be assigned under this methodology to the amount able to be assigned as reconfigured, based on the development plan attached hereto. Concurrent with the issuance of bonds, it is expected that the District will enter into a True Up Agreement with the Developer to memorialize the true up process, which is also described in detail in Resolution 2014-07. Additionally, such process shall apply to all lands subject to the assessment lien through the adoption of the District's assessment resolutions.

If a reconfiguration of lands would result in the collection of substantial excess Series 2013 Assessment revenue in the aggregate, then the District shall undertake a pro rata reduction of Series 2013 Assessments for all affected properties.

VIII. ADDITIONAL STIPULATIONS

Certain financing, development, and engineering data was provided by members of District staff and/or the developers. The allocation methodology described herein was based on information provided by those professionals. Rizzetta & Company makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report.

EXHIBIT A:

ALLOCATION METHODOLOGY

**ARTISAN LAKES
COMMUNITY DEVELOPMENT DISTRICT
SERIES 2013 BONDS**

TABLE 1: TOTAL DEVELOPMENT PLAN

<u>PRODUCT*</u>	<u>EAU FACTOR</u>	<u>PHASE 1</u>	<u>FUTURE DEVELOPMENT</u>	<u>TOTAL UNITS</u>	
Single Family 40'	0.80	285	533	818	Lots
Single Family 50'	1.00	252	301	553	Lots
Single Family 60'	1.20	199	150	349	Lots
Single Family 70'	1.40	71	53	124	Lots
Clubhouse	4.00	1	2	3	Units
TOTAL:		808	1,039	1,847	

* Includes all unit types within a front footage range (i.e. 40'-49').

**ARTISAN LAKES
COMMUNITY DEVELOPMENT DISTRICT
SERIES 2013 BONDS**

TABLE 2: INFRASTRUCTURE COST DETAIL

<u>DESCRIPTION</u>	<u>PHASE 1 CIP</u>	<u>PHASE 1 ALLOCABLE COSTS</u>
<u>Subdivision</u>		
Earthwork and Storm Sewers	\$5,500,000.00	\$5,500,000.00
Sanitary Sewer	\$1,410,000.00	\$1,410,000.00
Potable Water	\$800,000.00	\$800,000.00
<u>Master (1)</u>		
Main Sanitary Sewer	\$300,000.00	\$136,140.85
Artisan Lakes Parkway	\$6,925,000.00	\$3,142,584.72
Environmental	\$250,000.00	\$113,450.71
Moccasin Wallow & Buckeye Intersection	\$410,497.00	\$186,284.71
<u>Other</u>		
Professional Services/Contingency	\$1,900,000.00	\$1,900,000.00
Total Costs	<u><u>\$17,495,497.00</u></u>	<u><u>\$13,188,461.00</u></u>
Total Series 2013 Project Costs Funded by Series 2013 Bonds	\$6,985,238.50	
Developer Contribution of Infrastructure In Lieu of Phase 1 Clubhouse Assessments	\$64,161.81	
Additional Phase 1 CIP Costs Funded by Developer or Future Bonds	<u>\$10,446,096.69</u>	
Total Phase I CIP Costs	<u><u>\$17,495,497.00</u></u>	
(1) Phase 1 development plan represents 822.20 EAUs, approximately 45.4% of the District total.		
Source: District Engineer's Report		

**ARTISAN LAKES
COMMUNITY DEVELOPMENT DISTRICT
SERIES 2013 BONDS**

TABLE 3: ALLOCATION OF PHASE 1 ALLOCABLE COSTS

<u>DESCRIPTION</u>	<u>EAU FACTOR</u>	<u>UNITS</u>	<u>PER UNIT COST</u>
Single Family 40'	0.80	285	\$12,832.36
Single Family 50'	1.00	252	\$16,040.45
Single Family 60'	1.20	199	\$19,248.54
Single Family 70'	1.40	71	\$22,456.64
Clubhouse	4.00	1	\$64,161.81

**ARTISAN LAKES
COMMUNITY DEVELOPMENT DISTRICT
SERIES 2013 BONDS**

TABLE 4: FINANCING INFORMATION - SERIES 2013A-1 BONDS		
Issue Date		December 30, 2013
Final Maturity		May 1, 2044
Average Coupon Rate		6.932%
MADS		\$273,912.50
SOURCES:		
	INITIAL PRINCIPAL AMOUNT	<u>\$3,430,000.00</u>
	Total Net Proceeds	\$3,430,000.00
USES:		
	Construction Fund	(\$2,817,323.48)
	Capitalized Interest	(\$197,656.67)
	DSRF	(\$273,912.50)
	Underwriter's Discount	(\$68,600.00)
	Cost of Issuance	<u>(\$72,507.35)</u>
	Total Uses	(\$3,430,000.00)
Source: District Underwriter		

TABLE 5: FINANCING INFORMATION - SERIES 2013A-1 ASSESSMENTS		
First Installment		FY 2014/2015 ⁽¹⁾
Final Installment		FY 2043/2044 ⁽¹⁾
Total Installments		30
Average Interest Rate		6.932%
	Aggregate Initial Principal Amount	\$3,430,000.00
Net Annual Assessment Revenue		\$273,912.50 ⁽²⁾
Estimated County Collection Costs	3.00%	\$8,471.52 ⁽³⁾
Maximum Early Payment Discounts	4.00%	<u>\$11,766.00</u> ⁽³⁾
Estimated Aggregate Annual Installment		\$294,150.02
⁽¹⁾ Ultimate collection schedule at the District's discretion.		
⁽²⁾ Based on MADS for the Series 2013A-1 Bonds.		
⁽³⁾ May vary as provided by law.		

**ARTISAN LAKES
COMMUNITY DEVELOPMENT DISTRICT
SERIES 2013 BONDS**

TABLE 6: FINANCING INFORMATION - SERIES 2013A-2 BONDS		
Issue Date		December 30, 2013
Final Maturity		May 1, 2044
Average Coupon Rate		6.750%
MADS		\$203,475.00
SOURCES:		
	INITIAL PRINCIPAL AMOUNT	<u>\$2,585,000.00</u>
	Total Net Proceeds	\$2,585,000.00
USES:		
	Construction Fund	(\$2,129,289.33)
	Capitalized Interest	(\$145,890.94)
	DSRF	(\$203,475.00)
	Underwriter's Discount	(\$51,700.00)
	Cost of Issuance	<u>(\$54,644.73)</u>
	Total Uses	(\$2,585,000.00)
Source: District Underwriter		

TABLE 7: FINANCING INFORMATION - SERIES 2013A-2 ASSESSMENTS		
First Installment		FY 2014/2015 ⁽¹⁾
Final Installment		FY 2043/2044 ⁽¹⁾
Total Installments		30
Average Interest Rate		6.750%
	Aggregate Initial Principal Amount	\$2,585,000.00
Net Annual Assessment Revenue		\$203,475.00 ⁽²⁾
Estimated County Collection Costs	3.00%	\$6,293.04 ⁽³⁾
Maximum Early Payment Discounts	4.00%	<u>\$8,740.34</u> ⁽³⁾
Estimated Aggregate Annual Installment		\$218,508.38
⁽¹⁾ Ultimate collection schedule at the District's discretion.		
⁽²⁾ Based on MADS for the Series 2013A-2 Bonds.		
⁽³⁾ May vary as provided by law.		

**ARTISAN LAKES
COMMUNITY DEVELOPMENT DISTRICT
SERIES 2013 BONDS**

TABLE 8: FINANCING INFORMATION - SERIES 2013A-3 BONDS		
Issue Date		December 30, 2013
Final Maturity		May 1, 2044
Average Coupon Rate		7.250%
MADS		\$206,981.25
SOURCES:		
	INITIAL PRINCIPAL AMOUNT	<u>\$2,500,000.00</u>
	Total Net Proceeds	\$2,500,000.00
USES:		
	Construction Fund	(\$2,038,625.69)
	Capitalized Interest	(\$151,545.14)
	DSRF	(\$206,981.25)
	Underwriter's Discount	(\$50,000.00)
	Cost of Issuance	<u>(\$52,847.92)</u>
	Total Uses	(\$2,500,000.00)
Source: District Underwriter		

TABLE 9: FINANCING INFORMATION - SERIES 2013A-3 ASSESSMENTS		
First Installment		FY 2014/2015 (1)
Final Installment		FY 2043/2044 (1)
Total Installments		30
Average Interest Rate		7.250%
	Aggregate Initial Principal Amount	\$2,500,000.00
Net Annual Assessment Revenue		\$206,981.25 (2)
Estimated County Collection Costs	3.00%	\$6,401.48 (3)
Maximum Early Payment Discounts	4.00%	<u>\$8,890.95</u> (3)
Estimated Aggregate Annual Installment		\$222,273.68
(1) Ultimate collection schedule at the District's discretion.		
(2) Based on MADS for the Series 2013A-3 Bonds.		
(3) May vary as provided by law.		

**ARTISAN LAKES
COMMUNITY DEVELOPMENT DISTRICT
SERIES 2013 BONDS**

TABLE 10: ASSESSMENT ALLOCATION - SERIES 2013A-1 ASSESSMENTS (1)

Phase 1-1 and Phase 1-2 Platted Units Only

<u>PRODUCT</u>	<u>UNITS</u>	<u>PER UNIT TOTAL PRINCIPAL</u>	<u>PER UNIT ANNUAL INSTLMT. (2)</u>
Single Family 40'	53	\$8,265.06	\$708.80
Single Family 50'	127	\$10,331.33	\$885.99
Single Family 60'	104	\$12,397.59	\$1,063.19
Single Family 70'	27	\$14,463.86	\$1,240.39
TOTAL	<u>311</u>		

(1) Allocation of Series 2013 Assessments based on EAU factor methodology. Series 2013A-1 and 2013A-2 Assessments will be assigned on a first platted, first assessed basis to lots in Phases 1-1 and 1-2.

(2) Includes estimated Manatee County collection costs/payment discounts, which may fluctuate.

TABLE 11: ASSESSMENT ALLOCATION - SERIES 2013A-2 ASSESSMENTS (1)

Phase 1-1 and Phase 1-2 Platted Units Only

<u>PRODUCT</u>	<u>UNITS</u>	<u>PER UNIT TOTAL PRINCIPAL</u>	<u>PER UNIT ANNUAL INSTLMT. (2)</u>
Single Family 40'	53	\$6,228.92	\$526.53
Single Family 50'	127	\$7,786.14	\$658.16
Single Family 60'	104	\$9,343.37	\$789.79
Single Family 70'	27	\$10,900.60	\$921.42
TOTAL	<u>311</u>		

(1) Allocation of Series 2013 Assessments based on EAU factor methodology. Series 2013A-1 and 2013A-2 Assessments will be assigned on a first platted, first assessed basis to lots in Phases 1-1 and 1-2.

(2) Includes estimated Manatee County collection costs/payment discounts, which may fluctuate.

TABLE 12: ASSESSMENT ALLOCATION - SERIES 2013A-3 ASSESSMENTS (1)

Phase 1-3 Platted Units Only

<u>PRODUCT</u>	<u>UNITS</u>	<u>PER UNIT TOTAL PRINCIPAL</u>	<u>PER UNIT ANNUAL INSTLMT. (2)</u>
Single Family 40'	232	\$4,113.53	\$365.73
Single Family 50'	125	\$5,141.92	\$457.17
Single Family 60'	95	\$6,170.30	\$548.60
Single Family 70'	44	\$7,198.68	\$640.03
TOTAL	<u>496</u>		

(1) Allocation of Series 2013 Assessments based on EAU factor methodology. Series 2013A-3 Assessments will be assigned on a first platted, first assessed basis to lots in Phase1-3.

(2) Includes estimated Manatee County collection costs/payment discounts, which may fluctuate.

**ARTISAN LAKES
PHASE 1 ASSESSMENT LIEN ROLL**

Folio	Legal_1	Legal_2	LU	MAXIMUM PRINCIPAL	MAXIMUM ANNUAL
610900479*	ARTISAN LAKES - PH I: A PARCEL OF LAND LYING WITHIN SECS 16			\$8,515,000.00	\$734,932.08
610900529	A TRACT OF LAND LYING IN THE SW1/4 OF THE SE1/4 OF SEC 16			\$0.00	\$0.00
TOTAL				\$8,515,000.00	\$734,932.08

***ONLY THE LANDS WITHIN THE BOUNDARIES OF PHASE 1 WILL BE ASSESSED. SEE ATTACHED PARCEL MAP AND LEGAL DESCRIPTION FOR REFERENCE.**

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT PHASE I

DESCRIPTION: A parcel of land lying in Sections 16 and 17, Township 33 South, Range 18 East, Manatee County, Florida, and being more particularly described as follows:

COMMENCE at the Southeast corner of said Section 17, run thence along the East boundary of said Section 17, N.00°54'42"E., 1231.99 feet to a point on a curve, said point also being the **POINT OF BEGINNING**; thence Southwesterly, 221.13 feet along the arc of said curve to the left having a radius of 1410.00 feet and a central angle of 08°59'08" (chord bearing S.46°23'11"W., 220.90 feet) to a point of reverse curvature; thence Southwesterly, 366.94 feet along the arc of a curve to the right having a radius of 540.00 feet and a central angle of 38°56'00" (chord bearing S.61°21'37"W., 359.92 feet); thence S.80°49'37"W., 172.77 feet to a point of curvature; thence Southwesterly, 925.74 feet along the arc of a curve to the left having a radius of 660.00 feet and a central angle of 80°21'53" (chord bearing S.40°38'40"W., 851.69 feet); thence S.00°27'44"W., 114.10 feet to a point of curvature; thence Southwesterly, 54.96 feet along the arc of a curve to the right having a radius of 35.00 feet and a central angle of 89°58'42" (chord bearing S.45°27'05"W., 49.49 feet); thence along a line lying 75.00 feet North of and parallel with the South boundary of the Southeast 1/4 of aforesaid Section 17, N.89°33'35"W., 1333.46 feet to the East maintained right of way line of 40th Street East, as graphically shown in Road Plat Book 3, Page 169, of the Public Records of Manatee County, Florida; thence along said East maintained right of way line, the following two (2) courses: 1) along a line lying 25.00 feet East of and parallel with the East boundary of the Southeast 1/4 of the Southwest 1/4 of aforesaid Section 17, N.00°14'58"W., 1263.79 feet; 2) along a line lying 25.00 feet East of and parallel with the East boundary of the Northeast 1/4 of said Southwest 1/4 of Section 17, N.00°10'01"W., 1338.37 feet to the North boundary of aforesaid Southeast 1/4 of Section 17; thence along said North boundary of the Southeast 1/4 of Section 17, S.89°18'17"E., 1304.96 feet to the Southwest corner of the East 1/2 of the Northeast 1/4 of said Section 17; thence along the West boundary of said East 1/2 of the Northeast 1/4 of Section 17, N.00°04'18"W., 2660.51 feet to the Northwest corner thereof; thence along the North boundary of said East 1/2 of the Northeast 1/4 of Section 17, S.89°31'32"E., 1343.85 feet to the Northeast corner of said Section 17; thence along the North boundary of aforesaid Section 16, N.89°59'37"E., 325.57 feet; thence S.00°00'23"E., 85.35 feet to a point on a non-tangent curve; thence Southwesterly, 406.28 feet along the arc of said curve to the left having a radius of 380.00 feet and a central angle of 61°15'29" (chord bearing S.31°06'17"W., 387.20 feet); thence S.00°28'32"W., 47.11 feet to a point of curvature; thence Southerly, 141.36 feet along the arc of a curve to the right having a radius of 300.00 feet and a central angle of 26°59'49" (chord bearing S.13°58'27"W., 140.05 feet) to a point of reverse curvature; thence Southerly, 55.82 feet along the arc of a curve to the left having a radius of 75.00 feet and a central angle of 42°38'33" (chord bearing S.06°09'05"W., 54.54 feet); thence S.15°10'11"E., 40.54 feet; thence N.74°49'49"E., 138.72 feet to a point on a non-tangent curve; thence Easterly, 111.78 feet along the arc of said curve to the left having a radius of 55.00 feet and a central angle of 116°26'29" (chord bearing N.74°49'49"E.,

93.51 feet); thence N.74°49'49"E., 133.61 feet; thence S.39°14'22"E., 32.00 feet to a point on a non-tangent curve; thence Southeasterly, 36.60 feet along the arc of said curve to the left having a radius of 30.00 feet and a central angle of 69°54'02" (chord bearing S.23°38'57"E., 34.37 feet); thence S.58°35'58"E., 52.43 feet; thence S.56°59'18"E., 87.59 feet; thence S.78°34'23"E., 69.56 feet; thence N.73°10'12"E., 60.36 feet; thence S.81°08'56"E., 86.41 feet; thence N.76°43'23"E., 45.37 feet; thence S.87°22'32"E., 32.66 feet; thence S.76°38'21"E., 58.92 feet; thence N.78°36'28"E., 69.16 feet; thence S.84°26'15"E., 48.02 feet; thence S.65°08'35"W., 12.13 feet to a point of curvature; thence Southerly, 78.90 feet along the arc of a curve to the left having a radius of 30.00 feet and a central angle of 150°41'08" (chord bearing S.10°11'59"E., 58.05 feet); thence S.85°32'34"E., 69.39 feet; thence N.80°41'18"E., 40.48 feet to a point of curvature; thence Northeasterly, 48.89 feet along the arc of a curve to the left having a radius of 30.00 feet and a central angle of 93°22'37" (chord bearing N.33°59'59"E., 43.66 feet); thence N.12°41'19"W., 2.11 feet; thence S.78°04'12"E., 12.04 feet to a point of curvature; thence Northeasterly, 53.85 feet along the arc of a curve to the left having a radius of 30.00 feet and a central angle of 102°50'31" (chord bearing N.50°30'33"E., 46.90 feet); thence N.00°54'43"W., 36.32 feet; thence N.00°10'08"W., 82.28 feet; thence N.59°59'38"W., 29.43 feet; thence N.78°15'11"E., 16.36 feet; thence N.85°08'32"E., 56.31 feet; thence S.82°50'00"E., 48.47 feet; thence N.81°17'08"E., 72.74 feet; thence S.89°36'29"E., 45.92 feet; thence N.85°32'12"E., 84.34 feet; thence S.83°20'20"E., 23.46 feet to a point of curvature; thence Northeasterly, 43.03 feet along the arc of a curve to the left having a radius of 30.00 feet and a central angle of 82°11'02" (chord bearing N.55°34'09"E., 39.44 feet); thence N.14°28'38"E., 22.37 feet; thence N.41°30'51"E., 48.69 feet to a point of curvature; thence Northeasterly, 14.44 feet along the arc of a curve to the right having a radius of 25.00 feet and a central angle of 33°05'04" (chord bearing N.58°03'23"E., 14.24 feet) to a point of reverse curvature; thence Easterly, 149.43 feet along the arc of a curve to the left having a radius of 760.00 feet and a central angle of 11°15'55" (chord bearing N.68°57'57"E., 149.19 feet) to a point of reverse curvature; thence Easterly, 284.63 feet along the arc of a curve to the right having a radius of 340.00 feet and a central angle of 47°57'52" (chord bearing N.87°18'56"E., 276.39 feet); thence S.68°42'08"E., 419.95 feet to a point of curvature; thence Southeasterly, 23.65 feet along the arc of a curve to the right having a radius of 25.00 feet and a central angle of 54°12'23" (chord bearing S.41°35'57"E., 22.78 feet); thence S.57°21'06"E., 70.76 feet; thence S.62°36'51"E., 80.50 feet to a point of curvature; thence Easterly, 40.75 feet along the arc of a curve to the left having a radius of 80.00 feet and a central angle of 29°10'54" (chord bearing S.77°12'18"E., 40.31 feet) to a point of reverse curvature; thence Easterly, 47.43 feet along the arc of a curve to the right having a radius of 200.00 feet and a central angle of 13°35'20" (chord bearing S.85°00'04"E., 47.32 feet); thence S.78°12'25"E., 56.64 feet to a point of curvature; thence Southeasterly, 37.41 feet along the arc of a curve to the right having a radius of 100.00 feet and a central angle of 21°25'56" (chord bearing S.67°29'27"E., 37.19 feet); thence S.74°48'01"E., 164.87 feet to a point on a non-tangent curve; thence Easterly, 127.31 feet along the arc of said curve to the left having a radius of 660.00 feet and a central angle of 11°03'08" (chord bearing S.85°23'16"E., 127.12 feet); thence N.89°05'10"E., 49.11 feet to a point of curvature; thence Easterly, 41.63 feet along the arc of a curve to the right

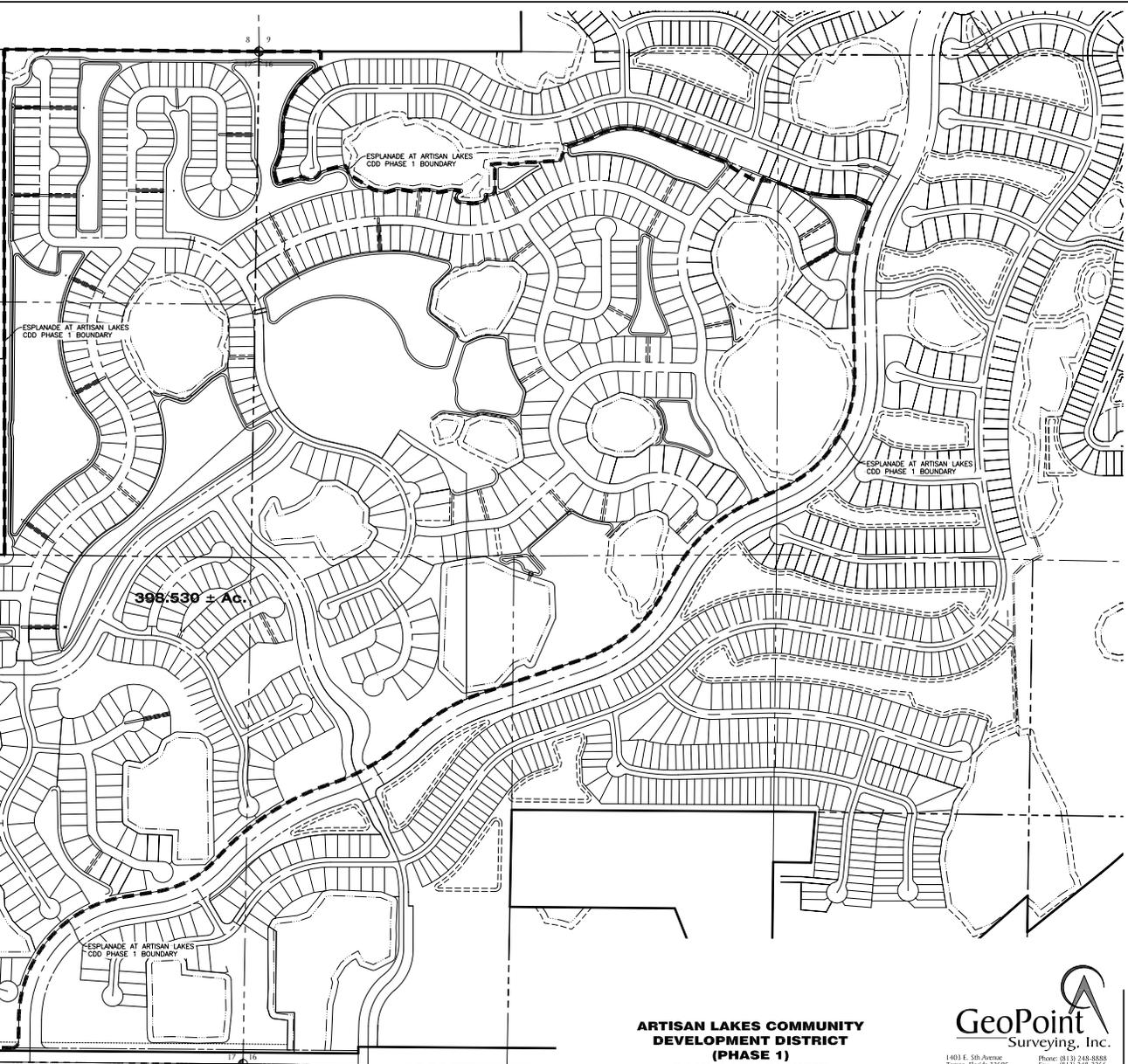
having a radius of 95.00 feet and a central angle of 25°06'24" (chord bearing S.78°21'38"E., 41.30 feet); thence S.65°48'26"E., 52.00 feet; thence S.64°50'08"E., 37.14 feet to a point on a non-tangent curve; thence Southerly, 485.16 feet along the arc of said curve to the left having a radius of 1060.00 feet and a central angle of 26°13'28" (chord bearing S.12°03'08"W., 480.94 feet); thence S.01°03'36"E., 423.34 feet to a point of curvature; thence Southwesterly, 742.82 feet along the arc of a curve to the right having a radius of 640.00 feet and a central angle of 66°30'01" (chord bearing S.32°11'25"W., 701.82 feet); thence S.65°26'25"W., 197.31 feet to a point of curvature; thence Southwesterly, 540.35 feet along the arc of a curve to the left having a radius of 860.00 feet and a central angle of 36°00'00" (chord bearing S.47°26'25"W., 531.51 feet); thence S.29°26'25"W., 139.89 feet to a point of curvature; thence Southwesterly, 541.21 feet along the arc of a curve to the right having a radius of 740.00 feet and a central angle of 41°54'16" (chord bearing S.50°23'33"W., 529.23 feet); thence S.71°20'41"W., 582.70 feet to a point of curvature; thence Southwesterly, 432.87 feet along the arc of a curve to the left having a radius of 985.00 feet and a central angle of 25°10'46" (chord bearing S.58°45'18"W., 429.40 feet) to a point of reverse curvature; thence Southwesterly, 486.81 feet along the arc of a curve to the right having a radius of 1090.00 feet and a central angle of 25°35'21" (chord bearing S.58°57'36"W., 482.78 feet) to a point of reverse curvature; thence Southwesterly, 513.73 feet along the arc of a curve to the left having a radius of 1410.00 feet and a central angle of 20°52'32" (chord bearing S.61°19'01"W., 510.90 feet) to the **POINT OF BEGINNING**.

Containing 398.531 acres (17360026 square feet), more or less.



500 250 0 250 500

SCALE: 1" = 250'



MOCCASIN WALLOW ROAD
(Right of Way Width Varies)

**ARTISAN LAKES COMMUNITY
DEVELOPMENT DISTRICT
(PHASE 1)
BOUNDARY EXHIBIT**



1403 E. 5th Avenue
Tampa, Florida 33605
www.geopointsurvey.com

Phone: (813) 248-8888
Fax: (813) 248-2266
Licensed Business Number: 18-7768

DATE PLOTTED: 08/13/2013 10:45:00 AM
DRAWN BY: J. B. BROWN
CHECKED BY: J. B. BROWN
SCALE: 1" = 250'
PROJECT: ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT (PHASE 1) BOUNDARY EXHIBIT

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APPENDIX C

Forms of the Master Indenture, First Supplement and Second Supplement

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MASTER TRUST INDENTURE
ARTISAN LAKES
COMMUNITY DEVELOPMENT DISTRICT
TO
THE BANK OF NEW YORK MELLON TRUST COMPANY,
N.A., AS TRUSTEE
Dated as of December 1, 2013

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MASTER TRUST INDENTURE

THIS IS A MASTER TRUST INDENTURE, dated as of December 1, 2013, by and between ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government organized and existing under the laws of the State of Florida (the "District"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., 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 10161 Centurion Parkway, Jacksonville, Florida 32256, Attention: Corporate Trust Department.

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

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

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

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

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EXHIBIT A

FORM OF REQUISITION

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

NOW, THEREFORE, THIS MASTER TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

That the District, in consideration of the premises and acceptance by the Trustee of the trusts hereby created and the purchase and acceptance of the Bonds (hereafter defined) by the Owners (hereafter defined), and of the sum of ten dollars (\$ 10.00), lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of this Master Indenture, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds of a Series (hereafter defined) issued hereunder according to their tenor and effect and to secure the performance and observance by the District of all of the covenants expressed or implied herein, in the Supplemental Indenture authorizing the issuance of such Series of Bonds and in the Bonds of such Series, does hereby assign and grant a security interest in the following (herein called the "Trust Estate") to the Trustee and its successors in trust, and assigns forever, for the securing of the performance of the obligations of the District herein set forth: (i) the Pledged Revenues (hereinafter defined) and Pledged Funds (hereinafter defined); and (ii) any and all property of every kind or description which may from time to time hereafter be sold, transferred, conveyed, assigned, hypothecated, endorsed, deposited, pledged, granted or delivered to, or deposited with, the Trustee as security for any Series of Bonds issued pursuant to this Master Indenture by the District or anyone on its behalf or with its consent, or which pursuant to any of the provisions hereof or of the Supplemental Indenture securing such Series of Bonds may come into the possession or control of the Trustee or of a lawfully appointed receiver, as such additional security, and the Trustee is hereby authorized to receive any and all such property as and for security for the payment of such Series of Bonds and the interest and premium, if

any, thereon, and to hold and apply all such property subject to the terms hereof, it being expressly understood and agreed that except as otherwise provided herein or in a Supplemental Indenture the Trust Estate established and held hereunder for Bonds of a Series shall be held separate and in trust solely for the benefit of the Owners of the Bonds of such Series and for no other Series;

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

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

IT IS HEREBY COVENANTED, DECLARED AND AGREED

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

sixty (360) day year comprised of twelve (12) thirty (30) day months from the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance), by (y) one hundred eighty (180). A table of Accreted Values for the Capital Appreciation Bonds shall be incorporated in a Supplemental Indenture executed by the District upon issuance of any Capital Appreciation Bonds.

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

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

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

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

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

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

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 Accountants) from time to time selected by the District.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"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 of the authorization of Notes or Bonds, mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District;

(i) Government Obligations;

(ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government - sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by the United States of America; Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Federal Home Loan Bank System; Export-Import Bank of the United States; Farmers Home Administration; Small Business Administration; Inter-

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American Development Bank; International Bank for Reconstruction and Development; Federal Land Banks; the Federal National Mortgage Association; the Government National Mortgage Association; the Tennessee Valley Authority; or the Washington Metropolitan Area Transit Authority;

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

(iv) Negotiable or non-negotiable certificates of deposit, time deposits or other similar banking arrangements issued by any bank or trust company, including the Trustee, or any federal savings and loan association, the deposits of which are insured by the Federal Deposit Insurance Corporation (including the FDIC's Savings Association Insurance Fund), which securities, to the extent that the principal thereof exceeds the maximum amount insurable by the Federal Deposit Insurance Corporation and, therefore, are not so insured, shall be fully secured to the extent permitted by law as to principal and interest by the securities listed in subsection (i), (ii) or (iii) above; provided, however, that with respect to securities used to secure securities hereunder, in addition to direct and general obligations of any political subdivision or instrumentality of any such state, to the payment of the principal of and interest on which the full faith and credit of such subdivision or instrumentality is pledged if such obligations are initially rated in one of the three highest rating categories without regard to gradations within any such categories by either S&P or Moody's;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in Article III hereof or in the Supplemental Indenture relating to the Bonds of any Series;

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

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

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

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

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

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

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

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

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

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

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

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

"Property Appraiser" shall mean the Property Appraiser of 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 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 Outstanding Bonds.

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Supplemental Indenture relating to such Series of Bonds as pledged to the payment of such Series of Bonds; provided, however, such term shall not include any amounts on deposit in a Series Rebate Account in the Rebate Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Series Pledged Funds" shall mean all amounts on deposit from time to time in the Funds and Accounts and designated in the

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

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

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

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

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

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

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

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

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

"Trustee" shall mean The Bank of New York Mellon Trust Company, N.A., with its designated office in Jacksonville, Florida, and any successor trustee appointed or serving pursuant to Article VI hereof.

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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, or 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 and/or Liquidity Facility, all as shall be provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds. Bonds of a Series (or a part of a Series) may be in book-entry form at the option of the District as shall be provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

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

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"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 Florida law shall be deemed to include any and all amendments thereto.

ARTICLE II FORM, EXECUTION, DELIVERY AND DESIGNATION OF BONDS

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

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Series of Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Section 203. Execution and Form of Bonds. The Bonds shall be signed by, or bear the facsimile signature of the Chairman, shall be attested and countersigned by the Secretary, and the certificate of authentication appearing on the face of the Bonds shall be signed by, or bear the facsimile signature of the Trustee; provided, however, that each Bond shall be manually signed by either the Chairman, the Secretary or the Trustee. The official seal of the District shall be imprinted or impressed on the Bonds. In case any officer whose signature or a facsimile of whose signature appears on any Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid for all purposes the same as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond shall be proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers. The Bonds, and the provisions for registration and reconversion to be endorsed on such Bonds, shall be substantially in the form set forth in a Supplemental Indenture. The Trustee may appoint one or more authenticating agents.

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

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negotiable instruments under the laws of the State of Florida, and each successive Owner, in accepting any of the Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida.

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

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

Section 207. Authorization of Bonds. There shall be issued from time to time in Series, under and secured by this Master

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affected by bankruptcy and other similar laws relating to creditor's rights generally;

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

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

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

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

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

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

Section 208. Temporary Bonds. Pending delivery of definitive Bonds, there may be executed, authenticated, and delivered to the Owners thereof, in lieu of definitive Bonds and subject to the

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Indenture, Bonds without limitation as to aggregate principal amount for the purposes of: (i) paying all or part of the Cost of a Project or Projects or refunding an Outstanding Series of Bonds or any portion thereof; (ii) depositing the Series Reserve Account Requirement to the Series Reserve Account for such Series of Bonds; and (iii) paying the costs and expenses of issuing such Series of Bonds.

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

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

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

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

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

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

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

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

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

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Bonds of such Series representing the unredeemed balance of the principal amount shall be issued to the Owner thereof without any charge therefor. If the Owner of any Bond of a denomination greater than the unit of principal amount to be redeemed shall fail to present such Bond to the Paying Agent for payment in exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption.

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

Section 302. Notice of Redemption; Procedure for Selection. The District shall establish each redemption date, other than in the case of a mandatory redemption, in which case the Trustee shall establish the redemption date, and the District or the Trustee, as the case may be, shall notify the Bond Registrar in writing of such redemption date on or before the forty-fifth (45th) day next preceding the date fixed for redemption, which notice shall set forth the terms of the redemption and the aggregate principal amount of Bonds so to be redeemed. Except as provided below, notice of redemption shall be given by the Bond Registrar not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption by first-class mail, postage prepaid, to any Paying Agent for the Bonds to be redeemed and to the registered Owner of each Bond to be redeemed, at the address of such registered Owner on the registration books maintained by the Bond Registrar (and, for any Owner of \$1,000,000 or more in the principal amount of Bonds, to one additional address if written request therefor is provided to the Bond Registrar prior to the Record Date); and a second notice of redemption shall be sent by registered or certified mail at such address to any Owner who has not submitted his Bond to the Paying Agent for payment on or before the date sixty (60) days following the date fixed for redemption of such Bond, in each case stating: (i) the numbers of the Bonds to be redeemed, by giving the individual certificate number of each Bond to

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Supplemental Indenture authorizing the issuance of such Series of Bonds.

ARTICLE III REDEMPTION OF BONDS

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

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

If it is determined that one or more, but not all, of the units of principal amount represented by any such Bond is to be called for redemption, then upon notice of intention to redeem such unit or units of principal amount as provided below, the registered Owner of such Bond, upon surrender of such Bond to the Paying Agent for payment to such registered Owner of the redemption price of the unit or units of principal amount called for redemption, shall be entitled to receive a new Bond or Bonds of such Series in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond. New

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be redeemed (or stating that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption); (ii) the CUSIP numbers of all Bonds being redeemed; (iii) in the case of a partial redemption of Bonds, the principal amount of each Bond being redeemed; (iv) the date of issue of each Bond as originally issued and the complete official name of the Bonds including the series designation; (v) the rate or rates of interest borne by each Bond being redeemed; (vi) the maturity date of each Bond being redeemed; (vii) the place or places where amounts due upon such redemption will be payable; and (viii) the notice date, redemption date, and redemption price. The notice shall require that such Bonds be surrendered at the designated corporate trust office of the Paying Agent for redemption at the redemption price and shall state that further interest on such Bonds will not accrue from and after the redemption date. CUSIP number identification with appropriate dollar amounts for each CUSIP number also shall accompany all redemption payments.

Any required notice of redemption also shall be sent by registered mail, overnight delivery service, telecopy or other secure means, postage prepaid, to any Owner of \$1,000,000 or more in aggregate principal amount of Bonds to be redeemed, to certain municipal registered securities depositories 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

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for the redemption of such Bonds on such date and, moneys for payment of the redemption price being held in a separate account by the Paying Agent in trust for the Owners of the Bonds to be redeemed, interest on the Bonds called for redemption shall cease to be entitled to any benefit under this Master Indenture, and the Owners of such Bonds shall have no rights in respect thereof, except to receive payment of the redemption price thereof, and interest, if any, accrued thereon to the redemption date, and such Bonds shall no longer be deemed to be Outstanding.

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

ARTICLE IV ACQUISITION AND CONSTRUCTION FUND

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

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

Section 403. Cost of Project. For the purposes of this Master Indenture, the Cost of the Series Project shall include, without intending thereby to limit or to restrict or expand any proper definition

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a condition to receive any government approval or permit necessary to accomplish any District purpose.

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

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

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

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

(viii) Costs of improvements.

(ix) Financing charges.

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

(xi) Working capital.

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

(xiii) Costs incurred to enforce remedies against contractors, subcontractors, any provider of labor, material, services or any other person for a default or breach under the corresponding contract, or in connection with any dispute.

(xiv) Premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same.

(xv) Expenses of Project management and supervision.

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of such cost under the Act, other applicable provisions of Florida law, or this Master Indenture, the following:

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

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

(iii) **Acquisition Expenses.** The costs of acquiring, by purchase or condemnation, all of the land, structures, improvements, rights-of-law, franchises, easements, plans and specifications and similar items and other interests in property, whether real or personal, tangible or intangible, which themselves constitute the Series Project or which are necessary or convenient to acquire, install and construct the Series Project and payments, contributions, dedications, taxes, assessments or permit fees or costs and any other exactions required as

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

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

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

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

ARTICLE V ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

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

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

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thereof. Such lien shall be prior and superior to all other liens now existing or hereafter created.

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

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

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

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

- (i) a Series Interest Account,
- (ii) a Series Principal Account,
- (iii) a Series Sinking Fund Account,
- (iv) a Series Redemption Account and therein a Prepayment Subaccount and an Optional Redemption Subaccount, and

(v) a Capitalized Interest Account

for each such series of Bonds issued hereunder;

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

(e) Rebate Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a

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

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

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

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

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

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

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separate Series Rebate Account for each such Series of Tax Exempt Bonds issued hereunder.

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

Section 503. Acquisition and Construction Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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(b) **Disposition of Remaining Amounts on Deposit in Series Revenue Account.** The District shall authorize the withdrawal, from time to time, from the Series Revenue Account an amount sufficient to pay the fees and charges of the Trustee, Bond Registrar, and Paying Agent, when due. Subject to the provisions of Section 604 hereof, if (i) the amount on deposit in the Series Interest Account, Series Principal Account, and Series Redemption Account in each Bond year equals the interest payable on the Bonds of such Series in such Bond Year, the principal amount of Serial Bonds payable in such Bond Year, the Maturity Amount of all Capital Appreciation Bonds due in such Bond Year and the Amortization Installment required to be paid into the Series Redemption Account in such Bond Year, and (ii) any amounts remain in the Series Revenue Account, then, such amounts shall, at the written direction of the District, be applied to pay the commissions, fees, costs and any other charges of the Tax Collector and the Property Appraiser, or, if such commissions, fees, costs, or other charges have been paid by the District, then to reimburse the District for such payment upon written request of an Authorized Officer. If, after such amounts have been withdrawn, paid and provided for as provided above, any amounts remain in the Series Revenue Account, such amounts shall be disbursed to the District on written request of an Authorized Officer and applied to pay the operating and administrative costs and expenses of the District. After making the payments provided for in this subsection (b), the balance, if any, remaining in the Series Revenue Account shall be retained therein, or, at the written direction of an Authorized Officer to the Trustee, transferred into the Series Redemption Account.

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

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

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Section 506. Optional Redemption.

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

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

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Term Bonds of such Series that are subject to mandatory redemption from Amortization Installments, as the case may be.

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

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

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

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maturities of Term Bonds of such Series which are to be redeemed from such amounts and the Amortization Installments against which the principal amount of such purchases are to be credited; and (iii) containing cash flow which demonstrate that, after giving effect to the purchase of Term Bonds in the amounts and having the maturities and with the credits against Amortization Installments set forth in clause (ii) above and any transfers from the related Series Revenue Account, the Pledged Revenues to be received by the District in the current and in each succeeding Bond Year will be sufficient to pay the principal, Maturity Amount and Amortization Installments of and interest on all Bonds of such Series. If any Bonds are purchased pursuant to this Subsection (b), the principal amount of the Bonds so purchased shall be credited as follows:

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

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

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

Section 507. Rebate Fund and Series Rebate Accounts.

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

Authorized Officer, when moneys held for the credit of each such Series Account will be required for the purposes intended.

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

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

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

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

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

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

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

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

in which money in such Fund or Account shall have been invested shall be valued at the market value.

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

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

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

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

deposited, as realized, to the credit of such Series Interest Account and used for the purpose of such Account.

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

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

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

Section 511. Cancellation of the Bonds. All Bonds paid, redeemed or purchased, either at or before maturity, shall be canceled upon the payment, redemption or purchase of such Bonds. All Bonds canceled under any of the provisions of this Master Indenture shall be destroyed by the Paying Agent, which shall 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, 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.

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grants to the Trustee a security interest in and to the amounts of deposit in all Series Funds and Accounts (other than the Rebate Fund) thereby, in effect, granting the Trustee a first charge against these moneys following an Event of Default for its fees and expenses (including legal counsel and default administration costs and expenses), subordinate and inferior to the security interest granted to the Owners of the Bonds from time to time secured thereby, but nevertheless payable in the order of priority as set forth in Section 905(a) upon the occurrence of an Event of Default.

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

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

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

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

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

Section 604. Compensation and Indemnity. The District shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, including the reasonable fees and expenses of Trustee's counsel, and to the extent permitted under Florida law shall indemnify the Trustee and hold the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder except with respect to its own negligence or misconduct. The Trustee shall have no duty in connection with its responsibilities hereunder to advance its own funds nor shall the Trustee have any duty to take any action hereunder without first having received indemnification satisfactory to it. If the District defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys received or held by the Trustee under this Master Indenture or any Supplemental Indenture and payable to the District other than moneys from a Credit Facility or a Liquidity Facility. This provision shall survive termination of this Master Indenture and any Supplemental Indenture, and as to any Trustee, its resignation or removal thereof. As security for the foregoing, the District hereby

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of all expenses to which it may be put and to protect it against all liability, except liability resulting from its own gross negligence or willful misconduct in connection with any such action.

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

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

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

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

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resignation shall not take effect until a successor Trustee has been appointed. If a successor Trustee has not been appointed within sixty (60) days after the Trustee has given its notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed.

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

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

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

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

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

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

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

Section 616. Merger of Trustee. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated or into which all or substantially all of its corporate trust

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Registrar appointed hereunder shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder.

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

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

Section 621. Acceptance of Duties by Successor Paying Agent or Bond Registrar. 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 fully 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

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registrar shall pay over and deliver to the successor Paying Agent or Bond Registrar all moneys and other assets at the time held by it hereunder.

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

ARTICLE VII FUNDS CONSTITUTE TRUST FUNDS

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

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

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

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

(d) until applied for the purposes provided herein, be subject to a first lien in favor of the Owners of such Series of Bonds and any *pari passu* obligations to issuers of Credit or Liquidity Facilities with respect to such series of Bonds, which lien is hereby created, prior and superior to all other liens now existing or hereafter created, and, to a second lien in favor of the Trustee, as security for the reasonable compensation for the services of the trustee hereunder, and also all its

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

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

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

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reasonable expenses and disbursements, including the reasonable fees and expenses of Trustee's counsel, subordinate and inferior to the security interest granted to the Owners of such Series of Bonds and any *pari passu* obligations to issuers of Credit or Liquidity Facilities with respect to such series of Bonds, but nevertheless payable in the order of priority as set forth in Section 905(a) hereof upon the occurrence of an Event of Default; and

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

ARTICLE VIII COVENANTS AND AGREEMENTS OF THE DISTRICT

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

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

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

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Acquisition and Construction Account or, after the Date of Completion of the Series Project, shall be deposited as provided in the Supplemental Indenture of the related Series. The District may from time to time sell or lease such other property forming part of a Series Project which it may determine is not needed or serves no useful purpose in connection with the maintenance and operation of such Series Project, if the Consulting Engineers shall in writing approve such sale or lease; the proceeds of any such sale shall be disposed of as hereinabove provided for the proceeds of the sale or disposal of movable property. The proceeds of any lease as described above shall be deposited as provided in the Supplemental Indenture of the related Series.

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

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

Section 808. Accounts and Reports.

(a) **Annual Report.** The District shall, within thirty days of receipt and approval by the District, so long as any Bonds are

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

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

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

(d) **Reports Pursuant to Uniform Special District Accountability Act of 1989.** The District covenants and agrees that it will comply with the provisions of Chapter 189.401 et seq., Florida Statutes, as amended, the Uniform Special District Accountability Act of 1989, to the extent applicable to the District, including any reporting requirements contained therein which are applicable to the District. The District may contract with a service provider selected by the District to ensure such compliance.

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the actions of the Trustee may, and shall, if so directed in writing by the Majority Owners of the Outstanding Bonds of the Series, declare the entire unpaid balance of such Assessment or Benefit Special Assessment, to be in default and, at its own expense, cause such delinquent property to be foreclosed in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, and Sections 190.026 and/or 170.10, Florida Statutes, or otherwise as provided by law. The District further covenants to furnish, at its expense, to any Owner of Bonds of the related Series so requesting, sixty (60) days after the due date of each annual installment, a list of all Delinquent Assessments together with a copy of the District's annual audit, and a list of foreclosure actions currently in progress and the current status of such Delinquent Assessments.

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

Section 814. Sale of Tax Deed or Foreclosure of Assessment or Benefit Special Assessment Lien. If any property shall be offered for sale for the nonpayment of any Assessment, which is pledged to a Series of Bonds, and no person or persons shall purchase such property for an amount 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 title to the property for the benefit of the Owners of the Series of Bonds to which such Assessments or Benefit Special

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

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

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

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

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Assessments were pledged. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the related Series Revenue Account. 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 sale of property acquired by it as trustee for the Owners of the related Series of Bonds within thirty (30) days after the receipt of the request therefor signed by the Trustee or the Owners of at least fifteen percent (15%) in aggregate principal amount of the Outstanding Bonds of such Series.

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

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

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Revenue Account. In case any such subsequent Assessment or Benefit Special Assessment shall also be annulled, the District shall obtain and make other Assessments or Benefit Special Assessments until a valid Assessment or Benefit Special Assessment shall be made.

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

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

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

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

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

(h) Material breach by the District of any material covenant made by it in the Indenture securing a Series of Bonds, whether or not notice of such breach has been given; and

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

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

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instead shall be enforceable by mandamus, injunction or any other means of specific performance.

ARTICLE IX EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

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

The District covenants and agrees that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, including Delinquent Direct

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and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the rates of interest specified in the Bonds of such Series; and

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

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

(c) If the principal of all the Bonds of a Series shall have been declared due and payable pursuant to the provisions of Section 903 of this Article, and if such declaration shall thereafter have been rescinded and annulled pursuant to the provisions of Section 903 of this Article, then, if the aggregate principal amount of all of the Bonds of

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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 (i) upon failure of any property owner to pay an installment of Assessments collected directly by the District when due, that the entire Assessment on the tax parcel as to which such Delinquent Assessment appertains, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and the District shall promptly, but in any event within one hundred twenty (120) days, cause to be brought the necessary legal proceedings for the foreclosure of liens of Delinquent Assessments, including interest and penalties with respect to such tax parcel and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages.

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

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

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

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

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such Series shall later become due or be declared due and payable pursuant to the provisions of Section 903 of this Article, the moneys remaining in and thereafter accruing to the related Series Revenue Fund shall be applied in accordance with subsection (b) above.

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

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

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

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

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equity shall be instituted and maintained for the benefit of all Owners of the Bonds of such Series.

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

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

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

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

Section 912. Indemnification. Other than to make proper draws under a Credit Facility, the Trustee shall be under no obligation to institute any suit or to take any remedial proceeding under this Master Indenture or any Supplemental Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to advance its own money, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability. Notwithstanding the foregoing, the indemnification provided by this

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any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee;

(iii) the District hereby agrees that it shall seek the written consent of the Trustee prior to filing and voting in any such Proceeding;

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

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

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Section 912 shall not be applicable in cases of the Trustee's gross negligence or willful misconduct.

Section 913. Provision Relating to Bankruptcy or Insolvency of Landowner. (a) The provisions of this Section 913 shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least three percent (3%) of the Assessments pledged to the Bonds of a Series Outstanding (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding"). If the District becomes aware of such Proceeding, it shall provide written notice thereof to the Trustee.

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

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

(ii) the District hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Assessments relating to the Bonds of a Series Outstanding, the Bonds of a Series Outstanding or

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

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

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

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may

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deem sufficient. Any request or consent of the Owner of any Bond shall bind every future owner of the same Bond in respect of anything done by the Trustee or the District in pursuance of such request or consent.

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

ARTICLE XI
SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Without Owners' consent, the Governing Body from time to time may authorize such indentures supplemental hereto or amendatory hereof as shall not be inconsistent with the terms and provisions hereof (which supplemental indentures shall thereafter form a part hereof), without the consent of the Owners, for the following purposes:

(a) to provide for the initial issuance of a Series of Bonds or refunding bonds of a Series; or

(b) to make any change whatsoever to the terms and provisions of this Master Indenture, but only as such change relates to a Series of Bonds upon the original issuance thereof (or upon the original issuance of refunding bonds of a Series which defease and discharge the Supplemental Indenture of the Series of Bonds to be refunded) under and pursuant to the terms of the Supplemental Indenture effecting such change; or

(c) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Master Indenture; or

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

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

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

(a) an extension of the maturity of, or an extension of the Interest Payment Date on, any Bond of such Series;

(b) a reduction in the principal, premium, or interest on any Bond of such Series;

(c) a preference or priority of any Bond of such Series over any other Bond of such Series; or

(d) a reduction in the aggregate principal amount of the Bonds of such Series required for consent to such indenture supplemental to the Supplemental Indenture.

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

Whenever, at any time within one (1) year after the date of the first mailing of such notice, there shall be delivered to the District an instrument or instruments in writing purporting to be executed by the Owners of the requisite principal amount of the Bonds of such Series Outstanding, which instrument or instruments shall refer to the

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(f) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190, 197 and 298, or other Florida Statutes, so long as, in the opinion of counsel to the District, such changes either: (a) do not have a material adverse effect on the Owners of each Series of Bonds to which such changes relate; or (b) if such changes do have a material adverse effect, that they nevertheless are required to be made as a result of such amendments; or

(g) to modify the provisions of this Master Indenture or any Supplemental Indenture provided that such modification does not, in the written opinion of Bond Counsel, materially adversely affect the interests of the Owners of the Bonds Outstanding, upon which opinion the Trustee may conclusively rely.

Section 1102. Supplemental Indentures With Owner Consent. Subject to the provisions contained in this Section, and not otherwise, the Majority Owners then Outstanding shall have the right, from time to time, anything contained in this Master Indenture to the contrary notwithstanding, to consent to and approve the adoption of such indentures supplemental hereto or amendatory hereof as shall be deemed desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the provisions of this Master Indenture; provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent of all Owners of Bonds then Outstanding and affected by such supplement or amendment,

(a) an extension of the maturity of, or an extension of the Interest Payment Date on, any Bond;

(b) a reduction in the principal, premium, or interest on any Bond;

(c) a preference or priority of any Bond over any other Bond; or

(d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture.

In addition to the foregoing, the Majority Owners of any Series then Outstanding shall have the right, from time to time, anything contained in this Master Indenture or in the Supplemental Indenture relating to such Series of Bonds to the contrary notwithstanding, to consent to and approve the adoption of such indentures supplemental

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proposed Supplemental Indenture or indenture supplemental to a Supplemental Indenture described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Governing Body and the Trustee may approve such Supplemental Indenture and cause it to be executed, in substantially such form, without liability or responsibility to any Owner.

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

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

Section 1105. Insurer or Issuer of a Credit or Liquidity Facility as Owner of Bonds. As long as a Credit or Liquidity Facility securing all or a portion of the Bonds of a Series Outstanding is in effect and the issuer thereof is not in default of any of its obligations under such Credit or Liquidity Facility, as the case may be, the issuer of the Credit or Liquidity Facility or the Insurer, to the extent so authorized in the applicable Supplemental Indenture, will be deemed to be the Owner of the Bonds of such Series secured by the Credit or Liquidity Facility: (i) at all times for the purpose of the execution and

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delivery of a supplemental indenture or of any amendment, change or modification of the Master Indenture or the applicable Supplemental Indenture or the initiation by Owners of any action to be undertaken by the Trustee at the Owner's request, which under the Master Indenture or the applicable Supplemental Indenture requires the written approval or consent of or can be initiated by the Majority Owners of the Series at the time Outstanding; (ii) at all times for the purpose of the mailing of any notice to Owners under the Master Indenture or the applicable Supplemental Indenture; and (iii) following an Event of Default for all other purposes. Notwithstanding the foregoing, neither an Insurer nor the issuer of a Credit or Liquidity Facility with respect to a Series of Bonds will be deemed to be an Owner of the Bonds of such Series with respect to any such Supplemental Indenture or of any amendment, change or modification of the Master Indenture which would have the effect of permitting: (i) a change in the terms of redemption or maturity of any Bonds of a Series Outstanding or of any installment of interest thereon; or (ii) a reduction in the principal amount or the Redemption Price thereof or in rate of interest thereon; or (iii) reducing the percentage or otherwise affecting the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment; or (iv) creating any preference or priority of any Bond of a Series over any other Bond of such Series.

ARTICLE XII DEFEASANCE

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

(a) If the District pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon and the obligations under any Letter of Credit Agreement and any Liquidity Agreement, at the times and in the manner stipulated therein and in this Master Indenture and any Letter of Credit Agreement and any Liquidity Agreement and pays or causes to be paid all other moneys owing hereunder and under any Supplemental Indenture (including, without limitation the fees and expenses of the Trustee, including reasonable counsel fees and expenses), then the lien of this Master Indenture and all covenants, agreements and other obligations of the District to the Owners and the issuer of any Credit Facility or Liquidity Facility shall thereupon cease, terminate and

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writing by the Trustee or the Bond Registrar to mail as provided in Article III notice of redemption of such Bonds on such date; (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Federal Securities, the principal of and the interest on which when due shall, as demonstrated in an Accountant's Certificate, provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be; (iii) the District shall have given the Trustee or the Bond Registrar in form satisfactory to it irrevocable instructions to mail, postage prepaid, to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registry books of the District, a notice to the registered Owners of such Bonds and to the Registrar that the deposit required by (ii) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section 1201 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on such Bonds; and (iv) an opinion of Bond Counsel to the effect that such defeasance is permitted under this Master Indenture and the Supplemental Indenture relating to the Series of Bonds so defeased and that, in the case of Tax-Exempt Bonds, such defeasance will not adversely affect the tax exempt status of such Series of Bonds. Neither Federal Securities nor moneys deposited with the Trustee pursuant to this Section 1201 nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest on such Bonds; provided that any cash received from such principal or interest payments on such Federal Securities deposited with the Trustee: (i) to the extent such cash shall not be required at any time for such purpose as evidenced by an Accountant's Certificate or, and to the extent all obligations under any Letter of Credit Agreement or any Liquidity Agreement are satisfied, as determined by an Insurer or an issuer of any Credit Facility and any Liquidity Facility securing the Bonds with respect to which such Federal Securities have been so deposited, shall be paid over upon the direction of the District as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing such Bonds or otherwise existing under this Master Indenture; and (ii) to the extent such cash shall be required for such purpose at a later

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become void and be discharged and satisfied. In such event, the Trustee upon the request of the District shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee and the Paying Agent shall pay over or deliver, as directed by the District, all moneys or securities held by them pursuant to this Master Indenture which are not required for the payment of principal or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption or for payment of obligations under any Letter of Credit Agreement and any Liquidity Agreement. If the District pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds or of a particular maturity, of a particular Series or of any part of a particular maturity or Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Master Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Master Indenture, and all covenants, agreements and obligations of the District to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Anything to the contrary in this Section 1201 notwithstanding, this Master Indenture shall not be discharged nor shall any Bonds with respect to which moneys or Federal Securities have been deposited in accordance with the provisions of this Section 1201 cease to be entitled to the lien, benefit or security under this Master Indenture, except to the extent that the lien, benefit and security of this Master Indenture and the obligations of the District hereunder shall be limited solely to and such Bonds shall be secured solely by and be payable solely from the moneys or Federal Securities so deposited.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit pursuant to this Master Indenture of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in this Section. All Outstanding Bonds of any particular maturity or Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 1201 if: (i) in case any of such Bonds are to be redeemed on any date prior to their maturity, the District shall have given to the Trustee or the Bond Registrar irrevocable instructions accepted in

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date, shall, to the extent practicable, be reinvested in Federal Securities maturing at times and in amounts sufficient to pay when due the principal or redemption price, if applicable, and interest to become due on such Bonds, or obligations under any Letter of Credit Agreement or any Liquidity Agreement, on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over as received by the Trustee to the District, free and clear of any lien, pledge or security interest securing such Bonds or otherwise existing under this Master Indenture. For the purposes of this provision, Federal Securities means and includes only such securities which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof.

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

(d) Notwithstanding any of the provisions of this Master Indenture to the contrary, Option Bonds may only be fully discharged and satisfied either pursuant to subsection (a) above or by depositing in the Series Interest Account, the Series Principal Account and the Series Redemption Account, or in such other accounts which are irrevocably pledged to the payment of the Option Bonds, as the District may create and establish by Supplemental Indenture, moneys which together with other moneys lawfully available therefor shall be sufficient at the time of such deposit to pay when due the maximum

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amount of principal of and redemption price, if any, and interest on such Option Bonds which could become payable to the Owners of such Bonds upon the exercise of any options provided to the Owners of such Bonds; provided however, that if, at the time a deposit is made pursuant to this subsection (d), the options originally exercisable by the Owner of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this subsection (d). If any portion of the moneys deposited for the payment of the principal of and redemption price, if any, and interest on Option Bonds is not required for such purpose and is not needed to reimburse an Insurer or an issuer of any Credit Facility or Liquidity Facility, for obligations under any Letter of Credit Agreement or any Liquidity Agreement, the District may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing such Option Bonds or otherwise existing under this Master Indenture or any Letter of Credit Agreement or Liquidity Agreement.

(e) Anything in this Master Indenture to the contrary notwithstanding, any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bonds became due and payable, shall, at the written request of the District be repaid by the Trustee or Paying Agent to the District, as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of such Bonds; provided, however, that before being required to make any such payment to the District, the Trustee or Paying Agent shall, at the expense of the District, cause to be mailed, postage prepaid, to any Insurer or any issuer of any Credit Facility or Liquidity Facility, and to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registry books of the District, a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) days after the date of the mailing of such notice, the balance of such moneys then unclaimed shall be returned to the District.

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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:

Artisan Lakes Community Development District
c/o District Manager
Rizzetta & Company, Inc.
9530 Marketplace Road, Suite 206
Fort Myers, Florida 33912

To the Trustee, addressed to:

The Bank of New York Mellon Trust
Company, N.A., as trustee
10161 Centurion Parkway
Jacksonville, Florida 32256
Attention: Corporate Trust Department

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

All documents received by the District and the Trustee under this Master Indenture shall be retained in their possession, subject at all reasonable times to the inspection of any Owner and the agents and representatives thereof.

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

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

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

ARTICLE XIII MISCELLANEOUS PROVISIONS

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

Except as otherwise provided herein, all rights, powers and privileges conferred, and duties and liabilities imposed, upon the District or upon the Governing Body by this Master Indenture shall be exercised or performed by the Governing Body, or by such other

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

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

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

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

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

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

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

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

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

[Signature Page to Artisan Lakes Master Trust Indenture]

(SEAL) ARTISAN LAKES
COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Chairman

ATTEST:

By: _____
Secretary

THE BANK OF NEW YORK
MELLON TRUST COMPANY,
N.A., as Trustee

By: _____
Vice President

**EXHIBIT A
FORM OF REQUISITION**

The undersigned, an Authorized Officer of Artisan Lakes Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the District to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Jacksonville, Florida, as trustee (the "Trustee"), dated as of December 1, 2013 (the "Master Indenture"), as amended and supplemented by the [] Supplemental Indenture from the District to the Trustee, dated as of [] (the Master Indenture as amended and supplemented is hereinafter referred to as the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

- (A) Requisition Number:
- (B) Name of Payee:
- (C) Amount Payable:
- (D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments, or, state Costs of Issuance, if applicable):
- (E) Fund or Account and subaccount, if any, from which disbursement to be made:
- (F) Method of Payment, including wire instructions, if applicable:

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

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

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

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

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

ARTISAN LAKES
COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Authorized Officer

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

If this requisition is for a disbursement from other than Capitalized Interest or Costs of Issuance, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the [

] Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the [] Project with respect to which such disbursement is being made; and, (ii) 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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This Table of Contents is incorporated herein for ease of reference only and shall not be deemed a part of the First Supplemental Trust Indenture.

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ARTISAN LAKES

COMMUNITY DEVELOPMENT DISTRICT

TO

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

AS TRUSTEE

Dated as of December 1, 2013

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FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (the "First Supplemental Indenture") dated as of December 1, 2013, from **ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT** (the "District") to **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, 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 10161 Centurion Parkway, Jacksonville, Florida 32256, Attention: Corporate Trust Department.

WHEREAS, the District has entered into a Master Trust Indenture, dated as of December 1, 2013 (the "Master Indenture," and together with this First Supplemental Indenture, the "Indenture") with the Trustee to secure the issuance of its Artisan Lakes Community Development District Capital Improvement Revenue Bonds (the "Bonds"), issuable in one or more series from time to time; and

WHEREAS, pursuant to Resolution No. 2007-19 (the "Bond Resolution") adopted by the Governing Body on August 20, 2007, the District has authorized the issuance, sale and delivery of not to exceed \$190,000,000 of Bonds, to be issued in one or more Series of Bonds as authorized under the Master Indenture, which Bonds were validated by final judgment of the Circuit Court of Manatee County, Florida on October 12, 2007; and

WHEREAS, the Governing Body of the District duly adopted Resolution No. 2014-04, on November 15, 2013 providing for the acquisition, construction and installation of assessable capital improvements (the "Capital Improvement Program"), providing estimated Costs of the Capital Improvement Program, defining assessable property to be benefited by the Capital Improvement Program, defining the portion of the Costs of the Capital Improvement Program with respect to which Assessments will be imposed and the manner in which such Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll, and, stating the intent of the District to issue Bonds of the District secured by such Assessments to finance the costs of the acquisition, construction and installation of the Capital Improvement Program (the "Preliminary Assessment Resolution") and the Governing Body of the District duly adopted Resolution No. 2013-07, on December 19, 2013, following a public hearing conducted in accordance with the Act, to fix and establish the

Assessments and the benefited property with respect to the Series 2013A Bonds (hereinafter defined) (collectively, the "Assessment Resolution"); and

WHEREAS, pursuant to Resolution No. 2014-06, adopted by the Governing Body of the District on November 22, 2013 as amended by Resolution No. 2014-08, adopted by the Governing Body of the District on December 19, 2013 (collectively, the "Award Resolution"), the District has authorized the issuance, sale and delivery of its not to exceed \$15,010,000 of its Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013 (the "Series 2013A Bonds"), which are issued hereunder in two Series as its Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-1 (the "Series 2013A-1 Bonds") and its Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-2 (the "Series 2013A-2 Bonds") and collectively with the Series 2013A-1 Bonds, the "Series 2013A Bonds" 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 2013A Bonds and to set forth the terms of the Series 2013A Bonds; and

WHEREAS, the District will apply the proceeds of the Series 2013A Bonds, together with the proceeds of the District's Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-3 (the Series 2013A-3 Bonds" and together with the Series 2013A Bonds are hereinafter referred to as the "Series 2013 Bonds"), which are issued simultaneously herewith, but separately secured, to: (i) finance the Cost of acquiring, constructing and equipping assessable improvements (as more particularly described in Exhibit A hereto, the "Series 2013 Project"); (ii) pay certain costs associated with the issuance of the Series 2013A Bonds; (iii) make a deposit into the Series 2013A-1 Reserve Account and into the Series 2013A-2 Reserve Account to be held jointly for the benefit of all of the Series 2013A Bonds, without privilege or priority of one Series 2013A Bonds over another; and (iv) pay a portion of the interest to become due on the Series 2013A Bonds; and

WHEREAS, the Series 2013A Bonds will be payable from and secured by Assessments imposed, levied and collected by the District with respect to property specially benefited by the Series 2013 Project (the "Series 2013A Assessments"), which, together with the Series 2013A Pledged Funds will comprise the Series 2013A Trust Estate, which shall constitute a "Series Trust Estate" as defined in the Master Indenture; and

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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 2013A 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 2013A Bond over any other Series 2013A Bond by reason of priority in their issue, sale or execution;

PROVIDED FURTHER HOWEVER, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2013A Bonds or any Series 2013A 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 2013A 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 2013A Bonds or any Series 2013A 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 2013A Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as in the Master Indenture (except as amended directly or by implication by this First Supplemental Indenture), including this First Supplemental Indenture, expressed, and the 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 2013A Bonds, as follows:

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WHEREAS, the execution and delivery of the Series 2013A 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 2013A 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 2013A Trust Estate have been done;

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

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2013A 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 2013A Bonds Outstanding (as defined in the Master Indenture) from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this First Supplemental Indenture and in the Series 2013A 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 under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture the revenues derived by the District from the Series 2013A Assessments (the "Series 2013A Pledged Revenues") and the Funds and Accounts (except for the Series 2013A Rebate Account) established hereby (the "Series 2013A Pledged Funds and Accounts") which shall comprise a part of the Trust Estate securing the Series 2013A Bonds (the "Series 2013A 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;

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

"Assessment Methodology" shall mean the Preliminary Series 2013 Special Assessment Allocation Report, Phase I Esplanade at Artisan, dated November 22, 2013, as subsequently amended by the Final Series 2013 Special Assessment Allocation Report, dated December 19, 2013, each prepared by Rizzetta & Co., Inc.

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

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

"Capital Improvement Program" shall mean the program of assessable capital improvements established by the District in the Assessment Proceedings, a portion of which is comprised of the Series 2013 Project.

"Completion Agreement" shall mean the Completion Agreement, dated as of December 30, 2013, between the Initial Landowner and the District.

"Delinquent Assessment Interest" shall mean Series 2013A Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in which such Assessment Interest has, or would have, become delinquent under State law applicable thereto.

"Delinquent Assessment Principal" shall mean Series 2013A Assessment Principal deposited by the District with the Trustee on or after May 1 of the year in which such Series 2013A Assessment Principal has, or would have, become delinquent under State law applicable thereto.

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

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

"Initial Landowner" shall mean Taylor Woodrow Communities at Artisan Lakes, LLC, a Florida limited liability company.

"Interest Payment Date" shall mean each May 1 and November 1, commencing May 1, 2014.

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) of the Outstanding Series 2013A Bonds.

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

"Redemption Date" shall mean, if in part, each Interest Payment Date or if in whole for all of the Outstanding Series 2013 Bonds or all of the Series 2013A-1 Bonds or all of the Series 2013A-2 Bonds, any date.

"Series 2013A Assessments" shall mean the Series 2013A-1 Assessments and the Series 2013A-2 Assessments.

"Series 2013A-1 Assessment" shall mean the principal and interest of Series 2013A-1 Assessments received by the District which corresponds to a proportionate amount of the principal and interest of the Series 2013A-1 Bonds.

"Series 2013A-1 Assessment Interest" shall mean the interest on the Series 2013A-1 Assessments which is pledged to the Series 2013A-1 Bonds.

"Series 2013A-1 Assessment Principal" shall mean the principal amount of Series 2013A-1 Assessments received by the District which represent a proportionate amount of the principal of and Amortization Installments of the Series 2013A-1 Bonds, other than applicable Delinquent Assessment Principal and Series 2013A-1 Prepayments.

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District with respect to the Series 2013A-2 Assessments and the Assessment Methodology as approved thereby.

"Series 2013A-2 Assessment Revenues" shall mean all revenues derived by the District from the Series 2013A-2 Assessments, including proceeds from any foreclosure of the lien of Delinquent Series 2013A-2 Assessments and any statutory interest on the Delinquent Series 2013A-2 Assessments collected by the District in excess of the rate of interest on the Series 2013A-2 Bonds.

"Series 2013A-2 Assessments" shall mean the Assessments imposed, levied and collected by the District in respect of the Series 2013A-2 Bonds and the capital project financed with the proceeds thereof.

"Series 2013A Bonds" shall mean collectively, the \$3,430,000 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-1 and \$2,585,000 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-2.

"Series 2013A Investment Obligations" shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District;

(i) Government Obligations;

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

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"Series 2013A-1 Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2013A-1 Assessments which include Resolution Nos. 2014-04, 2014-05 and 2014-07, as supplemented, adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the District with respect to the Series 2013A-1 Assessments and the Assessment Methodology as approved thereby.

"Series 2013A-1 Assessment Revenues" shall mean all revenues derived by the District from the Series 2013A-1 Assessments, including proceeds from any foreclosure of the lien of Delinquent Series 2013A-1 Assessments and any statutory interest on the Delinquent Series 2013A-1 Assessments collected by the District in excess of the rate of interest on the Series 2013A-1 Bonds.

"Series 2013A-1 Assessments" shall mean the Assessments imposed, levied and collected by the District in respect of the Series 2013A-1 Bonds and the capital project financed with the proceeds thereof.

"Series 2013A-2 Assessment" shall mean the principal and interest of Series 2013A-2 Assessments received by the District which corresponds to a proportionate amount of the principal and interest of the Series 2013A-2 Bonds.

"Series 2013A-2 Assessment Interest" shall mean the interest on the Series 2013A-2 Assessments which is pledged to the Series 2013A-2 Bonds.

"Series 2013A-2 Assessment Principal" shall mean the principal amount of Series 2013A-2 Assessments received by the District which represent a proportionate amount of the principal of and Amortization Installments of the Series 2013A-2 Bonds, other than applicable Delinquent Assessment Principal and Series 2013A-2 Prepayments.

"Series 2013A-2 Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2013A-2 Assessments which include Resolution Nos. 2014-04, 2014-05 and 2014-07, as supplemented, adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the

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(iii) shares of money market mutual funds that invest only in the obligations described in (i) and (ii) above, including money market mutual funds of the Trustee bank meeting such criteria;

(iv) Negotiable or non-negotiable certificates of deposit, time deposits or other similar banking arrangements issued by any bank or trust company, including the Trustee, or any federal savings and loan association, the deposits of which are insured by the Federal Deposit Insurance Corporation (including the FDIC's Savings Association Insurance Fund), which securities, to the extent that the principal thereof exceeds the maximum amount insurable by the Federal Deposit Insurance Corporation and, therefore, are not so insured, shall be fully secured to the extent permitted by law as to principal and interest by the securities listed in subsection (i), (ii) or (iii) above; provided, however, that with respect to securities used to secure securities hereunder, in addition to direct and general obligations of any political subdivision or instrumentality of any such state, to the payment of the principal of and interest on which the full faith and credit of such subdivision or instrumentality is pledged if such obligations are initially rated in one of the three highest rating categories without regard to gradations within any such categories by either S&P or Moody's.

Under all circumstances, the Trustee shall be entitled to request and to receive from the District a certificate of an Authorized Officer setting forth that any investment directed by the District is permitted under the Indenture.

"Series 2013A Pledged Funds" shall mean all of the Funds and Accounts created hereby with the Trustee, including the Subaccounts therein other than the Series 2013A Rebate Account in the Rebate Fund.

"Series 2013A Pledged Revenues" shall mean the Series 2013A Assessments.

"Series 2013A-1 Prepayments" shall mean the excess amount of Series 2013A-1 Assessment Principal received by the District over the Series 2013A-1 Assessment Principal included within an Assessment appearing on any outstanding and unpaid tax bill, whether or not mandated to be prepaid in accordance with the Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2013A-1 Prepayments shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

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“*Series 2013A-1 Reserve Account Requirement*” shall be equal to the Maximum Annual Debt Service Requirement for all Outstanding Series 2013A-1 Bonds, as of the time of any such calculation.

“*Series 2013A-2 Prepayments*” shall mean the excess amount of Series 2013A-2 Assessment Principal received by the District over the Series 2013A-2 Assessment Principal included within an Assessment appearing on any outstanding and unpaid tax bill, whether or not mandated to be prepaid in accordance with the Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2013A-2 Prepayments shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

“*Series 2013A-2 Reserve Account Requirement*” shall be equal to the Maximum Annual Debt Service Requirement for all Outstanding Series 2013A-2 Bonds, as of the time of any such calculation.

“*True Up Agreement*” shall mean the True Up Agreement, dated as of December 30, 2013, between the District and the Initial Landowner.

**ARTICLE II
AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2013A
BONDS**

Section 201. Authorization of Series 2013A Bonds; Separate Series Designations for Certain Limited Purposes; Book-Entry Only Form The Series 2013A Bonds are hereby authorized to be issued for the purposes enumerated in the recitals hereto in one Series but designated “\$3,430,000 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-1” and “\$2,585,000 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-2.” The Series 2013A Bonds are for all purposes under the Indenture one and the same Series of Bonds. The Series 2013A Bonds shall be substantially in the forms set forth as Exhibit B to this First Supplemental Indenture. Each Series 2013A-1 Bond shall bear the designation “2013A-1-R” and shall be numbered consecutively from 1 upwards and each Series 2013A-2 Bond shall bear the designation “2013A-2-R” and shall be numbered consecutively from 1 upwards.

The Series 2013A Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2013A Bond for each Series

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, 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 2013A 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 2013A 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 2013A 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 2013A Bonds shall designate, in accordance with the provisions hereof.

Section 202. Terms. The Series 2013A Bonds shall be issued as three (3) 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:

Series	Principal Amount	Maturity Date	Interest Rate	CUSIP
2013A-1	\$1,480,000	May 1, 2034	6.750%	04315YAA5
2013A-1	\$1,950,000	May 1, 2044	7.000%	04315YAB3
2013A-2	\$2,585,000	May 1, 2044	6.750%	04315YAC1

Section 203. Dating and Interest Accrual. Each Series 2013A Bond shall be dated December 30, 2013. Each Series 2013A Bond also shall bear its date of authentication. Each Series 2013A 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 2013A Bond

and maturity thereof. Upon initial issuance, the ownership of each such Series 2013A 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 2013A 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 2013A 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 2013A 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 2013A 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 2013A Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose name each Series 2013A Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such Series 2013A Bond for the purpose of payment of principal, premium and interest with respect to such Series 2013A Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2013A Bond, for the purpose of registering transfers with respect to such Series 2013A Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2013A Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2013A 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 2013A 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

has been paid, in which event such Series 2013A Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2013A Bonds, in which event, such Series 2013A Bond shall bear interest from its date. Interest on the Series 2013A Bonds shall be due and payable on each May 1 and November 1, commencing May 1, 2014, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 204. Denominations. The Series 2013A Bonds shall be issued in Authorized Denominations, but delivered to the initial Beneficial Owners thereof only in aggregate principal amounts in excess of \$100,000 or integral multiples of \$5,000 in excess thereof.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the Series 2013A Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the Series 2013A Bonds.

Section 207. Conditions Precedent to Issuance of Series 2013A Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2013A Bonds, all the Series 2013A 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 2013A 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 2013A 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 Engineers' Certificate or Engineers' Certificates which set forth the estimated Cost of the Series 2013 Project; and

(g) A certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal.

Payment to the Trustee of \$5,894,700 shall conclusively evidence satisfaction of the foregoing conditions precedent.

ARTICLE III REDEMPTION OF SERIES 2013A BONDS

Section 301. Bonds Subject to Redemption. The Series 2013A Bonds are subject to redemption prior to maturity as provided in the respective forms thereof set forth as Exhibit B to this First Supplemental Indenture. Interest on Series 2013A-1 Bonds which are called for redemption shall be paid on the Redemption Date from the Series 2013A-1 Interest Account or Series 2013A Revenue Account to the extent monies in the Series 2013A-1 Interest Account are insufficient for such purpose. Interest on Series 2013A-2 Bonds which are called for redemption shall be paid on the Redemption Date from the Series 2013A-2 Interest Account or Series 2013A-2 Revenue Account to the extent monies in the Series 2013A-2 Interest Account are insufficient for such purpose.

ARTICLE IV DEPOSIT OF SERIES 2013A BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

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

(a) There are hereby established within the Acquisition and Construction Fund held by the Trustee the following accounts:

(i) a Series 2013 Acquisition and Construction Account, and, therein, a Series 2013A Acquisition and Construction Subaccount; and

(ii) a Series 2013A Costs of Issuance Account.

(b) There are hereby established within the Debt Service Fund held by the Trustee: (i) a Series 2013A Debt Service Account and therein a Series 2013A-1 Sinking Fund Account, a Series 2013A-1 Interest Account, a Series

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the Series 2013A Acquisition and Construction Subaccount shall be applied to pay Costs of the Series 2013 Project as defined in the Report of the Consulting Engineer upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture; provided, however, that the form of requisition shall be the form set forth in Exhibit A thereto and shall contain the certifications, if applicable, of the Consulting Engineer provided for therein, and the Trustee shall be entitled to conclusively rely on such certification to pay such requisition. Anything in the Master Indenture to the contrary notwithstanding, the Consulting Engineer shall establish a Date of Completion for the Series 2013 Project, and any balance remaining in the Series 2013A Acquisition and Construction Subaccount (taking into account the moneys currently on deposit therein to pay any accrued but unpaid Costs of the Series 2013 Project which are required to be reserved in the Series 2013A Acquisition and Construction Subaccount in accordance with the certificate of the Consulting Engineer establishing such Date of Completion), shall be deposited pursuant hereto to the Series 2013A-2 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2013A-2 Bonds until such Series 2013A-2 Bonds are no longer Outstanding and then to the Series 2013A-1 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2013A-1 Bonds in accordance with Section 302 hereof and in the manner prescribed in the respective forms of Series 2013 Bond set forth as Exhibit B hereto and in Exhibit B to the Second Supplemental Indenture.

(b) Amounts on deposit in the Series 2013A-1 Capitalized Interest Account shall, until and including November 1, 2014, be transferred into the Series 2013A-1 Interest Account and applied to the payment of interest first coming due on the Series 2013A-1 Bonds, and thereafter transferred into the Series 2013A Acquisition and Construction Subaccount Account. Amounts on deposit in the Series 2013A-2 Capitalized Interest Account shall, until and including November 1, 2014, be transferred into the Series 2013A-2 Interest Account and applied to the payment of interest first coming due on the Series 2013A-2 Bonds, and thereafter transferred into the Series 2013A Acquisition and Construction Subaccount Account.

Section 404. Costs of Issuance Account. The amount deposited in the Series 2013A 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 2013A Bonds. On the earlier to occur of: (x) the written direction of an Authorized Officer or (y) March 1, 2014, any amounts deposited in the Series 2013A Costs of Issuance Account which have not been

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2013A-1 Capitalized Interest Account, a Series 2013A-2 Sinking Fund Account, a Series 2013A-2 Interest Account, a Series 2013A-2 Capitalized Interest Account; and (ii) a Series 2013A Redemption Account, and, therein a Series 2013A-1 Prepayment Subaccount, a Series 2013A-2 Prepayment Subaccount and a Series 2013A Optional Redemption Subaccount;

(c) There is hereby established within the Reserve Fund held by the Trustee a Series 2013A-1 Reserve Account and a Series 2013A-2 Reserve Account, which shall be jointly held for the benefit of all of the Series 2013A Bonds, without distinction as to Series 2013A Bonds and without privilege or priority of one Series 2013A Bond over another;

(d) There is hereby established within the Revenue Fund held by the Trustee a Series 2013A Revenue Account; and

(e) There is hereby established within the Rebate Fund held by the Trustee a Series 2013A Rebate Account.

Section 402. Use of Series 2013A Bond Proceeds. The net proceeds of sale of the Series 2013A Bonds, \$5,894,700.00, shall as soon as practicable upon the delivery thereof to the Trustee by the District pursuant to Section 207 of the Master Indenture, be applied as follows:

(a) \$273,912.50, representing the Series 2013A-1 Reserve Account Requirement shall be deposited to the credit of the Series 2013A-1 Reserve Account and \$203,475.00, representing the Series 2013A-2 Reserve Account Requirement shall be deposited to the credit of the Series 2013A-2 Reserve Account;

(b) \$127,152.08, representing the costs of issuance relating to the Series 2013A Bonds shall be deposited to the credit of the Series 2013A Costs of Issuance Account; and

(c) \$197,656.67, shall be deposited to the Series 2013A-1 Capitalized Interest Account and \$145,890.94, shall be deposited to the Series 2013A-2 Capitalized Interest Account; and

(d) \$4,946,612.81 shall be deposited to the credit of the Series 2013A Acquisition and Construction Subaccount.

Section 403. Acquisition and Construction Account, Subaccount therein, and Series 2013A-1 Capitalized Interest Account and Series 2013A-2 Capitalized Interest Account. Amounts on deposit in

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requisitioned shall be transferred over and deposited into the Series 2013A Acquisition and Construction Subaccount Account and used for the purposes permitted therefor.

Section 405. Series 2013A-1 Reserve Account and Series 2013A-2 Reserve Account. The Series 2013A-1 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2013A-1 Reserve Account Requirement and the Series 2013A-2 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2013A-2 Reserve Account Requirement. Except as otherwise provided herein or in the Master Indenture or herein, amounts on deposit in a Series 2013A Reserve Account shall be used only for the purpose of making payments into the Series 2013A-1 Interest Account, the Series 2013A-1 Sinking Fund Account, the Series 2013A-2 Interest Account and the Series 2013A-2 Sinking Fund Account to pay Debt Service on the Series 2013A Bonds, when due, without distinction as to Series 2013A Bonds and without privilege or priority of one Series 2013A Bond over another, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose. Such Account shall consist only of cash and Series 2013A Investment Obligations.

Anything herein or in the Master Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business day preceding such forty-fifth (45th) day), the Trustee is hereby authorized and directed to recalculate the Series 2013A-1 Reserve Account Requirement and to transfer any excess on deposit in the Series 2013A-1 Reserve Account into the Series 2013A-1 Prepayment Subaccount of the Series 2013A-1 Redemption Account and applied to the extraordinary mandatory redemption of the Series 2013A-1 Bonds.

On the earliest date on which there is on deposit in the Series 2013A-1 Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2013A-1 Bonds, together with accrued interest on such Series 2013A-1 Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2013A-1 Reserve Account into the Series 2013A-1 Prepayment Subaccount in the Series 2013A-1 Redemption Account to pay and redeem all of the Outstanding Series 2013A-1 Bonds on the earliest date permitted for redemption therein and herein.

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Anything in the Master Indenture or herein to the contrary notwithstanding, amounts on deposit in the Series 2013A-1 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.

Anything herein or in the Master Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business day preceding such forty-fifth (45th) day), the Trustee is hereby authorized and directed to recalculate the Series 2013A-2 Reserve Account Requirement and to transfer any excess on deposit in the Series 2013A-2 Reserve Account into the Series 2013A-2 Prepayment Subaccount of the Series 2013A-2 Redemption Account and applied to the extraordinary mandatory redemption of the Series 2013A-2 Bonds.

On the earliest date on which there is on deposit in the Series 2013A-2 Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2013A-2 Bonds, together with accrued interest on such Series 2013A-2 Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2013A-2 Reserve Account into the Series 2013A-2 Prepayment Subaccount in the Series 2013A-2 Redemption Account to pay and redeem all of the Outstanding Series 2013A-2 Bonds on the earliest date permitted for redemption therein and herein.

Anything in the Master Indenture or herein to the contrary notwithstanding, amounts on deposit in the Series 2013A-2 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. (a) The Amortization Installments established for the Series 2013A-1 Bonds and the Series 2013A-2 Bonds shall be as set forth in the forms of Bonds attached hereto.

(b) Upon any redemption of Series 2013A-1 Bonds (other than Series 2013A-1 Bonds redeemed in accordance with scheduled Amortization Installments and other than Series 2013A-1 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 2013A-1 Bonds to be redeemed in such amounts and having such maturities so as to

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Prepayment Subaccount in the Redemption Account, and any other revenues required by other provisions of the Indenture to be deposited therein.

(c) On the forty-fifth (45th) day preceding each Redemption Date with respect to the Series 2013A Bonds (or if such forty-fifth (45th) day is not a Business Day, on the Business Day next preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the Series 2013A-1 Prepayment Subaccount of the Series 2013A-1 Redemption Account, and, if the balance therein is greater than zero, shall transfer from the Series 2013A Revenue Account for deposit into the Series 2013A-1 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2013A-1 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2013A-1 Prepayment Subaccount in accordance with the provisions for extraordinary redemption of the Series 2013A-1 Bonds set forth in the form of Series 2013A-1 Bond attached hereto, Section 301 hereof, and Article III of the Master Indenture and the Trustee shall determine the amount on deposit in the Series 2013A-2 Prepayment Subaccount of the Series 2013A-2 Redemption Account, and, if the balance therein is greater than zero, shall transfer from the Series 2013A-2 Revenue Account for deposit into the Series 2013A-2 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2013A-2 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2013A-2 Prepayment Subaccount in accordance with the provisions for extraordinary redemption of the Series 2013A-2 Bonds set forth in the form of the Series 2013A-2 Bond attached hereto, Section 301 hereof, and Article III of the Master Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall first transfer from the Series 2013A-1 Capitalized Interest Account to the Series 2013A-1 Interest Account the lesser of (x) the amount of interest coming due on the Series 2013A-1 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (y) the amount remaining in the Series 2013A-1 Capitalized Interest Account. 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

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result in Amortization Installments recalculated by the District, in such manner as shall amortize all the Outstanding Series 2013A-1 Bonds of all of the terms in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining terms of all of the Series 2013A-1 Bonds.

Upon any redemption of Series 2013A-2 Bonds (other than Series 2013A-2 Bonds redeemed in accordance with scheduled Amortization Installments and other than Series 2013A-2 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 2013A-2 Bonds to be redeemed in such amounts and having such maturities so as to result in Amortization Installments recalculated by the District, in such manner as shall amortize all the Outstanding Series 2013A-2 Bonds of all of the terms in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining terms of all of the Series 2013A-2 Bonds.

Section 407. Tax Covenants and Rebate Accounts. The District shall comply with the Tax Regulatory Covenants set forth as Exhibit C to this First Supplemental Indenture, as amended and supplemented from time to time in accordance with their terms.

Section 408. Establishment of Series 2013A Revenue Account in Revenue Fund; Application of Revenues and Investment Earnings.

(a) The Trustee is hereby authorized and directed to establish within the Revenue Fund a Series 2013A Revenue Account into which the Trustee shall deposit any and all amounts required to be deposited therein by this Section 408 or by any other provision of the Master Indenture or this 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 2013A 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 2013A Revenue Account the Series 2013A-1 Assessment Revenues and Series 2013A-2 Assessment Revenues other than the Series 2013A-1 Prepayments and Series 2013A-2 Prepayments, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the corresponding

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the Series 2013A-2 Capitalized Interest Account to the Series 2013A-2 Interest Account the lesser of (x) the amount of interest coming due on the Series 2013A-2 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (y) the amount remaining in the Series 2013A-2 Capitalized Interest Account.

Following the foregoing transfers, 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 from the amounts on deposit in the Series 2013 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, from the Series 2013A Revenue Account to the Series 2013A-1 Interest Account of the Series 2013A-1 Debt Service Account, an amount equal to the amount of interest payable on all Series 2013A-1 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2013A-1 Capitalized Interest Account in accordance with Section 403(b) hereof and less any other amount already on deposit in the Series 2013A-1 Interest Account not previously credited and to the Series 2013A-2 Interest Account of the Series 2013A-2 Debt Service Account, an amount equal to the amount of interest payable on all Series 2013A-2 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2013A-2 Capitalized Interest Account in accordance with Section 403(b) hereof and less any other amount already on deposit in the Series 2013A-2 Interest Account not previously credited;

SECOND, on each May 1, to the Series 2013A-1 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2013A-1 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2013A-1 Sinking Fund Account not previously credited and on each May 1, to the Series 2013A-2 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2013A-2 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2013A-2 Sinking Fund Account not previously credited;

THIRD, to the Series 2013A-1 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2013A-1 Reserve Account Requirement with respect to the Series 2013A-1 Bonds and to the Series 2013A-2 Reserve Account, the amount, if any, which

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is necessary to make the amount on deposit therein equal to the Series 2013A-2 Reserve Account Requirement with respect to the Series 2013A-2 Bonds; and

FOURTH, the balance shall be retained in the Series 2013A Revenue Account.

(e) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer from the Series 2013A Revenue Account to the Series 2013A Rebate Account established for the Series 2013A Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

(f) Anything herein or in the Master Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2013A Bonds shall be invested only in Series 2013A Investment Obligations, and further, earnings on the Series 2013A Acquisition and Construction Subaccount in the Acquisition and Construction Account, the Series 2013A-1 Interest Account, the Series 2013A-1 Capitalized Interest Account, the Series 2013A-2 Interest Account and the Series 2013A-2 Capitalized Interest Account shall be retained, as realized, in such Accounts or subaccounts and used for the purpose of such Account or subaccount. Earnings on investments in the other Funds and Accounts other than the Series 2013A -1 Reserve Account and Series 2013A-2 Reserve Account shall be deposited, as realized, to the credit of the Series 2013A Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2013A-1 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 2013A-1 Reserve Account as of the most recent date on which amounts on deposit in the Series 2013A-1 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2013A-1 Reserve Account since such date which have created a deficiency, then earnings on the Series 2013A-1 Reserve Account shall be deposited into the Series 2013A-1 Capitalized Interest Account through November 1, 2014, and, thereafter earnings in the Series 2013A-1 Reserve Account shall be deposited into the Series 2013A Revenue Account and used for the purpose of such Account; and

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to the deposit of any funds in the Series 2013A Revenue Account, the amount of such proposed transfer shall instead be deposited into the Reserve Account with a deficiency until the balance on deposit therein is restored to the corresponding Reserve Account Requirement.

ARTICLE V CONCERNING THE TRUSTEE

Section 501. Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this First Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth in the Master Indenture.

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.

Section 503. Trustee's Duties. Except as otherwise expressly stated in this First Supplemental Indenture, nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article VI thereof.

ARTICLE VI ADDITIONAL BONDS

Section 601. No Parity Bonds; Limitation on Parity Assessments. The District covenants and agrees that so long as there are any Series 2013A Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2013A Trust Estate. The District further covenants and agrees that so long as the Series 2013A Bonds are Outstanding, it shall not issue Bonds other than the Series 2013A-3 Bonds secured by Assessments for capital projects on lands subject to the Series 2013A Assessments without the consent of the Majority Owners.

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(ii) if as of the last date on which amounts on deposit in the Series 2013A-1 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture), or if after such date withdrawals have been made from the Series 2013A-1 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2013A-1 Reserve Account shall be deposited into the Series 2013A-1 Reserve Account until the amount on deposit therein is equal to the Series 2013A-1 Reserve Account Requirement, and then earnings on the Series 2013A-1 Reserve Account shall be deposited into the Series 2013A-1 Capitalized Interest Account through November 1, 2014, and, thereafter earnings in the Series 2013A-1 Reserve Account shall be deposited into the Series 2013A Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2013A-2 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 2013A-2 Reserve Account as of the most recent date on which amounts on deposit in the Series 2013A-2 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2013A-2 Reserve Account since such date which have created a deficiency, then earnings on the Series 2013A-2 Reserve Account shall be deposited into the Series 2013A-2 Capitalized Interest Account through November 1, 2014, and, thereafter earnings in the Series 2013A-2 Reserve Account shall be deposited into the Series 2013A-2 Revenue Account and used for the purpose of such Account; and

(ii) if as of the last date on which amounts on deposit in the Series 2013A-2 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture), or if after such date withdrawals have been made from the Series 2013A-2 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2013A-2 Reserve Account shall be deposited into the Series 2013A-2 Reserve Account until the amount on deposit therein is equal to the Series 2013A-2 Reserve Account Requirement, and then earnings on the Series 2013A-2 Reserve Account shall be deposited into the Series 2013A-2 Capitalized Interest Account through November 1, 2014, and, thereafter earnings in the Series 2013A-2 Reserve Account shall be deposited into the Series 2013A Revenue Account and used for the purpose of such Account.

Notwithstanding the foregoing, if there is a deficiency in either of the Series 2013A-1 Reserve Account or the Series 2013A-2 Reserve Account, prior

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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 2013A Bonds issued hereunder.

Section 702. Continuing Disclosure Agreement. Contemporaneously with the execution and delivery hereof, the District has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The District covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but, instead shall be enforceable solely by mandamus, injunction or any other means of specific performance.

Section 703. Additional Covenant Regarding Assessments. In addition, and not in limitation of, the covenants contained elsewhere in this Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2013 Assessments, including the Assessment Methodology, and to levy the Series 2013 Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2013 Bonds, when due. The Assessment Methodology shall not be amended without written consent of the Majority Owners.

Section 704. Collection of Assessments. (a) Anything herein or in the Master Indenture to the contrary notwithstanding, Series 2013 Assessments levied on platted lots and pledged hereunder to secure the Series 2013 Bonds shall be collected pursuant to the Uniform Method and Series 2013 Assessments levied on unplatted lots and pledged hereunder to secure the Series 2013 Bonds shall be collected directly by the Issuer pursuant to the Act and Chapters 170, 173, 702 and/or 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.

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(b) All Series 2013 Assessments that are collected directly by the Issuer and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date.

Section 705. Foreclosure of Assessment Lien. Notwithstanding Section 804 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2013 Assessments and Series 2013 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2013 Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2013 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Series 2013 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 2013 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. Nothing herein shall compel the District to utilize funds other than from the sources pledged herein. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2013 Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the Series 2013 Bonds within thirty (30) days after the receipt of the request therefor signed by the Trustee or the Majority Owners.

Section 706. Owner Direction and Consent with Respect to Series 2013A Acquisition and Construction Subaccount Upon Occurrence of Event of Default. In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2013A Bonds, the Series 2013A Bonds are payable solely from the Series 2013A Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District hereby acknowledges that (i) the Series 2013A Pledged Funds includes, without limitation, all amounts on deposit in the Series 2013A Acquisition and Construction Subaccount of the

(c) Notwithstanding anything contained herein to the contrary, the Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the District shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the District elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee including without limitation the risk of the Trustee to act on unauthorized instructions, and the risk of interpretation and misuse by third parties.

(d) The District covenants and agrees to use its best effort to obtain its audited financial statements no later than two hundred seventy days after the close of the Fiscal Year, but failure to do so shall not constitute a default or Event of Default under the Indenture.

Acquisition and Construction Fund then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2013A Bonds, the Series 2013A Pledged Funds may not be used by the District (whether to pay costs of the Series 2013 Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Series 2013 Project and payment is for such work and (iii) the Series 2013A Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture, subject to the receipt of an opinion of Bond Counsel that such use will not adversely affect the exclusion from gross income of the interest on the Series 2013 Bonds. The District shall not enter into any binding agreement with respect to the Series 2013 Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

Section 707. Provisions Relating to the Trustee. So long as The Bank of New York Mellon Trust Company, N.A. is Trustee the following provisions shall apply notwithstanding anything herein or in the Master Indenture to the contrary:

(a) The Trustee shall have no obligation to determine whether such Investment Obligations constitute as legal investment for funds of the District. Ratings of permitted investments shall be determined at the time of purchase of such Investment Obligations and without regard to ratings subcategories. The Trustee may make any and all investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. Although the District recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the District agrees that confirmations of Investment Obligations are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

(b) The Trustee shall not be accountable for the use or application by the District of any of the Series 2013 Bonds or the proceeds therefor or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or any Supplemental Indenture.

[Signature Page to Artisan Lakes First Supplemental Trust Indenture]

IN WITNESS WHEREOF, Artisan Lakes Community Development District has caused these presents to be signed in its name and on its behalf by its Chairman, and its official seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized Vice President.

SEAL **ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT**
Attest:

Secretary
By: _____
Chairman, Board of Supervisors

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee
By: _____
Vice President

EXHIBIT A
Description of Series 2013 Project

[See Report of District Engineer Attached Hereto.]

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at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or 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, Maturity Amount or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., located in East Syracuse, New York, 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 2013A Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the District designated "\$3,430,000 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-1" and "\$2,585,000 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-2" (collectively, the "Series 2013A Bonds") issued as on Series under a Master Trust Indenture, dated as of December 1, 2013 (the "Master Indenture"), between the District and The Bank of New York Mellon Trust Company, N.A., located in Jacksonville, Florida, as trustee (the "Trustee"), as amended and supplemented by a First Supplemental Trust Indenture, dated as of December 1, 2013 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture") (the "Series 2013A 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

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EXHIBIT B
FORMS OF SERIES 2013A BONDS

[TEXT OF SERIES 2013A-1 BOND FACE]

No. 2013A-1R

§

United States of America
State of Florida
ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2013A-1

Interest Rate Maturity Date Dated Date CUSIP

Registered Owner: CEDE & CO.

Principal Amount:

ARTISAN LAKES 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 mentioned hereinafter) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on May 1, 2014, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the registered Owner hereof

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District will apply the proceeds of the Series 2013A Bonds, together with the proceeds of the District's Artisan Lakes Community Development Capital Improvement Revenue Bonds, Series 2013A-3 (the "Series 2013A-3 Bonds" and together with the Series 2013A Bonds are hereinafter referred to as the "Series 2013 Bonds"), which are issued simultaneously herewith, but separately secured to: (i) finance the Cost of acquiring, constructing and equipping assessable improvements (as more particularly described in Exhibit A to the First Supplemental Indenture, the "Series 2013 Project"); (ii) pay certain costs associated with the issuance of the Series 2013A Bonds; (iii) make a deposit into the Series 2013A-1 Reserve Account and the Series 2013A-2 Reserve Account for the benefit of all of the Series 2013A Bonds without privilege or priority of one Series 2013A Bond over another; and (iv) pay a portion of the interest to become due on the Series 2013A-1 Bonds and Series 2013A-2 Bonds respectively.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE MASTER INDENTURE OR IN THE SUPPLEMENTAL INDENTURE AUTHORIZING THE ISSUANCE OF THE SERIES 2013A BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE SERIES 2013A BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE SERIES 2013A BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2013A PLEDGED REVENUES AND THE SERIES 2013A PLEDGED FUNDS PLEDGED TO THE SERIES 2013A BONDS, ALL AS PROVIDED HEREIN, IN THE MASTER INDENTURE AND IN THE SUPPLEMENTAL INDENTURE.

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All acts, conditions and things required by the Constitution and laws of the State of Florida and the ordinances and resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, Artisan Lakes 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 Secretary to the Board of Supervisors.

Attest: **ARTISAN LAKES
COMMUNITY DEVELOPMENT
DISTRICT**

Secretary By: Chairman, Board of Supervisors

[Official Seal]

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[TEXT OF SERIES 2013A BOND]

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes (2013), and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Maturity Amount and Redemption Price of, and the interest on, the Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Assessments (as defined in the Indenture), the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Bonds, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2013A Bonds are equally and ratably secured by the Series 2013A Trust Estate, without preference or priority of one Series 2013A Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on parity with the Series 2013A Bonds as to the lien and pledge of the Trust Estate.

The Series 2013A Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"); provided, however, that the Series 2013A Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in East Syracuse, New York, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. 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 East Syracuse, New York, in the manner and subject to the limitations and conditions provided in the Master Indenture and without

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**[FORM OF CERTIFICATE OF AUTHENTICATION FOR SERIES
2013A-1 BONDS]**

This Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Trustee

Date of Authentication: By: Vice President

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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 2013A-1 Bonds are subject to redemption prior to maturity at the option of the District in whole, on any date, or in part on any Redemption Date, on or after May 1, 2024 at the Redemption Price of the principal amount of the Series 2013A-1 Bonds or portions thereof to be redeemed together with accrued interest to the redemption date.

The Series 2013A-1 Bonds maturing May 1, 2034 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2013A-1 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) 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
2015	\$35,000	2025	\$70,000
2016	40,000	2026	75,000
2017	40,000	2027	80,000
2018	45,000	2028	85,000
2019	50,000	2029	95,000
2020	50,000	2030	100,000
2021	55,000	2031	105,000
2022	60,000	2032	115,000
2023	65,000	2033	120,000
2024	65,000	2034*	130,000

* Maturity

The Series 2013A-1 Bonds maturing May 1, 2044 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2013A-1 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) at the Redemption Price of the principal amount thereof, without premium, together

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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
2035	\$140,000	2040	\$210,000
2036	150,000	2041	230,000
2037	160,000	2042	245,000
2038	170,000	2043	260,000
2039	185,000	2044*	210,000

* Maturity

As more particularly set forth in the Master Indenture and Supplemental Indenture, any Series 2013A-1 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2013A-1 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2013A-1 Bonds so as to reamortize the remaining Outstanding principal balance of the Series 2013A-1 Bonds as set forth in the Supplemental Indenture.

The Series 2013A-1 Bonds are subject to Extraordinary Mandatory Redemption prior to maturity, in whole on any date or in part on any Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Series 2013 Project (as such term is defined in the Indenture), by application of moneys transferred from the Series 2013A Acquisition and Construction Subaccount in the Acquisition and Construction Fund established under the Indenture to the Series 2013A-1 Prepayment Subaccount of the Series 2013A Redemption Account in accordance with the terms of the Indenture; or

(b) from amounts, including Prepayments of Series 2013A-1 Assessments (as defined in the Indenture), required by the Indenture to be deposited into the Series 2013A-1 Prepayment Subaccount of the Series 2013A Redemption Account.

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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 six (6) years after the date when such Bond has become due and payable, either at its stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee cash or Federal Securities (as defined in the Indenture) sufficient to pay the principal or redemption price of any Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the Series 2013A Bonds as to the 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.

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for Manatee County, Florida rendered on October 12, 2007.

Chairman

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If less than all of the Series 2013A-1 Bonds shall be called for redemption, the particular Series 2013A-1 Bonds or portions of Series 2013A-1 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of Series 2013A Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each registered Owner of Series 2013A 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 2013A 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 2013A Bonds or such portions thereof on such date, interest on such Series 2013A Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2013A 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 2013A Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

The Owner of this Bond shall have no right to enforce the provisions of the Master Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2013A 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.

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[FORM OF ABBREVIATIONS FOR SERIES 2013A BONDS]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenants by the entireties

JU TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____
under Uniform Transfer to Minors Act _____ (Cust.)
(Minor) (State)

Additional abbreviations may also be used

though not in the above list.

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[FORM OF ASSIGNMENT FOR SERIES 2013A BONDS]

For value received, the undersigned hereby sells, assigns and transfers unto

_____ 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 whatever.

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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, Maturity Amount or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., located in East Syracuse, New York, 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 2013A Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the District designated "\$3,430,000 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-1" and "\$2,585,000 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-2" (collectively, the "Series 2013A Bonds") issued as on Series under a Master Trust Indenture, dated as of December 1, 2013 (the "Master Indenture"), between the District and The Bank of New York Mellon Trust Company, N.A., located in Jacksonville, Florida, as trustee (the "Trustee"), as amended and supplemented by a First Supplemental Trust Indenture, dated as of December 1, 2013 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture") (the "Series 2013A 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 2013A Bonds, together with the proceeds of the District's Artisan Lakes Community Development Capital Improvement Revenue Bonds, Series 2013A-3 (the "Series 2013A-3 Bonds" and together with the Series 2013A Bonds are hereinafter referred to as the "Series 2013 Bonds"), which are issued simultaneously herewith, but

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[TEXT OF SERIES 2013A-2 BOND FACE]

No. 2013A-2R-

\$

United States of America
State of Florida

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2013A-2

Interest Rate Maturity Date Dated Date CUSIP
Registered Owner: CEDE & CO.

Principal Amount:

ARTISAN LAKES 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 mentioned hereinafter) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on May 1, 2014, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section

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separately secured to: (i) finance the Cost of acquiring, constructing and equipping assessable improvements (as more particularly described in Exhibit A to the First Supplemental Indenture, the "Series 2013 Project"); (ii) pay certain costs associated with the issuance of the Series 2013A Bonds; (iii) make a deposit into the Series 2013A-1 Reserve Account and the Series 2013A-2 Reserve Account for the benefit of all of the Series 2013A Bonds without privilege or priority of one Series 2013A Bond over another; and (iv) pay a portion of the interest to become due on the Series 2013A-1 Bonds and Series 2013A-2 Bonds respectively.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE MASTER INDENTURE OR IN THE SUPPLEMENTAL INDENTURE AUTHORIZING THE ISSUANCE OF THE SERIES 2013A BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE SERIES 2013A BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE SERIES 2013A BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2013A PLEDGED REVENUES AND THE SERIES 2013A PLEDGED FUNDS PLEDGED TO THE SERIES 2013A BONDS, ALL AS PROVIDED HEREIN, IN THE MASTER INDENTURE AND IN THE SUPPLEMENTAL INDENTURE.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the ordinances and resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Bond shall not be valid or become obligatory

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for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, Artisan Lakes 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 Secretary to the Board of Supervisors.

Attest: **ARTISAN LAKES
COMMUNITY DEVELOPMENT
DISTRICT**

Secretary By: Chairman, Board of Supervisors

[Official Seal]

**[FORM OF CERTIFICATE OF AUTHENTICATION FOR SERIES
2013A-2 BONDS]**

This Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Trustee**

Date of Authentication: By: Vice President

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[TEXT OF SERIES 2013A-2 BOND]

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes (2013), and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Maturity Amount and Redemption Price of, and the interest on, the Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Assessments (as defined in the Indenture), the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Bonds, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2013A Bonds are equally and ratably secured by the Series 2013A Trust Estate, without preference or priority of one Series 2013A Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on parity with the Series 2013A Bonds as to the lien and pledge of the Trust Estate.

The Series 2013A Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"); provided, however, that the Series 2013A Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in East Syracuse, New York, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. 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 East Syracuse, New York, in the manner and subject to the limitations and conditions provided in the Master Indenture and without

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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 2013A-2 Bonds are subject to redemption prior to maturity at the option of the District in whole, on any date, or in part on any Redemption Date, on or after May 1, 2024 at the Redemption Price of the principal amount of the Series 2013A-2 Bonds or portions thereof to be redeemed together with accrued interest to the redemption date.

The Series 2013A-2 Bonds maturing May 1, 2044 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2013A-2 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) 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
2015	\$30,000	2030	\$75,000
2016	30,000	2031	80,000
2017	30,000	2032	85,000
2018	35,000	2033	90,000
2019	35,000	2034	100,000
2020	40,000	2035	105,000
2021	40,000	2036	115,000
2022	45,000	2037	120,000
2023	45,000	2038	130,000
2024	50,000	2039	140,000
2025	55,000	2040	150,000
2026	60,000	2041	160,000
2027	60,000	2042	170,000
2028	65,000	2043	180,000
2029	70,000	2044*	195,000

* Maturity

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As more particularly set forth in the Master Indenture and Supplemental Indenture, any Series 2013A-2 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 2013A-2 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2013A-2 Bonds so as to reamortize the remaining Outstanding principal balance of the Series 2013A-2 Bonds as set forth in the Supplemental Indenture.

The Series 2013A-2 Bonds are subject to Extraordinary Mandatory Redemption prior to maturity, in whole on any date or in part on any Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Series 2013 Project (as such term is defined in the Indenture), by application of moneys transferred from the Series 2013 Project Subaccount in the Acquisition and Construction Fund established under the Indenture to the Series 2013A-2 Prepayment Subaccount of the Series 2013A Redemption Account in accordance with the terms of the Indenture; or

(b) from amounts, including Prepayments of Series 2013A-2 Assessments (as defined in the Indenture), required by the Indenture to be deposited into the Series 2013A-2 Prepayment Subaccount of the Series 2013A Redemption Account.

If less than all of the Series 2013A-2 Bonds shall be called for redemption, the particular Series 2013A-2 Bonds or portions of Series 2013A-2 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of Series 2013A Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each registered Owner of Series 2013A 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 2013A Bonds or such

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If the District deposits or causes to be deposited with the Trustee cash or Federal Securities (as defined in the Indenture) sufficient to pay the principal or redemption price of any Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the Series 2013A Bonds as to the 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.

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for Manatee County, Florida rendered on October 12, 2007.

Chairman

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portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2013A Bonds or such portions thereof on such date, interest on such Series 2013A Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2013A 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 2013A Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

The Owner of this Bond shall have no right to enforce the provisions of the Master Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2013A 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 six (6) years after the date when such Bond has become due and payable, either at its stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for six (6) 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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[FORM OF ABBREVIATIONS FOR SERIES 2013A BONDS]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenants by the entireties

JU TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____
under Uniform Transfer to Minors Act _____ (Cust.)
(Minor) (State)

Additional abbreviations may also be used

though not in the above list.

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For value received, the undersigned hereby sells, assigns and transfers unto

_____ 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 whatever.

TO FIRST SUPPLEMENTAL TRUST INDENTURE
TAX REGULATORY COVENANTS

These Tax Regulatory Covenants are intended to set forth certain duties and requirements necessary for compliance with provisions of the Internal Revenue Code of 1986, as amended (the "Code") to the extent necessary to preserve the tax-exempt treatment of interest on the Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A (the "Bonds").

The Bonds will be issued pursuant to a Master Trust Indenture, dated as of December 1, 2013 (the "Master Indenture"), from Artisan Lakes Community Development District (the "District") and The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as trustee (the "Trustee"), as amended and supplemented by a First Supplemental Trust Indenture, dated as of December 1, 2013 (the "Supplemental Indenture") (the Master Indenture, as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture").

SECTION 1. TAX COVENANTS. Pursuant to the Indenture, the District has made certain covenants designed to assure that the interest with respect to the Bonds is and shall remain excludable from gross income for purposes of federal income taxation.

would otherwise cause interest on the Bonds to be included in gross income for federal income tax purposes under the provisions of the Code. The District shall comply with all other requirements as shall be determined by Bond Counsel to be necessary or appropriate to assure that interest on the Bonds will be excludable from gross income for purposes of federal income taxation.

SECTION 2. DEFINITIONS. Capitalized terms used herein, not otherwise defined herein, shall have the same meanings set forth in the Indenture and in the District's Certificate as to Arbitrage and Certain Other Tax Matters relating to the Bonds.

"Bond Counsel" means Nabors, Giblin & Nickerson, P.A., Tampa, Florida or such other firm of nationally recognized bond counsel as may be selected by the District.

"Bond Year" means any one-year period (or shorter period from the Issue Date) ending on the close of business on the day preceding the anniversary of the Issue Date.

"Code" means the Internal Revenue Code of 1986, as amended.

"Computation Date" means each date selected by the District as a computation date pursuant to Section 1.148-3(e) of the Regulations and the Final Computation Date.

"Fair Market Value" means, when applied to a Nonpurpose Investment, the Fair Market Value of such Investment as determined in accordance with Section 4 hereof.

"Final Computation Date" means the date the Bonds are discharged.

"Gross Proceeds" means, with respect to the Bonds:

- (1) amounts constituting Sale Proceeds of the Bonds.
(2) amounts constituting Investment Proceeds of the Bonds.
(3) amounts constituting Transferred Proceeds of the Bonds.
(4) other amounts constituting Replacement Proceeds of the Bonds, including Pledged Moneys.

"Investment Proceeds" means any amounts actually or constructively received from investing proceeds of the Bonds.

"Investment Property" means any security, obligation or other property held principally as a passive vehicle for the production of income, within the meaning of Section 1.148-1(b) of the Regulations.

"Issue Date" means December 30, 2013.

"Net Proceeds" means Sale Proceeds, less the portion of such Proceeds invested in a reasonably required reserve or replacement fund under the Code.

"Nonpurpose Investment" shall have the meaning ascribed to such term in Section 148(b)(2) of the Code and shall include any Investment Property in which Gross Proceeds are invested which is not acquired to carry out the governmental purpose of the Bonds, e.g., obligations acquired with Gross Proceeds that are invested temporarily until needed for the governmental purpose of the Bonds, that are used to discharge a prior issue, or that are invested in a reasonably required reserve or replacement fund.

"Nonpurpose Payments" shall include the payments with respect to Nonpurpose Investments specified in Section 1.148-3(d)(1)(i)-(v) of the Regulations.

"Nonpurpose Receipts" shall include the receipts with respect to Nonpurpose Investments specified in Section 1.148-3(d)(2)(i)-(iii) of the Regulations.

"Pledged Moneys" means moneys that are reasonably expected to be used directly or indirectly to pay debt service on the Bonds (or to reimburse a municipal bond insurer) or as to which there is a reasonable assurance that such moneys or the earnings thereon will be available directly or indirectly to pay debt service on the Bonds (or to reimburse a municipal bond insurer) if the District encounters financial difficulties.

"Pre-Issuance Accrued Interest" means amounts representing interest that has accrued on an obligation for a period of not greater than one year before its issue date but only if those amounts are paid within one year after the Issue Date.

"Proceeds" means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Bonds.

“Qualified Administrative Costs” means reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage and selling commissions that are comparable to those charged nongovernmental entities in transactions not involving tax-exempt bond proceeds, but not legal and accounting fees, recordkeeping, custody or similar costs. In addition, with respect to a guaranteed investment contract or investments purchased for a yield restricted defeasance escrow, such costs will be considered reasonable if (1) the amount of the fee the District treats as a Qualified Administrative Cost does not exceed the lesser of (a) \$25,000, or (b) .2% of the “computational base;” and (2) the District does not treat as Qualified Administrative Costs more than \$75,000 in brokers’ commissions or similar fees with respect to all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with Gross Proceeds of the issue. For purposes of this definition only, “computational base” shall mean the amount the District reasonably expects to be deposited in the guaranteed investment contract over the term of the contract or for investments other than guaranteed investment contracts, the amount of Gross Proceeds initially invested.

“Rebatable Arbitrage” means, as of any Computation Date, the excess of the future value of all Nonpurpose Receipts over the future value of all Nonpurpose Payments.

“Rebate Fund” means the Rebate Fund established pursuant to the Indenture and described in Section 3 hereof.

“Regulations” means Treasury Regulations Sections 1.148-0 through 1.148-11, 1.149(b)-1 and (d)-1, and 1.150-0 through 1.150-2, as amended, and any regulations amendatory, supplementary or additional thereto.

“Replacement Proceeds” means amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Bonds were not used or to be used for that governmental purpose. For this purpose, governmental purposes include the expected use of amounts for the payment of debt service on a particular date. The mere availability or preliminary earmarking of amounts for a governmental purpose, however, does not in itself establish a sufficient nexus to cause those amounts to be Replacement Proceeds. Replacement Proceeds include, but are not limited to, amounts held in a sinking fund or a pledged fund. For these purposes, an amount is pledged to pay principal of or interest on the Bonds if

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purposes relating to arbitrage and rebate with respect to that investment on that date:

(a) an investment with not more than two percent original issue discount or original issue premium may be valued at its outstanding stated principal amount, plus accrued unpaid interest on such date;

(b) a fixed rate investment may be valued at its present value on such date; and

(c) an investment may be valued at its Fair Market Value on such date.

(2) Special Rules. Yield restricted investments are to be valued at present value provided that (except for purposes of allocating Transferred Proceeds to an issue, for purposes of the Universal Cap and for investments in a commingled fund other than a bona fide debt service fund unless it is a certain commingled fund):

(a) an investment must be valued at its Fair Market Value when it is first allocated to an issue, when it is disposed of and when it is deemed acquired or deemed disposed of, and provided further that;

(b) in the case of Transferred Proceeds, the Value of a Nonpurpose Investment that is allocated to Transferred Proceeds of a refunding issue on a transfer date may not exceed the Value of that investment on the transfer date used for purposes of applying the arbitrage restrictions to the refunded issue.

“Yield on the Bonds” or “Bond Yield” means, for all Computation Dates, the Yield expected as of the date hereof on the Bonds over the term of such Bonds computed by:

(i) using as the purchase price of the Bonds, the amount at which such Bonds were sold to the public within the meaning of Sections 1273 and 1274 of the Code; and

(ii) assuming that all of the Bonds will be paid at their scheduled maturity dates or in accordance with any mandatory redemption requirements.

“Yield” means, generally, the discount rate which, when used in computing the present value of all the unconditionally payable payments of

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there is reasonable assurance that the amount will be available for such purposes in the event that the issuer encounters financial difficulties.

“Sale Proceeds” means any amounts actually or constructively received by the District from the sale of the Bonds, including amounts used to pay underwriter’s discount or compensation and interest other than Pre-Issuance Accrued Interest. Sale Proceeds shall also include, but are not limited to, amounts derived from the sale of a right that is associated with a Bond and that is described in Section 1.148-4(b)(4) of the Regulations.

“Tax-Exempt Investment” means (i) an obligation the interest on which is excluded from gross income pursuant to Section 103 of the Code, (ii) United States Treasury-State and Local Government Series, Demand Deposit Securities, and (iii) stock in a tax-exempt mutual fund as described in Section 1.150-1(b) of the Regulations. Tax-Exempt Investment shall not include a specified private activity bond as defined in Section 57(a)(5)(C) of the Code. For purposes of these Covenants, a tax-exempt mutual fund includes any regulated investment company within the meaning of Section 851(a) of the Code meeting the requirements of Section 852(a) of the Code for the applicable taxable year; having only one class of stock authorized and outstanding; investing all of its assets in tax exempt obligations to the extent practicable; and having at least 98% of (1) its gross income derived from interest on, or gain from the sale of or other disposition of, tax exempt obligations or (2) the weighted average value of its assets represented by investments in tax exempt obligations.

“Transferred Proceeds” shall have the meaning provided therefor in Section 1.148-9 of the Regulations.

“Universal Cap” means the value of all then outstanding Bonds.

“Value” (of a Bond) means with respect to a Bond issued with not more than two percent original issue discount or original issue premium, the outstanding principal amount, plus accrued unpaid interest; for any other Bond, its present value.

“Value” (of an Investment) shall have the following meaning in the following circumstances:

(1) General Rules. Subject to the special rules in the following paragraph, an issuer may determine the value of an investment on a date using one of the following valuation methods consistently applied for all

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principal and interest on an obligation and all the payments for qualified guarantees paid and to be paid with respect to such obligation, produces an amount equal to the present value of the issue price of such obligation. Present value is computed as of the date of issue of the obligation. There are, however, many additional specific rules contained in the Regulations which apply to the calculation and recalculation of yield for particular obligations and such rules should be consulted prior to calculating the yield for the Bonds on any Computation Date. Yield shall be calculated on a 360-day year basis with interest compounded monthly. For this purpose the purchase price of a Nonpurpose Investment or a Tax-Exempt Investment is its Fair Market Value, as determined pursuant to Section 4 of these Covenants, as of the date that it becomes allocated to Gross Proceeds of the Bonds.

SECTION 3. REBATE REQUIREMENTS.

(a) The District shall pay to the United States Government at the times and in the amounts determined hereunder, the Rebatable Arbitrage. For purposes of determining the Rebatable Arbitrage, the District shall make such calculations or cause the calculations to be made by competent tax counsel or other financial or accounting advisors or persons to ensure correct application of the rules contained in the Code and the Regulations relating to arbitrage rebate.

(b) pursuant to the Indenture, there has been established a fund separate from any other fund or account established and maintained under the Indenture designated the “Rebate Fund.” The District or its designated agent shall administer the Rebate Fund and continuously invest all amounts held in the Rebate Fund in Governmental Obligations (as defined in the Indenture) or Tax-Exempt Investments.

(c) Within 30 days after any Computation Date, the District shall calculate or cause to be calculated the Rebatable Arbitrage or any penalty due pursuant to Section 3(f) hereof. Immediately following such calculations, but in no event later than 60 days following the Computation Date (90 days in the case of any penalty payment due pursuant to Section 3(f) hereof), the District shall remit an amount which when added to the future value of previous rebate payments shall not be less than 90% (100% with respect to the Computation Date on the final repayment or retirement of the Bonds) of the Rebatable Arbitrage or 100% of any penalty due pursuant to Section 3(f) hereof as of the applicable Computation Date.

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Each payment shall be accompanied by Internal Revenue Service Form 8038-T.

(d) The obligation to pay Rebatale Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bonds if (i) Gross Proceeds are expended for the governmental purpose of the Bonds by no later than the date which is six months after the Issue Date and if it is not anticipated that any other Gross Proceeds will arise during the remainder of the term of the Bonds and (ii) the requirement to pay Rebatale Arbitrage, if any, to the United States with respect to the portion of the Reserve Account allocable to the Bonds is met. For purposes of the preceding sentence, Gross Proceeds do not include (i) amounts deposited in a bona fide debt service fund, so long as the funds therein constitute bona fide debt service funds, or a reasonably required reserve or replacement fund (as defined in Section 1.148-1 of the Regulations) and meeting the requirements of Section 1.148-2(f) of the Regulations), (ii) amounts that, as of the Issue Date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the date which is six months after the Issue Date, (iii) amounts representing Sale or Investment Proceeds derived from any Purpose Investment (as defined in Section 1.148-1 of the Regulations) and earnings on those payments, and (iv) amounts representing any repayments of grants (as defined in Section 1.148-6(d)(4) of the Regulations). If Gross Proceeds are in fact expended by such date, then Rebatale Arbitrage need not be calculated and no payment thereof to the United States Department of Treasury need be made. Use of Gross Proceeds to redeem Bonds shall not be treated as an expenditure of such Gross Proceeds.

Notwithstanding the foregoing, if Gross Proceeds which were reasonably expected to be Gross Proceeds on the Issue Date actually become available after the date which is six months after the Issue Date, then the requirements described herein relating to the calculation of Rebatale Arbitrage and the payment thereof to the United States must be satisfied, except that no such calculation or payment need be made with respect to the initial six month period. Any other amounts not described in this Section 3(d) which constitute proceeds of the Bonds, other than a bona fide debt service fund, will be subject to rebate.

(e) As an alternative to Section 3(d) above, the obligation of the District to pay Rebatale Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bonds if (i) the rebate requirement is met for all proceeds of the Bonds other than Gross Proceeds

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(iii) at least 75% of such Available Construction Proceeds are spent within the eighteen-month period beginning on the Issue Date; and

(iv) at least 100% of such Available Construction Proceeds are spent within the 2-year period beginning on the Issue Date.

For purposes of this Section 3(f), the term Available Construction Proceeds means the Net Proceeds of the Bonds, increased by earnings on the Net Proceeds and earnings on all of the foregoing earnings, and reduced by the amount of the Net Proceeds used to pay issuance costs (including bond insurance premium). Notwithstanding the foregoing, Available Construction Proceeds shall not include amounts earned on the Reserve Account after the earlier of the close of the two-year period beginning on the Issue Date or the date construction is substantially completed. Any amounts which constitute proceeds of the Bonds other than Available Construction Proceeds and amounts on deposit in a bona fide debt service fund will be subject to rebate.

As set forth in Section 148(f)(4)(C)(iii) of the Code, for purposes of the expenditure requirements set forth in this Section 3(f), 100% of Available Construction Proceeds of the Bonds shall be treated as expended for the governmental purposes of the issue within the 2-year period beginning on the Issue Date if such requirement is met within the 3-year period beginning on the Issue Date and such requirement would have been met within such 2-year period but for a reasonable retainage (not exceeding 5% of the Net Proceeds of the Bonds). Use of available construction proceeds to redeem the Bonds shall not be treated as an expenditure of such proceeds.

Any failure to satisfy the final spending requirement shall be disregarded if the District exercises due diligence to complete the project financed by the Bonds and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Bonds or (ii) \$250,000.

For purposes of Section 148(f)(4)(C)(vii) of the Code, in the event the District fails to meet the expenditure requirements referred to above, the District may elect to pay, in lieu of the Rebatale Arbitrage otherwise required to be paid with respect to such Gross Proceeds, a penalty with respect to the close of each 6-month period after the Issue Date equal to 1.5% of the amount of the Available Construction Proceeds of the Bonds which, as of the close of such period, are not spent as required by the expenditure provisions set forth above. The penalty referred to above shall cease to apply only after the Bonds (including any refunding bonds issued with respect

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(as defined in Section 3(d) hereof) and (ii) the Gross Proceeds are expended for the governmental purposes of the issue within the periods set forth below:

(i) at least 15% of such Gross Proceeds are spent within the six-month period beginning on the Issue Date;

(ii) at least 60% of such Gross Proceeds are spent within the 1-year period beginning on the Issue Date; and

(iii) at least 100% of such Gross Proceeds are spent within the 18-month period beginning on the Issue Date.

As set forth in Section 1.148-7(d)(2) of the Regulations, for purposes of the expenditure requirements set forth in this Section 3(e), 100% of the Gross Proceeds of the Bonds shall be treated as expended for the governmental purposes of the issue within the 18-month period beginning on the Issue Date if such requirement is met within the 30-month period beginning on the Issue Date and such requirement would have been met within such 18-month period but for a reasonable retainage (not exceeding 5% of the Net Proceeds of the Bonds). If Gross Proceeds are in fact expended by such dates, then Rebatale Arbitrage need not be calculated and no payment thereof to the United States Department of Treasury need be made. Any failure to satisfy the final spending requirement shall be disregarded if the District exercises due diligence to complete the project financed by the Bonds and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Bonds or (ii) \$250,000. Use of Gross Proceeds to redeem the Bonds shall not be treated as an expenditure of such Gross Proceeds. For purposes of this Section 3(e), "Gross Proceeds" shall be modified as described in Section 3(d) above.

(f) As an alternative to Sections 3(d) and (e) above, the obligation to pay Rebatale Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bonds if the Available Construction Proceeds (as defined in Section 148(f)(4)(c)(vi) of the Code and described below) are expended for the governmental purposes of the issue within the periods set forth below:

(i) at least 10% of such Available Construction Proceeds are spent within the six-month period beginning on the Issue Date;

(ii) at least 45% of such Available Construction Proceeds are spent within the 1-year period beginning on the Issue Date;

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thereto) are no longer outstanding. The District makes no election in regard to the above-described penalty.

In order to qualify for the exemption from the obligation to pay Rebatale Arbitrage to the United States pursuant to this Section 3(f), at least 75% of the Available Construction Proceeds must be used for construction expenditures (as defined in Section 1.148-7(g) of the Regulations) with respect to property which is owned by a governmental unit or an organization described in Section 501(c)(3) of the Code. The term "construction" includes reconstruction and rehabilitation of existing property and rules similar to the rules of Section 142(b)(1)(B) of the Code shall apply. If only a portion of an issue is to be used for construction expenditures, such portion and the other portion of such issue may, at the election of the issuer, be treated as separate issues for purposes of this Section 3(f) (although the remaining portion may not be entitled to the benefits of Section 3(d) hereof). The District does not elect to treat any portion of the Bonds as a separate issue.

(g) The District shall keep proper books of records and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Bonds, including moneys derived from, pledged to, or to be used to make payments on the Bonds. Such records shall, at a minimum, be adequate to enable the District or its consultants to make the calculations for payment of Rebatale Arbitrage as required by this Arbitrage Rebate Statement. The records required to be maintained under this Section 3(g) shall be retained by the District until six years after the retirement of the last obligation of the Bonds or for such other period as the United States Treasury may by regulations otherwise provide. Such records shall at least specify the account or fund to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each investment security, (i) its purchase price (including the amount of accrued interest to be stated separately), (ii) identifying information, including par amount, coupon rate, and payment dates, (iii) the amount received at maturity or its sale price, as the case may be, including accrued interest, (iv) the amounts and dates of any payments made with respect thereto, (v) the dates of acquisition and disposition or maturity, (vi) the amount of original issue discount or premium (if any), (vii) the frequency of periodic payments (and actual dates and amounts of receipts), (viii) the period of compounding, (ix) the transaction costs (e.g., commissions) incurred in acquiring, carrying or disposing of the Nonpurpose Investments, and (x) market price data sufficient to establish

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that the purchase price (disposition price) was not greater than (less than) the arm's-length price (see Section 4 below) on the date of acquisition (disposition) or, if earlier, on the date of a binding contract to acquire (dispose of) such Nonpurpose Investment.

SECTION 4. MARKET PRICE RULES. Except as provided below, the District agrees to comply with the requirements relating to the "Fair Market Value" of acquired Nonpurpose Investments, as defined in Section 1.148-5(d) of the Regulations ("Fair Market Value"). All investments required to be made pursuant to these Covenants shall be made to the extent permitted by law. In this regard, the District agrees, among other things, that it will not acquire or cause to be acquired a Nonpurpose Investment (or any other investment acquired with Gross Proceeds or on deposit in the Rebate Account) for a price in excess of its Fair Market Value or sell any such investment at a price (determined without any reduction for transaction costs) less than its Fair Market Value, except as provided below. For this purpose, the following rules shall apply:

(a) Established securities markets. Except as otherwise provided below, any market especially established to provide a security or obligation to an issuer of municipal obligations shall not be treated as an established market and shall be rebuttably presumed to be acquired or disposed of for a price that is not its Fair Market Value.

(b) Arm's-length price. Any transaction in which a Nonpurpose Investment is directly purchased with Gross Proceeds, or in which a Nonpurpose Investment allocable to Gross Proceeds is disposed of, shall be undertaken in an arm's-length manner, and no amount shall be paid to reduce the yield on the Nonpurpose Investment.

(c) Safe harbor for establishing Fair Market Value for guaranteed investment contracts and Nonpurpose Investments purchased for a yield restricted defeasance escrow. In the case of a guaranteed investment contract or Nonpurpose Investments purchased for a yield restricted defeasance escrow, the purchase price shall not be considered to be an arm's-length price unless all the following conditions are met:

(i) The District makes a bona fide solicitation ("Bona Fide Solicitation") for the purchase of the investment that satisfies all of the following requirements:

(1) The bid specifications are in writing and are timely forwarded to potential providers;

(2) The bid specifications include all terms of the bid that may directly or indirectly affect the yield or the cost of the investment;

(3) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the District or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the District or any other person for purposes of satisfying these requirements;

(4) The terms of the bid specifications are such that there is a legitimate business purpose for each term other than to increase the purchase price or reduce the yield of the investment (e.g., for solicitations of Nonpurpose Investments for a yield restricted defeasance escrow, the hold firm period must be no longer than the District reasonably requires);

(5) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the District's reasonably expected deposit and draw down schedule for the amounts to be invested;

(6) All potential providers have an equal opportunity to bid (e.g., no potential provider is given the opportunity to review other bids before providing a bid); and

(7) At least three providers are solicited for bids that have an established industry reputation as a competitive provider of the type of investments being purchased.

(ii) The bids received by the District must meet all of the following requirements:

(1) The District receives at least three bids from providers that the District solicited under a Bona Fide Solicitation and that do not have a material financial interest in the issue. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential

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providers has a material financial interest in the issue. A provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(2) At least one of the three bids described in paragraph (c) (ii)(1) above is from a provider that has an established industry reputation as a competitive provider of the type of investments being purchased; and

(3) If the District uses an agent to conduct the bidding process, the agent did not bid to provide the investment.

(iii) The winning bid must meet the following requirements:

(1) Guaranteed investment contracts. If the investment is a guaranteed investment contract, the winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(2) Other Nonpurpose Investments. If the investment is not a guaranteed investment contract, the following requirements are met:

(A) The winning bid is the lowest cost bona fide bid (including any broker's fees). The lowest bid is either the lowest cost bid for the portfolio or, if the District compares the bids on an investment-by-investment basis, the aggregate cost of a portfolio comprised of the lowest cost bid for each investment. Any payment received by the District from a provider at the time a guaranteed investment contract is purchased (e.g., an escrow float contract) for a yield restricted defeasance escrow under a bidding procedure meeting these requirements is taken into account in determining the lowest cost bid.

(B) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications. If such State and Local Government Series Securities are not available for purchase on the day that bids are required to be submitted because sales of those securities have been suspended, the cost comparison described in this paragraph is not required.

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(iv) The provider of the investments or the obligor on the guaranteed investment contract certifies the administrative costs that it pays (or expects to pay) to third parties in connection with supplying the investment.

(d) The District shall retain certificates and records documenting compliance with the above requirements until three years after the last outstanding Bond is redeemed including, but not limited to, the following:

(i) For purchases of guaranteed investment contracts, a copy of the contract, and for purchases of Nonpurpose Investments other than guaranteed investment contracts, the purchase agreement or confirmation;

(ii) The receipt or other record of the amount actually paid by the District for the investments, including a record of any administrative costs paid by the District and the certification required in paragraph (c)(iv) above;

(iii) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results;

(iv) The bid solicitation form and, if the terms of the purchase agreement or the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation; and

(v) For purchase of Nonpurpose Investments other than guaranteed investment contracts, the cost of the most efficient portfolio of State and Local Government Series Securities, determined at the time that the bids were required to be submitted.

SECTION 5. MODIFICATION UPON RECEIPT OF BOND COUNSEL OPINION. Notwithstanding any provision of these Covenants, if the District shall receive an opinion of Bond Counsel that any specified action required under these Covenants is no longer required or that some further or different action is required to maintain or assure the exclusion from federal gross income of interest with respect to the Bonds, the District may conclusively rely on such opinion in complying with the requirements of these Covenants and the covenants herein shall be deemed to be modified to that extent. These Covenants shall be amended or modified by the parties hereto in any manner which is necessary to comply with such regulations as may be promulgated by the United States Treasury Department from time to time.

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SECTION 6. ACCOUNTING FOR GROSS PROCEEDS. In order to perform the calculations required by the Code and the Regulations, it is necessary to track the investment and expenditure of all Gross Proceeds. To that end, the District must adopt reasonable and consistently applied methods of accounting for all Gross Proceeds. Appendix I hereto sets forth a description of the required allocation and accounting rules with which the District agrees to comply.

SECTION 7. ADMINISTRATIVE COSTS OF INVESTMENTS. Except as otherwise provided in this Section 7, an allocation of Gross Proceeds to a payment or receipt on a Nonpurpose Investment is not adjusted to take into account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Nonpurpose Investment (administrative costs). Thus, administrative costs generally do not increase the payments for, or reduce the receipts from, Nonpurpose Investments.

In determining payments and receipts on Nonpurpose Investments, Qualified Administrative Costs are taken into account by increasing payments for, or reducing the receipts from, the Nonpurpose Investments. Qualified Administrative Costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody and similar costs. General overhead costs and similar indirect costs of the District such as employee salaries and office expenses and costs associated with computing Rebutable Arbitrage are not Qualified Administrative Costs.

Allocation and accounting rules are provided in Appendix I attached hereto.

SECTION 8. CHANGE IN USE OR USER; REMEDIAL ACTION PROVISIONS. (a) The District hereby covenants and agrees that it will not take any deliberate action which would result in a change in use of the proceeds of the Series 2013A Bonds or the facilities financed with the proceeds of the Series 2013A Bonds (a "Change in Use"), nor will it take any deliberate action allowing any private business user or use of the proceeds of the Series 2013A Bonds or the facilities financed with the proceeds of the Series 2013A Bonds (a "Change in User"), except upon first obtaining the opinion of Bond Counsel that such action will not cause interest on the Series 2013A Bonds to cease to be excluded from gross income for federal income tax purposes, or unless the District shall immediately take remedial action as set forth in subsections (b), (c) or (d) below, as applicable, provided that the

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written notice to the Commissioner of Internal Revenue of the establishment of the Defeasance Escrow within 90 days of the date that the Defeasance Escrow is established. Note that to apply this remedial action, the first call date of the Nonqualified Bonds may not be more than 10.5 years from the date of issue of the Nonqualified Bonds (not the date of the deliberate action).

(c) Alternative Use of Disposition Proceeds. This remedial action is met if:

(1) the facility is disposed of exclusively for cash; (2) the District reasonably expects that the disposition proceeds will be spent within two (2) years of the deliberate action; (3) the disposition proceeds are treated as proceeds for purposes of the private activity bond tests and are used in a manner that does not cause the issue to meet the private activity bond tests; and (4) any disposition proceeds not used for alternative projects are used to redeem or defease bonds.

(d) Alternative Use of Facility. This remedial action is satisfied if:

(1) the facility itself (as distinguished from the proceeds of the issue) is used in an alternative manner, e.g., for a different purpose or by a different person; (2) the nonqualified bonds are treated as reissued on the date of the deliberate action and must independently meet all of the requirements for tax exemption under Sections 141 through 150, except the arbitrage and rebate rules of Section 148, for the remaining term of the Nonqualified Bonds; (3) the deliberate action does not involve a transfer of the facility to a purchaser that finances the acquisition with the proceeds of another issue of Tax Exempt Bonds; and (4) any Disposition Proceeds, other than those arising from an agreement to provide services, resulting from the deliberate action are used to pay debt service on the Nonqualified Bonds on the next available payment date or escrowed within ninety (90) days of receipt and yield restricted to pay debt service on the next available payment date.

(e) Conditions Precedent to Availability of Remedial Action Alternatives. In order to qualify for the use of subsections (b) through (d) above, as applicable, the District hereby certifies, understands and covenants as follows:

(1) Reasonable Expectations Test. The District hereby certifies that it reasonably expects on the date hereof that the issue will not meet either of the private activity bond tests for the entire term of the Series 2013A Bonds.

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Series 2013A Bonds shall have satisfied the conditions precedent to the availability of remedial action as set forth in subsection (e) below.

(b) Redemption or Defeasance of Non-Qualified Bonds. This remedial action is met if:

(1) Redemption of Series 2013A Bonds. In all instances of a Change in Use or a Change in User, the District may redeem all of the Outstanding Series 2013A Bonds from the proceeds of bonds the interest on which is not excludible from gross income for federal income tax purposes ("Taxable Bonds") or from other moneys of the District ("Equity") or borrowed funds not constituting the proceeds of bonds the interest on which is excludible from gross income for federal income tax purposes ("Tax Exempt Bonds") unless the bonds would be qualified private activity bonds after taking into account the purchaser's use of the facility. Taxable bond proceeds may be used. If the bonds are not redeemed within 90 days, a Defeasance Escrow (as defined in paragraph (3) below) must be established for all of the Nonqualified Bonds (as defined in (2) below) within 90 days of the deliberate act.

(2) Transfers Exclusively for Cash. If there is a Change in Use of a facility financed with the proceeds of the Series 2013A Bonds because it is transferred to a non-governmental person and such transfer is exclusively for cash (the "Disposition Proceeds"), it shall be a sufficient remedial action if the Disposition Proceeds are used to redeem a pro rata portion of Series 2013A Bonds allocable to the disposition proceeds (the "Nonqualified Bonds") at the earliest call date after the deliberate action. If the Nonqualified Bonds are not redeemed within 90 days of the date of the transfer, the disposition proceeds must be used to establish a Defeasance Escrow (as defined below) for the Nonqualified Bonds within 90 days of the deliberate action. Note that with a disposition exclusively for cash, the amount of Nonqualified Bonds to be redeemed or defeased is based on the amount of Disposition Proceeds received even if this amount is less than the amount of Nonqualified Bonds allocable to the facility which was transferred.

(3) Defeasance Escrow. A Defeasance Escrow must be an irrevocable escrow established to redeem Nonqualified Bonds at their earliest call date in an amount sufficient to pay all of the principal, interest and redemption premium on the Nonqualified Bonds from the date the Defeasance Escrow is established to the earliest call date. The Defeasance Escrow may not be funded with any obligations of the District or installment sale notes of the purchaser of the facility. The yield of the investments in the escrow is restricted to the yield on the Nonqualified Bonds. The District shall also give

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(2) Maturity Not Unreasonably Long. The weighted average maturity of the Series 2013A Bonds is not longer than 120% of the average reasonably expected economic life of the bond financed property as of the date hereof.

(3) Fair Market Value Consideration. Except for a situation in which the District applies the alternative use of the facility remedial action, the District understands that the terms of any agreement that cause the private loan test or the private business test to be exceeded must be bona fide and arm's length, and the new user must pay fair market value for the use of the bond financed property.

(4) Disposition Proceeds Treated as Gross Proceeds for Arbitrage Purposes. The District covenants and agrees that it will treat all of any Disposition Proceeds as gross proceeds for arbitrage purposes, i.e., the disposition proceeds are subject to yield restriction, except to the extent they may be invested at an unrestricted yield during a temporary period, and the investment earnings thereon are subject to the rebate requirement, except to the extent they may qualify for an exception to rebate. The date of receipt of the disposition proceeds is treated as the date of issue of any Nonqualified Bonds for purposes of applying the temporary period rules and for purposes of qualifying for a spending exception to rebate. Furthermore, the receipt of the disposition proceeds are ignored for spending exceptions to rebate that were met before the disposition proceeds were received.

(5) Proceeds Expended on a Governmental Purpose. Except for a situation in which the District applies subsection (b) above, the proceeds of the issue that are affected by the deliberate action must actually have been spent on a governmental purpose before the date of the deliberate action.

(f) General Acknowledgement of the District. The District covenants and agrees that it will promptly notify Bond Counsel of the occurrence of any one of the events set forth in (b) through (d) above and of any remedial action taken; however, it is understood by the District that the District, solely, and not Bond Counsel shall have the responsibility for the monitoring of, and compliance with, the requirements for the permitted use and users of the Series 2013A Bond proceeds and financed facilities and for timely taking any remedial action specified above available to preserve the status of the Series 2013A Bonds as Tax Exempt Bonds.

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APPENDIX I
ALLOCATION AND ACCOUNTING RULES

(a) **General Rule.** Any issuer may use any reasonable, consistently applied accounting method to account for Gross Proceeds, investments and expenditures of an issue. An accounting method is “consistently applied” if it is applied uniformly within a Fiscal Period (as hereinafter defined) and between Fiscal Periods to account for Gross Proceeds of an issue and any amounts that are in a commingled fund.

(b) **Allocation of Gross Proceeds to an Issue.** Amounts are allocable to only one issue at a time as Gross Proceeds. Amounts cease to be allocated to an issue as Proceeds only when those amounts (i) are allocated to an expenditure for a governmental purpose; (ii) are allocated to Transferred Proceeds of another issue of obligations; or (iii) cease to be allocated to that issue at retirement of the issue or under the Universal Cap.

(c) **Allocation of Gross Proceeds to Investments.** Upon the purchase or sale of a Nonpurpose Investment, Gross Proceeds of an issue are not allocated to a payment for that Nonpurpose Investment in an amount greater than, or to a receipt from that Nonpurpose Investment in an amount less than, the Fair Market Value of the Nonpurpose Investment as of the purchase or sale date. The Fair Market Value of a Nonpurpose Investment is adjusted to take into account Qualified Administrative Costs allocable to the investment. Thus, Qualified Administrative Costs increase the payments for, or decrease the receipts from, a Nonpurpose Investment.

(d) **Allocation of Gross Proceeds to Expenditures.** Reasonable accounting methods for allocating funds from different sources to expenditures for the same governmental purpose include a “specific tracing” method, a “gross-proceeds-spent-first” method, a “first-in-first-out” method or a ratable allocation method, so long as the method used is consistently applied. An allocation of Gross Proceeds of an issue to an expenditure must involve a current outlay of cash for a governmental purpose of the issue. A current outlay of cash means an outlay reasonably expected to occur not later than five banking days after the date as of which the allocation of Gross Proceeds to the expenditure is made.

(e) **Commingled Funds.** Any fund or account that contains both Gross Proceeds of an issue and amounts in excess of \$25,000 that are not

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(f) **Universal Cap.** Amounts that would otherwise be Gross Proceeds allocable to an issue are allocated (and remain allocated) to the issue only to the extent that the Value of the Nonpurpose Investments allocable to those Gross Proceeds does not exceed the Value of all outstanding bonds of the issue. Nonpurpose Investments allocated to Gross Proceeds in a bona fide debt service fund for an issue are not taken into account in determining the Value of the Nonpurpose Investments, and those Nonpurpose Investments remain allocated to the issue. To the extent that the Value of the Nonpurpose Investments allocable to the Gross Proceeds of an issue exceed the Value of all outstanding bonds of that issue, an issuer should seek the advice of Bond Counsel for the procedures necessary to comply with the Universal Cap.

(g) **Expenditure for Working Capital Purposes.** Subject to certain exceptions, the Proceeds of an issue may only be allocated to “working capital expenditures” as of any date to the extent that those expenditures exceed “available amounts” as of that date (i.e., “proceeds-spent-last”).

For purposes of this section, “working capital expenditures” include all expenditures other than “capital expenditures.” “Capital expenditures” are costs of a type properly chargeable (or chargeable upon proper election) to a capital account under general federal income tax principles. Such costs include, for example, costs incurred to acquire, construct or improve land, buildings and equipment having a reasonably expected useful life in excess of one year. Thus, working capital expenditures include, among other things, expenditures for current operating expenses and debt service.

For purposes of this section, “available amount” means any amount that is available to an issuer for working capital expenditure purposes of the type financed by the issue. Available amount excludes Proceeds of the issue but includes cash, investments and other amounts held in accounts or otherwise by an issuer for working capital expenditures of the type being financed by the issue without legislative or judicial action and without a legislative, judicial or contractual requirement that those amounts be reimbursed. Notwithstanding the preceding sentence, a “reasonable working capital reserve” is treated as unavailable. A working capital reserve is reasonable if it does not exceed five percent of the actual working capital expenditures of an issuer in the fiscal year before the year in which the determination of available amounts is made. For purpose of the preceding sentence only, in determining the working capital expenditures of an issuer for a prior fiscal year, any expenditures (whether capital or working capital

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Gross Proceeds of that issue if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of the funds deposited therein, constitutes a “commingled fund.” All payments and receipts (including deemed payments and receipts) on investments held by a commingled fund must be allocated (but not necessarily distributed) among each different source of funds invested in the commingled fund in accordance with a consistently applied, reasonable ratable allocation method. Reasonable ratable allocation methods include, without limitation, methods that allocate payments and receipts in proportion to either (i) the average daily balances of the amounts in the commingled fund from each different source of funds during any consistent time period within its fiscal year, but at least quarterly (the “Fiscal Period”); or (ii) the average of the beginning and ending balances of the amounts in the commingled fund from each different source of funds for a Fiscal Period that does not exceed one month.

Funds invested in the commingled fund may be allocated directly to expenditures for governmental purposes pursuant to a reasonable consistently applied accounting method. If a ratable allocation method is used to allocate expenditures from the commingled fund, the same ratable allocation method must be used to allocate payments and receipts on investments in the commingled fund.

Generally a commingled fund must treat all its investments as if sold at Fair Market Value either on the last day of the fiscal year or on the last day of each Fiscal Period. The net gains or losses from these deemed sales of investments must be allocated to each different source of funds invested in the commingled fund during the period since the last allocation. This market-to-market requirement does not apply if (i) the remaining weighted average maturity of all investments held by a commingled fund during a particular fiscal year does not exceed 18 months, and the investments held by the commingled fund during that fiscal year consist exclusively of obligations; or (ii) the commingled fund operated exclusively as a reserve fund, sinking fund or replacement fund for two or more issues of the same issuer. Subject to the Universal Cap limitation, and the principle that amounts are allocable to only one issue at a time as Gross Proceeds, investments held by a commingled fund must be allocated ratably among the issues served by the commingled fund in proportion to either (i) the relative values of the bonds of those issues; (ii) the relative amounts of the remaining maximum annual debt service requirements on the outstanding principal amounts of those issues; or (iii) the relative original stated principal amounts of the outstanding issues.

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expenditures) that are paid out of current revenues may be treated as working capital expenditures.

The proceeds-spent-last requirement does not apply to expenditures to pay (i) any Qualified Administrative Costs; (ii) fees for qualified guarantees of the issue or payments for a qualified hedge for the issue; (iii) interest on the issue for a period commencing on the Issue Date and ending on the date that is the later of three years from the Issue Date or one year after the date on which the financed project is placed in service; (iv) the United States for yield reduction payments (including rebate payments) or penalties for the failure to meet the spend down requirements associated with certain spending exceptions to the rebate requirement; (v) costs, other than those described in (i) through (iv) above, that do not exceed five percent of the Sale Proceeds of an issue and that are directly related to capital expenditures financed by the issue (e.g., initial operating expenses for a new capital project); (vi) principal or interest on an issue paid from unexpected excess sale or Investment Proceeds; (vii) principal or interest on an issue paid from investment earnings on a reserve or replacement fund that are deposited in a bona fide debt service fund; and (viii) principal, interest or redemption premium on a prior issue and, for a crossover refunding issue, interest on that issue. Notwithstanding the preceding paragraph, the exceptions described above do not apply if the allocation merely substitutes Gross Proceeds for other amounts that would have been used to make those expenditures in a manner that gives rise to Replacement Proceeds.

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SECOND SUPPLEMENTAL TRUST INDENTURE

**ARTISAN LAKES
COMMUNITY DEVELOPMENT DISTRICT**

**TO
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS TRUSTEE**

Dated as of December 1, 2013

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**SECOND SUPPLEMENTAL
TRUST INDENTURE**

THIS SECOND SUPPLEMENTAL TRUST INDENTURE (the "Second Supplemental Indenture") dated as of December 1, 2013, from **ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT** (the "District") to **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, 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 10161 Centurion Parkway, Jacksonville, Florida 32256, Attention: Corporate Trust Department.

WHEREAS, the District has entered into a Master Trust Indenture, dated as of December 1, 2013 (the "Master Indenture," and together with this Second Supplemental Indenture, the "Indenture") with the Trustee to secure the issuance of its Artisan Lakes Community Development District Capital Improvement Revenue Bonds (the "Bonds"), issuable in one or more series from time to time; and

WHEREAS, pursuant to Resolution No. 2007-19 (the "Bond Resolution") adopted by the Governing Body on August 20, 2007, the District has authorized the issuance, sale and delivery of not to exceed \$190,000,000 of Bonds, to be issued in one or more Series of Bonds as authorized under the Master Indenture, which Bonds were validated by final judgment of the Circuit Court of Manatee County, Florida on October 12, 2007; and

WHEREAS, the Governing Body of the District duly adopted Resolution No. 2014-04, on November 15, 2013 providing for the acquisition, construction and installation of assessable capital improvements (the "Capital Improvement Program"), providing estimated Costs of the Capital Improvement Program, defining assessable property to be benefited by the Capital Improvement Program, defining the portion of the Costs of the Capital Improvement Program with respect to which Assessments will be imposed and the manner in which such Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll, and, stating the intent of the District to issue Bonds of the District secured by such Assessments to finance the costs of the acquisition, construction and installation of the Capital Improvement Program (the "Preliminary Assessment Resolution") and the Governing Body of the District duly adopted Resolution No. 2013-07, on December 19, 2013, following a public hearing conducted in accordance with the Act, to fix and establish the

Assessments and the benefited property with respect to the Series 2013A-3 Bonds (hereinafter defined) (collectively, the "Assessment Resolution"); and

WHEREAS, pursuant to Resolution No. 2014-06, adopted by the Governing Body of the District on November 22, 2013, as amended by Resolution No. 2014-08, adopted by the Governing Body of the District on December 19, 2013 (collectively, the "Award Resolution"), the District has authorized the issuance, sale and delivery of its not to exceed \$15,010,000 of its Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013 (the "Series 2013 Bonds"), a portion of which are issued hereunder in one Series as its Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-3 (the "Series 2013A-3 Bonds") 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 2013A-3 Bonds and to set forth the terms of the Series 2013A-3 Bonds; and

WHEREAS, the District will apply the proceeds of the Series 2013A-3 Bonds, together with the proceeds of the District's Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-1 and the District's Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-2 (the "Series 2013A-1 Bonds, the "Series 2013A-2 Bonds" and the Series 2013A-3 Bonds are hereinafter referred to as the "Series 2013 Bonds"), which are issued simultaneously herewith, but separately secured, to: (i) finance the Cost of acquiring, constructing and equipping assessable improvements (as more particularly described in Exhibit A hereto, the "Series 2013 Project"); (ii) pay certain costs associated with the issuance of the Series 2013A-3 Bonds; (iii) make a deposit into the Series 2013A-3 Reserve Account for the benefit of all of the Series 2013A-3 Bonds; and (iv) pay a portion of the interest to become due on the Series 2013A-3 Bonds; and

WHEREAS, the Series 2013A-3 Bonds will be payable from and secured by Assessments imposed, levied and collected by the District with respect to property specially benefited by the Series 2013 Project (the "Series 2013A-3 Assessments"), which, together with the Series 2013A-3 Pledged Funds will comprise the Series 2013A-3 Trust Estate, which shall constitute a "Series Trust Estate" as defined in the Master Indenture; and

WHEREAS, the execution and delivery of the Series 2013A-3 Bonds and of this Second Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the Series

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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 2013A-3 Bonds issued or to be issued under and secured by this Second Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one Series 2013A-3 Bond over any other Series 2013A-3 Bond by reason of priority in their issue, sale or execution;

PROVIDED FURTHER HOWEVER, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2013A-3 Bonds or any Series 2013A-3 Bond of a particular maturity issued, secured and Outstanding under this Second Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2013A-3 Bonds and this Second 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 Second 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 Second Supplemental Indenture, then upon such final payments, this Second Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2013A-3 Bonds or any Series 2013A-3 Bond of a particular maturity, otherwise this Second Supplemental Indenture shall remain in full force and effect;

THIS SECOND SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Series 2013A-3 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as in the Master Indenture (except as amended directly or by implication by this Second Supplemental Indenture), including this Second Supplemental Indenture, expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Series 2013A-3 Bonds, as follows:

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2013A-3 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Second Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the Series 2013A-3 Trust Estate have been done;

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

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2013A-3 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 2013A-3 Bonds Outstanding (as defined in the Master Indenture) from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and such other payments due under any Letter of Credit Agreement or Liquidity Agreement (as defined in the Master Indenture), and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this Second Supplemental Indenture and in the Series 2013A-3 Bonds: (a) has executed and delivered this Second Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in the trusts under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture the revenues derived by the District from the Series 2013A-3 Assessments (the "Series 2013A-3 Pledged Revenues") and the Funds and Accounts (except for the Series 2013A-3 Rebate Account) established hereby (the "Series 2013A-3 Pledged Funds and Accounts") which shall comprise a part of the Trust Estate securing the Series 2013A-3 Bonds (the "Series 2013A-3 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;

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

"Assessment Methodology" shall mean the Preliminary Series 2013 Special Assessment Allocation Report, Phase I Esplanade at Artisan, dated November 22, 2013, as subsequently amended by the Final Series 2013 Special Assessment Allocation Report, dated December 19, 2013, each prepared by Rizzetta & Co., Inc.

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

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

"Capital Improvement Program" shall mean the program of assessable capital improvements established by the District in the Assessment Proceedings, a portion of which is comprised of the Series 2013 Project.

"Completion Agreement" shall mean the d Completion Agreement, dated as of December 30, 2013, between the Initial Landowner and the District.

"Delinquent Assessment Interest" shall mean Series 2013A-3 Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in which such Assessment Interest has, or would have, become delinquent under State law applicable thereto.

"Delinquent Assessment Principal" shall mean Series 2013A-3 Assessment Principal deposited by the District with the Trustee on or after

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May 1 of the year in which such Series 2013A-3 Assessment Principal has, or would have, become delinquent under State law applicable thereto.

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

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

"Initial Landowner" shall mean Taylor Woodrow Communities at Artisan Lakes, LLC, a Florida limited liability company.

"Interest Payment Date" shall mean each May 1 and November 1, commencing May 1, 2014.

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) of the Outstanding Series 2013A-3 Bonds.

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

"Redemption Date" shall mean, if in part, each Interest Payment Date or if in whole for all of the Outstanding Series 2013A-3 Bonds, any date.

"Series 2013 Assessments" shall mean collectively, the Series 2013A-1 Assessments and the Series 2013A-2 Assessments.

"Series 2013A-1 Assessments" shall mean the Assessments imposed, levied and collected by the District in respect of the Series 2013A-1 Bonds and the capital project financed with the proceeds thereof.

"Series 2013A-2 Assessments" shall mean the Assessments imposed, levied and collected by the District in respect of the Series 2013A-2 Bonds and the capital project financed with the proceeds thereof.

"Series 2013A-3 Assessment" shall mean the principal and interest of Series 2013A-3 Assessments received by the District which corresponds to a proportionate amount of the principal and interest of the Series 2013A-3 Bonds.

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guaranteed as to both principal and interest by the United States of America; Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Federal Home Loan Bank System; Export-Import Bank of the United States; Farmers Home Administration; Small Business Administration; Inter-American Development Bank; International Bank for Reconstruction and Development; Federal Land Banks; the Federal National Mortgage Association; the Government National Mortgage Association; the Tennessee Valley Authority; or the Washington Metropolitan Area Transit Authority;

(iii) shares of money market mutual funds that invest only in the obligations described in (i) and (ii) above, including money market mutual funds of the Trustee bank meeting such criteria;

(iv) Negotiable or non-negotiable certificates of deposit, time deposits or other similar banking arrangements issued by any bank or trust company, including the Trustee, or any federal savings and loan association, the deposits of which are insured by the Federal Deposit Insurance Corporation (including the FDIC's Savings Association Insurance Fund), which securities, to the extent that the principal thereof exceeds the maximum amount insurable by the Federal Deposit Insurance Corporation and, therefore, are not so insured, shall be fully secured to the extent permitted by law as to principal and interest by the securities listed in subsection (i), (ii) or (iii) above; provided, however, that with respect to securities used to secure securities hereunder, in addition to direct and general obligations of any political subdivision or instrumentality of any such state, to the payment of the principal of and interest on which the full faith and credit of such subdivision or instrumentality is pledged if such obligations are initially rated in one of the three highest rating categories without regard to gradations within any such categories by either S&P or Moody's.

Under all circumstances, the Trustee shall be entitled to request and to receive from the District a certificate of an Authorized Officer setting forth that any investment directed by the District is permitted under the Indenture.

"Series 2013A-3 Pledged Funds" shall mean all of the Funds and Accounts created hereby with the Trustee, including the Subaccounts therein other than the Series 2013A-3 Rebate Account in the Rebate Fund.

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"Series 2013A-3 Assessments" shall mean the Assessments imposed, levied and collected by the District in respect of the Series 2013A-3 Bonds and the capital project financed with the proceeds thereof.

"Series 2013A-3 Assessment Interest" shall mean the interest on the Series 2013A-3 Assessments which is pledged to the Series 2013A-3 Bonds.

"Series 2013A-3 Assessment Principal" shall mean the principal amount of Series 2013A-3 Assessments received by the District which represent a proportionate amount of the principal of and Amortization Installments of the Series 2013A-3 Bonds, other than applicable Delinquent Assessment Principal and Series 2013A-3 Prepayments.

"Series 2013A-3 Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2013A-3 Assessments which include Resolution Nos. 2014-04, 2014-05 and 2014-07, as supplemented, adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the District with respect to the Series 2013A-3 Assessments and the Assessment Methodology as approved thereby.

"Series 2013A-3 Assessment Revenues" shall mean all revenues derived by the District from the Series 2013A-3 Assessments, including proceeds from any foreclosure of the lien of Delinquent Series 2013A-3 Assessments and any statutory interest on the Delinquent Series 2013A-3 Assessments collected by the District in excess of the rate of interest on the Series 2013A-3 Bonds.

"Series 2013A-3 Bonds" shall mean \$2,500,000 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-3.

"Series 2013A-3 Investment Obligations" shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District;

(i) Government Obligations;

(ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government - sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully

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"Series 2013A-3 Pledged Revenues" shall mean the Series 2013A-3 Assessments.

"Series 2013A-3 Prepayments" shall mean the excess amount of Series 2013A-3 Assessment Principal received by the District over the Series 2013A-3 Assessment Principal included within an Assessment appearing on any outstanding and unpaid tax bill, whether or not mandated to be prepaid in accordance with the Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2013A-3 Prepayments shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

"Series 2013A-3 Reserve Account Requirement" shall be equal to the Maximum Annual Debt Service Requirement for all Outstanding Series 2013A-3 Bonds, as of the time of any such calculation.

"True Up Agreement" shall mean the True Up Agreement, dated as of December 30, 2013, between the District and the Initial Landowner.

ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2013A-3 BONDS

Section 201. Authorization of Series 2013A-3 Bonds; Book-Entry Only Form The Series 2013A-3 Bonds are hereby authorized to be issued in one Series in the aggregate principal amount of \$2,500,000 for the purposes enumerated in the recitals hereto to be designated "Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-3." The Series 2013A-3 Bonds shall be substantially in the form set forth as Exhibit B to this Second Supplemental Indenture. Each Series 2013A-3 Bond shall bear the designation "2013A-3-R" and shall be numbered consecutively from 1 upwards.

The Series 2013A-3 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2013A-3 Bond for each Series and maturity thereof. Upon initial issuance, the ownership of each such Series 2013A-3 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 2013A-3 Bonds shall be registered in the registration

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books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to Series 2013A-3 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 2013A-3 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 2013A-3 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 2013A-3 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose name each Series 2013A-3 Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such Series 2013A-3 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2013A-3 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2013A-3 Bond, for the purpose of registering transfers with respect to such Series 2013A-3 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2013A-3 Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2013A-3 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 2013A-3 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 Second Supplemental Indenture shall

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commencing May 1, 2014, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 204. Denominations. The Series 2013A-3 Bonds shall be issued in Authorized Denominations.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the Series 2013A-3 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the Series 2013A-3 Bonds.

Section 207. Conditions Precedent to Issuance of Series 2013A-3 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2013A-3 Bonds, all the Series 2013A-3 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 2013A-3 Assessment Proceedings;
- (b) Executed copies of the Master Indenture and this Second 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 2013A-3 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this Second Supplemental Indenture;
- (f) An Engineers' Certificate or Engineers' Certificates which set forth the estimated Cost of the Series 2013 Project;
- (g) A certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal; and
- (h) An executed Collateral Assignment and True-Up Agreement.

Payment to the Trustee of \$2,450,000.00 shall conclusively evidence satisfaction of the foregoing conditions precedent.

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refer to such new Nominee of DTC; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC: (i) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding Series 2013A-3 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 2013A-3 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 2013A-3 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 2013A-3 Bonds shall designate, in accordance with the provisions hereof.

Section 202. Terms. The Series 2013A-3 Bonds shall be issued as one (1) Term Bond, 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:

Series	Principal Amount	Maturity Date	Interest Rate	CUSIP
2013A-3	\$2,500,000	May 1, 2044	7.250%	04315YAD9

Section 203. Dating and Interest Accrual. Each Series 2013A-3 Bond shall be dated December 30, 2013. Each Series 2013A-3 Bond also shall bear its date of authentication. Each Series 2013A-3 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 2013A-3 Bond has been paid, in which event such Series 2013A-3 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2013A-3 Bonds, in which event, such Series 2013A-3 Bond shall bear interest from its date. Interest on the Series 2013A-3 Bonds shall be due and payable on each May 1 and November 1,

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ARTICLE III REDEMPTION OF SERIES 2013A-3 BONDS

Section 301. Bonds Subject to Redemption. The Series 2013A-3 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as Exhibit B to this Second Supplemental Indenture. Interest on Series 2013A-3 Bonds which are called for redemption shall be paid on the Redemption Date from the Series 2013A-3 Interest Account or from the Series 2013A-3 Revenue Account to the extent monies in the Series 2013A-3 Interest Account are insufficient for such purpose.

ARTICLE IV DEPOSIT OF SERIES 2013A-3 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

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

(a) There are hereby established within the Acquisition and Construction Fund held by the Trustee the following accounts:

(i) a Series 2013 Acquisition and Construction Account, and, therein, a Series 2013A-3 Acquisition and Construction Subaccount; and

(ii) a Series 2013A-3 Costs of Issuance Account.

(b) There are hereby established within the Debt Service Fund held by the Trustee: (i) a Series 2013A-3 Debt Service Account and therein a Series 2013A-3 Sinking Fund Account, a Series 2013A-3 Interest Account and a Series 2013A-3 Capitalized Interest Account; and (ii) a Series 2013A-3 Redemption Account, and, therein a Series 2013A-3 Prepayment Subaccount and a Series 2013A-3 Optional Redemption Subaccount;

(c) There is hereby established within the Reserve Fund held by the Trustee a Series 2013A-3 Reserve Account which shall be held for the benefit of all of the Series 2013A-3 Bonds, without distinction as to Series 2013A-3 Bonds and without privilege or priority of one Series 2013A-3 Bond over another;

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(d) There is hereby established within the Revenue Fund held by the Trustee a Series 2013A-3 Revenue Account; and

(e) There is hereby established within the Rebate Fund held by the Trustee a Series 2013A-3 Rebate Account.

Section 402. Use of Series 2013A-3 Bond Proceeds. The net proceeds of sale of the Series 2013A-3 Bonds, \$2,450,000.00, shall as soon as practicable upon the delivery thereof to the Trustee by the District pursuant to Section 207 of the Master Indenture, be applied as follows:

(a) \$206,981.25, representing the Series 2013A-3 Reserve Account Requirement shall be deposited to the credit of the Series 2013A-3 Reserve Account;

(b) \$52,847.92, representing the costs of issuance relating to the Series 2013A-3 Bonds shall be deposited to the credit of the Series 2013A-3 Costs of Issuance Account;

(c) \$151,545.14, shall be deposited to the Series 2013A-3 Capitalized Interest Account; and

(d) \$2,038,625.69 shall be deposited to the credit of the Series 2013A-3 Acquisition and Construction Subaccount in the Series 2013 Acquisition and Construction Account.

Section 403. Series 2013 Acquisition and Construction Account, Subaccounts therein, and Series 2013A-3 Capitalized Interest Account. (a) Amounts on deposit in the Series 2013A-3 Acquisition and Construction Subaccount shall be applied to pay Costs of the Series 2013 Project as defined in the Report of the Consulting Engineer upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture; provided, however, that the form of requisition shall be the form set forth in Exhibit A thereto and shall contain the certifications, if applicable, of the Consulting Engineer provided for therein, and the Trustee shall be entitled to conclusively rely on such certification to pay such requisition. Anything in the Master Indenture to the contrary notwithstanding, the Consulting Engineer shall establish a Date of Completion for the Series 2013 Project, and any balance remaining in the Series 2013A-3 Acquisition and Construction Subaccount (taking into account the moneys currently on deposit therein to pay any accrued but unpaid Costs of the Series 2013 Project which are required to be reserved in the Series 2013A-3 Acquisition and Construction Subaccount in accordance

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authorized and directed to recalculate the Series 2013A-3 Reserve Account Requirement and to transfer any excess on deposit in the Series 2013A-3 Reserve Account into the Series 2013A-3 Prepayment Subaccount of the Series 2013A-3 Redemption Account and applied to the extraordinary mandatory redemption of the Series 2013A-3 Bonds.

On the earliest date on which there is on deposit in the Series 2013A-3 Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2013A-3 Bonds, together with accrued interest on such Series 2013A-3 Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2013A-3 Reserve Account into the Series 2013A-3 Prepayment Subaccount in the Series 2013A-3 Redemption Account to pay and redeem all of the Outstanding Series 2013A-3 Bonds on the earliest date permitted for redemption therein and herein.

Anything in the Master Indenture or herein to the contrary notwithstanding, amounts on deposit in the Series 2013A-3 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. (a) The Amortization Installments established for the Series 2013A-3 Bonds shall be as set forth in the form of Bonds attached hereto.

(b) Upon any redemption of Series 2013A-3 Bonds (other than Series 2013A-3 Bonds redeemed in accordance with scheduled Amortization Installments and other than Series 2013A-3 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 2013A-3 Bonds to be redeemed in such amounts and having such maturities so as to result in Amortization Installments which shall be recalculated by the District, in such manner as shall amortize all the Outstanding Series 2013A-3 Bonds of all of the terms in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining terms of all of the Series 2013A-3 Bonds, commencing, however, no earlier than the May 1, 2015 Amortization Installment.

Section 407. Tax Covenants and Rebate Accounts. The District shall comply with the Tax Regulatory Covenants set forth as Exhibit

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with the certificate of the Consulting Engineer establishing such Date of Completion), shall be deposited pursuant hereto to the Series 2013A-3 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2013A-3 Bonds in accordance with Section 302 hereof and in the manner prescribed in the form of Series 2013A-3 Bond set forth as Exhibit B hereto.

(b) Amounts on deposit in the Series 2013A-3 Capitalized Interest Account shall, until and including November 1, 2014, be transferred into the Series 2013A-3 Interest Account and applied to the payment of interest first coming due on the Series 2013A-3 Bonds, and thereafter transferred into the Series 2013A-3 Acquisition and Construction Subaccount in the Series 2013 Acquisition and Construction Account.

Section 404. Costs of Issuance Account. The amount deposited in the Series 2013A-3 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 2013A-3 Bonds. On the earlier to occur of: (x) the written direction of an Authorized Officer or (y) March 1, 2014, any amounts deposited in the Series 2013A-3 Costs of Issuance Account which have not been requisitioned shall be transferred over and deposited into the Series 2013A-3 Acquisition and Construction Subaccount in the Series 2013 Acquisition and Construction Account and used for the purposes permitted therefor.

Section 405. Series 2013A-3 Reserve Account. The Series 2013A-3 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2013A-3 Reserve Account Requirement. Except as otherwise provided herein or in the Master Indenture, amounts on deposit in the Series 2013A-3 Reserve Account shall be used only for the purpose of making payments into the Series 2013A-3 Interest Account, and the Series 2013A-3 Sinking Fund Account to pay Debt Service on the Series 2013A-3 Bonds, when due, without distinction as to Series 2013A-3 Bonds and without privilege or priority of one Series 2013A-3 Bond over another, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose. Such Account shall consist only of cash and Series 2013A-3 Investment Obligations.

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

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C to this Second Supplemental Indenture, as amended and supplemented from time to time in accordance with their terms.

Section 408. Establishment of Series 2013A-3 Revenue Account in Revenue Fund; Application of Revenues and Investment Earnings.

(a) The Trustee is hereby authorized and directed to establish within the Revenue Fund a Series 2013A-3 Revenue Account into which the Trustee shall deposit any and all amounts required to be deposited therein by this Section 408 or by any other provision of the Master Indenture or this 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 2013A-3 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 2013A-3 Revenue Account the Series 2013A-3 Assessment Revenues other than the Series 2013A-3 Prepayments, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2013A-3 Prepayment Subaccount in the Redemption Account, and any other revenues required by other provisions of the Indenture to be deposited therein.

(c) On the forty-fifth (45th) day preceding each Redemption Date with respect to the Series 2013A-3 Bonds (or if such forty-fifth (45th) day is not a Business Day, on the Business Day next preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the Series 2013A-3 Prepayment Subaccount of the Series 2013A-3 Redemption Account, and, if the balance therein is greater than zero, shall transfer from the Series 2013A-3 Revenue Account for deposit into the Series 2013A-3 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2013A-3 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2013A-3 Prepayment Subaccount in accordance with the provisions for extraordinary redemption of the Series 2013A-3 Bonds set forth in the form of Series 2013A-3 Bond attached hereto, Section 301 hereof, and Article III of the Master Indenture.

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(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 2013A-3 Capitalized Interest Account to the Series 2013A-3 Interest Account the lesser of (x) the amount of interest coming due on the Series 2013A-3 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (y) the amount remaining in the Series 2013A-3 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 2013A-3 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, from the Series 2013A-3 Revenue Account to the Series 2013A-3 Interest Account of the Series 2013A-3 Debt Service Account, an amount equal to the amount of interest payable on all Series 2013A-3 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2013A-3 Capitalized Interest Account in accordance with Section 403(b) hereof and less any other amount already on deposit in the Series 2013A-3 Interest Account not previously credited;

SECOND, on each May 1, to the Series 2013A-3 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2013A-3 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2013A-3 Sinking Fund Account not previously credited;

THIRD, to the Series 2013A-3 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2013A-3 Reserve Account Requirement with respect to the Series 2013A-3 Bonds; and

FOURTH, the balance shall be retained in the Series 2013A-3 Revenue Account.

(e) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer from the Series 2013A-3 Revenue Account to the Series 2013A-3 Rebate Account established for the Series 2013A-3 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

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ARTICLE V CONCERNING THE TRUSTEE

Section 501. Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this Second Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth in the Master Indenture.

Section 502. Limitation of Trustee's Responsibility. The Trustee shall not be responsible in any manner for the due execution of this Second Supplemental Indenture by the District or for the recitals contained herein, all of which are made solely by the District.

Section 503. Trustee's Duties. Except as otherwise expressly stated in this Second Supplemental Indenture, nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article VI thereof.

ARTICLE VI ADDITIONAL BONDS

Section 601. No Parity Bonds; Limitation on Parity Assessments. The District covenants and agrees that so long as there are any Series 2013A-3 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2013A-3 Trust Estate. The District further covenants and agrees that so long as the Series 2013A-3 Bonds are Outstanding, it shall not issue Bonds other than the Series 2013A-1 Bonds and the Series 2013A-2 Bonds secured by Assessments for capital projects on lands subject to the Series 2013A-3 Assessments without the consent of the Majority Owners.

ARTICLE VII MISCELLANEOUS

Section 701. Confirmation of Master Indenture. As supplemented by this Second Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this Second Supplemental Indenture shall be read, taken and construed as a part of the Master

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(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 2013A-3 Bonds shall be invested only in Series 2013A-3 Investment Obligations, and further, earnings on the Series 2013 Acquisition and Construction Account, the Series 2013A-3 Interest Account and the Series 2013A-3 Capitalized Interest Account shall be retained, as realized, in such Accounts or subaccounts and used for the purpose of such Account or subaccount. Earnings on investments in the other Funds and Accounts other than the Series 2013A-3 Reserve Account shall be deposited, as realized, to the credit of the Series 2013A-3 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2013A-3 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 2013A-3 Reserve Account as of the most recent date on which amounts on deposit in the Series 2013A-3 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2013A-3 Reserve Account since such date which have created a deficiency, then earnings on the Series 2013A-3 Reserve Account shall be deposited into the Series 2013A-3 Capitalized Interest Account through November 1, 2014, and, thereafter earnings in the Series 2013A-3 Reserve Account shall be deposited into the Series 2013A-3 Revenue Account and used for the purpose of such Account; and

(ii) if as of the last date on which amounts on deposit in the Series 2013A-3 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture), or if after such date withdrawals have been made from the Series 2013A-3 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2013A-3 Reserve Account shall be deposited into the Series 2013A-3 Reserve Account until the amount on deposit therein is equal to the Series 2013A-3 Reserve Account Requirement, and then earnings on the Series 2013A-3 Reserve Account shall be deposited into the Series 2013A-3 Capitalized Interest Account through November 1, 2014, and, thereafter earnings in the Series 2013A-3 Reserve Account shall be deposited into the Series 2013A-3 Revenue Account and used for the purpose of such Account.

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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 Second Supplemental Indenture and to the Series 2013A-3 Bonds issued hereunder.

Section 702. Continuing Disclosure Agreement.

Contemporaneously with the execution and delivery hereof, the District has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The District covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but, instead shall be enforceable solely by mandamus, injunction or any other means of specific performance.

Section 703. Additional Covenant Regarding Assessments. In addition, and not in limitation of, the covenants contained elsewhere in this Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2013A-3 Assessments, including the Assessment Methodology, and to levy the Series 2013A-3 Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2013A-3 Bonds, when due. The Assessment Methodology shall not be amended without written consent of the Majority Owners.

Section 704. Collection of Assessments. (a) Anything herein or in the Master Indenture to the contrary notwithstanding, Series 2013A-3 Assessments levied on platted lots and pledged hereunder to secure the Series 2013A-3 Bonds shall be collected pursuant to the Uniform Method and Series 2013A-3 Assessments levied on unplatted lots and pledged hereunder to secure the Series 2013A-3 Bonds shall be collected directly by the Issuer pursuant to the Act and Chapters 170, 702, 173 and/or 197, Florida Statutes, and not pursuant to the Uniform Method, in each case unless otherwise directed by the Trustee acting at the direction of the Majority Owners.

(b) All Series 2013A-3 Assessments that are collected directly by the Issuer and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date.

Section 705. Foreclosure of Assessment Lien. Notwithstanding Section 804 of the Master Indenture or any other provision of the Indenture

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to the contrary, the following provisions shall apply with respect to the Series 2013A-3 Assessments and Series 2013A-3 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2013A-3 Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2013A-3 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Series 2013A-3 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 2013A-3 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. Nothing herein shall compel the District to utilize funds other than from the sources pledged herein. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2013A-3 Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the Series 2013A-3 Bonds within thirty (30) days after the receipt of the request therefor signed by the Trustee or the Majority Owners.

Section 706. Owner Direction and Consent with Respect to Series 2013A-3 Acquisition and Construction Subaccount Upon Occurrence of Event of Default. In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2013A-3 Bonds, the Series 2013A-3 Bonds are payable solely from the Series 2013A-3 Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District hereby acknowledges that (i) the Series 2013A-3 Pledged Funds includes, without limitation, all amounts on deposit in the Series 2013A-3 Acquisition and Construction Subaccount of the Acquisition and Construction Fund then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2013A-3 Bonds, the Series 2013A-3 Pledged Funds may not be used by the District (whether to pay costs of the Series 2013 Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the

to be added or deleted from the listing. If the District elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee including without limitation the risk of the Trustee to act on unauthorized instructions, and the risk of interpretation and misuse by third parties.

(d) The District covenants and agrees to use its best effort to obtain its audited financial statements no later than two hundred seventy days after the close of the Fiscal Year, but failure to do so shall not constitute a default or Event of Default under the Indenture.

Event of Default the District had incurred a binding obligation with third parties for work on the Series 2013 Project and payment is for such work and (iii) the Series 2013A-3 Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture, subject to the receipt of an opinion of Bond Counsel that such use will not adversely affect the exclusion from gross income of the interest on the Series 2013 Bonds. The District shall not enter into any binding agreement with respect to the Series 2013 Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

Section 707. Provisions Relating to the Trustee. So long as The Bank of New York Mellon Trust Company, N.A. is Trustee the following provisions shall apply notwithstanding anything herein or in the Master Indenture to the contrary:

(a) The Trustee shall have no obligation to determine whether such Investment Obligations constitute as legal investment for funds of the District. Ratings of permitted investments shall be determined at the time of purchase of such Investment Obligations and without regard to ratings subcategories. The Trustee may make any and all investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. Although the District recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the District agrees that confirmations of Investment Obligations are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

(b) The Trustee shall not be accountable for the use or application by the District of any of the Series 2013A-3 Bonds or the proceeds therefor or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or any Supplemental Indenture.

(c) Notwithstanding anything contained herein to the contrary, the Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the District shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is

[Signature Page to Artisan Lakes Second Supplemental Trust Indenture]

IN WITNESS WHEREOF, Artisan Lakes Community Development District has caused these presents to be signed in its name and on its behalf by its Chairman, and its official seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized Vice President.

SEAL **ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT**
Attest: _____
Secretary Chairman, Board of Supervisors

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee
By: _____
Vice President

EXHIBIT A
Description of Series 2013 Project

[See Report of District Engineer Attached Hereto.]

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at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or 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, Maturity Amount or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., located in East Syracuse, New York, 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 2013A-3 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the District designated "Capital Improvement Revenue Bonds, Series 2013A-3" in the aggregate principal amount of \$2,500,000 (the "Series 2013A-3 Bonds," issued under a Master Trust Indenture, dated as of December 1, 2013 (the "Master Indenture"), between the District and The Bank of New York Mellon Trust Company, N.A., located in Jacksonville, Florida, as trustee (the "Trustee"), as amended and supplemented by a Second Supplemental Trust Indenture, dated as of December 1, 2013 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture") (the "Series 2013A-3 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 2013A-3 Bonds, together with the proceeds of the District's Artisan Lakes Community Development District Capital

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EXHIBIT B
FORM OF SERIES 2013A-3 BONDS

[TEXT OF SERIES 2013A-3 BOND FACE]

No. 2013A-3R-1 \$2,500,000.00

United States of America
State of Florida

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2013A-3

Interest Rate	Maturity Date	Dated Date	CUSIP
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Registered Owner: CEDE & CO.

Principal Amount:

ARTISAN LAKES 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 mentioned hereinafter) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on May 1, 2014, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the registered Owner hereof

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Improvement Revenue Bonds, Series 2013A-1 and the District's Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-2, (the "Series 2013A-1 Bonds, the Series 2013A-2 Bonds" and the Series 2013A-3 Bonds are hereinafter referred to collectively, as the "Series 2013 Bonds"), which are issued simultaneously herewith, but separately secured, to: (i) finance the Cost of acquiring, constructing and equipping assessable improvements (as more particularly described in Exhibit A hereto, the "Series 2013 Project"); (ii) pay certain costs associated with the issuance of the Series 2013A-3 Bonds; (iii) make a deposit into the Series 2013A-3 Reserve Account for the benefit of all of the Series 2013A-3 Bonds; and (iv) pay a portion of the interest to become due on the Series 2013A-3 Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE MASTER INDENTURE OR IN THE SUPPLEMENTAL INDENTURE AUTHORIZING THE ISSUANCE OF THE SERIES 2013A-3 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE SERIES 2013A-3 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE SERIES 2013A-3 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2013A-3 PLEDGED REVENUES AND THE SERIES 2013A-3 PLEDGED FUNDS PLEDGED TO THE SERIES 2013A-3 BONDS, ALL AS PROVIDED HEREIN, IN THE MASTER INDENTURE AND IN THE SUPPLEMENTAL INDENTURE.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the ordinances and resolutions of the District to

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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.

IN WITNESS WHEREOF, Artisan Lakes 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 Secretary to the Board of Supervisors.

Attest: **ARTISAN LAKES
COMMUNITY DEVELOPMENT
DISTRICT**

Secretary **By: Chairman, Board of Supervisors**

[Official Seal]

**[FORM OF CERTIFICATE OF AUTHENTICATION FOR SERIES
2013A-3 BONDS]**

This Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Trustee**

Date of Authentication: **By: Vice President**

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[TEXT OF SERIES 2013A-3 BOND]

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes (2013), and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Maturity Amount and Redemption Price of, and the interest on, the Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Assessments (as defined in the Indenture), the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Bonds, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2013A-3 Bonds are equally and ratably secured by the Series 2013A-3 Trust Estate, without preference or priority of one Series 2013A-3 Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on a parity with the Series 2013A-3 Bonds as to the lien and pledge of the Trust Estate.

The Series 2013A-3 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"); provided, however, that the Series 2013A-3 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in East Syracuse, New York, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. 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 East Syracuse, New York, in the manner and subject to the

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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 2013A-3 Bonds are subject to redemption prior to maturity at the option of the District in whole, on any date, or in part on any Redemption Date, on or after May 1, 2024 at the Redemption Price of the principal amount of the Series 2013A-3 Bonds or portions thereof to be redeemed together with accrued interest to the redemption date.

The Series 2013A-3 Bonds maturing May 1, 2044 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2013A-3 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) 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
2015	\$25,000	2030	\$70,000
2016	25,000	2031	75,000
2017	30,000	2032	85,000
2018	30,000	2033	90,000
2019	30,000	2034	95,000
2020	35,000	2035	105,000
2021	35,000	2036	110,000
2022	40,000	2037	120,000
2023	45,000	2038	130,000
2024	45,000	2039	135,000
2025	50,000	2040	145,000
2026	55,000	2041	160,000
2027	60,000	2042	170,000
2028	60,000	2043	185,000
2029	65,000	2044*	195,000

* Maturity

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As more particularly set forth in the Master Indenture and Supplemental Indenture, any Series 2013A-3 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 2013A-3 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2013A-3 Bonds so as to reamortize the remaining Outstanding principal balance of the Series 2013A-3 Bonds as set forth in the Supplemental Indenture.

The Series 2013A-3 Bonds are subject to Extraordinary Mandatory Redemption prior to maturity, in whole on any date or in part on any Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Series 2013 Project (as such term is defined in the Indenture), by application of moneys transferred from the Series 2013A-3 Acquisition and Construction Subaccount in the Acquisition and Construction Fund established under the Indenture to the Series 2013A-3 Prepayment Subaccount of the Series 2013A-3 Redemption Account in accordance with the terms of the Indenture; or

(b) from amounts, including Prepayments of Series 2013A-3 Assessments (as defined in the Indenture), required by the Indenture to be deposited into the Series 2013A-3 Prepayment Subaccount of the Series 2013A-3 Redemption Account.

If less than all of the Series 2013A-3 Bonds of a Series shall be called for redemption, the particular Series 2013A-3 Bonds or portions of Series 2013A-3 Bonds of a Series to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of Series 2013A-3 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each registered Owner of Series 2013A-3 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 2013A-3 Bonds or such

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If the District deposits or causes to be deposited with the Trustee cash or Federal Securities (as defined in the Indenture) sufficient to pay the principal or redemption price of any Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the Series 2013A-3 Bonds as to the 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.

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for Manatee County, Florida rendered on October 12, 2007.

Chairman

portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2013A-3 Bonds or such portions thereof on such date, interest on such Series 2013A-3 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2013A-3 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 2013A-3 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

The Owner of this Bond shall have no right to enforce the provisions of the Master Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2013A-3 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 six (6) years after the date when such Bond has become due and payable, either at its stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for six (6) 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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[FORM OF ABBREVIATIONS FOR SERIES 2013A-3 BONDS]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenants by the entireties

JU TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____
under Uniform Transfer to Minors Act _____ (Cust.)
(Minor) (State)

Additional abbreviations may also be used

though not in the above list.

For value received, the undersigned hereby sells, assigns and transfers unto

_____ 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 whatever.

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TO SECOND SUPPLEMENTAL TRUST INDENTURE
TAX REGULATORY COVENANTS

These Tax Regulatory Covenants are intended to set forth certain duties and requirements necessary for compliance with provisions of the Internal Revenue Code of 1986, as amended (the "Code") to the extent necessary to preserve the tax-exempt treatment of interest on the Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-3 (the "Bonds"). These Covenants are based upon Section 141-150 of the Code including, but not limited to 148(f) and Treasury Regulations thereunder (the "Regulations") including, but not limited to, Sections 1.148-0 through 1.148-11, 1.149(b)-1 and (d)-1, and 1.150-0 through 1.150-2, including continuing monitoring and compliance requirements. However, they are not intended to be exhaustive. Since the requirements of the Code and the Regulations are subject to amplification and clarification, it may be necessary to supplement or modify these Covenants from time to time to reflect any additional or different requirements of the Code and the Regulations or to specify that action required hereunder is no longer required or that some further or different action is required to maintain or assure the exemption from federal income tax of interest with respect to the Bonds.

The Bonds will be issued pursuant to a Master Trust Indenture, dated as of December 1, 2013 (the "Master Indenture"), from Artisan Lakes Community Development District (the "District") and The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as trustee (the "Trustee"), as amended and supplemented by a Second Supplemental Trust Indenture, dated as of December 1, 2013 (the "Supplemental Indenture") (the Master Indenture, as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture").

SECTION 1. TAX COVENANTS. Pursuant to the Indenture, the District has made certain covenants designed to assure that the interest with respect to the Bonds is and shall remain excludable from gross income for purposes of federal income taxation. The District shall not, directly or indirectly, use or permit the use of any proceeds of the Bonds or any other funds or take or omit to take any action that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, that would impermissibly change the use or user of the proceeds of the Bonds or any facilities constructed or acquired with the proceeds of the Bonds or that

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would otherwise cause interest on the Bonds to be included in gross income for federal income tax purposes under the provisions of the Code. The District shall comply with all other requirements as shall be determined by Bond Counsel to be necessary or appropriate to assure that interest on the Bonds will be excludable from gross income for purposes of federal income taxation. To that end, the District shall comply with all requirements of the Code and the Regulations including adherence to monitoring requirements stated herein to the extent applicable to the Bonds.

SECTION 2. DEFINITIONS. Capitalized terms used herein, not otherwise defined herein, shall have the same meanings set forth in the Indenture and in the District's Certificate as to Arbitrage and Certain Other Tax Matters relating to the Bonds.

"Bond Counsel" means Nabors, Giblin & Nickerson, P.A., Tampa, Florida or such other firm of nationally recognized bond counsel as may be selected by the District.

"Bond Year" means any one-year period (or shorter period from the Issue Date) ending on the close of business on the day preceding the anniversary of the Issue Date.

"Code" means the Internal Revenue Code of 1986, as amended.

"Computation Date" means each date selected by the District as a computation date pursuant to Section 1.148-3(e) of the Regulations and the Final Computation Date.

"Fair Market Value" means, when applied to a Nonpurpose Investment, the Fair Market Value of such Investment as determined in accordance with Section 4 hereof.

"Final Computation Date" means the date the Bonds are discharged.

"Gross Proceeds" means, with respect to the Bonds:

- (1) amounts constituting Sale Proceeds of the Bonds.
- (2) amounts constituting Investment Proceeds of the Bonds.
- (3) amounts constituting Transferred Proceeds of the Bonds.
- (4) other amounts constituting Replacement Proceeds of the Bonds, including Pledged Moneys.

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"Investment Proceeds" means any amounts actually or constructively received from investing proceeds of the Bonds.

"Investment Property" means any security, obligation or other property held principally as a passive vehicle for the production of income, within the meaning of Section 1.148-1(b) of the Regulations.

"Issue Date" means December 30, 2013.

"Net Proceeds" means Sale Proceeds, less the portion of such Proceeds invested in a reasonably required reserve or replacement fund under the Code.

"Nonpurpose Investment" shall have the meaning ascribed to such term in Section 148(b)(2) of the Code and shall include any Investment Property in which Gross Proceeds are invested which is not acquired to carry out the governmental purpose of the Bonds, e.g., obligations acquired with Gross Proceeds that are invested temporarily until needed for the governmental purpose of the Bonds, that are used to discharge a prior issue, or that are invested in a reasonably required reserve or replacement fund.

"Nonpurpose Payments" shall include the payments with respect to Nonpurpose Investments specified in Section 1.148-3(d)(1)(i)-(v) of the Regulations.

"Nonpurpose Receipts" shall include the receipts with respect to Nonpurpose Investments specified in Section 1.148-3(d)(2)(i)-(iii) of the Regulations.

"Pledged Moneys" means moneys that are reasonably expected to be used directly or indirectly to pay debt service on the Bonds (or to reimburse a municipal bond insurer) or as to which there is a reasonable assurance that such moneys or the earnings thereon will be available directly or indirectly to pay debt service on the Bonds (or to reimburse a municipal bond insurer) if the District encounters financial difficulties.

"Pre-Issuance Accrued Interest" means amounts representing interest that has accrued on an obligation for a period of not greater than one year before its issue date but only if those amounts are paid within one year after the Issue Date.

"Proceeds" means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Bonds.

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“Qualified Administrative Costs” means reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage and selling commissions that are comparable to those charged nongovernmental entities in transactions not involving tax-exempt bond proceeds, but not legal and accounting fees, recordkeeping, custody or similar costs. In addition, with respect to a guaranteed investment contract or investments purchased for a yield restricted defeasance escrow, such costs will be considered reasonable if (1) the amount of the fee the District treats as a Qualified Administrative Cost does not exceed the lesser of (a) \$25,000, or (b) .2% of the “computational base;” and (2) the District does not treat as Qualified Administrative Costs more than \$75,000 in brokers’ commissions or similar fees with respect to all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with Gross Proceeds of the issue. For purposes of this definition only, “computational base” shall mean the amount the District reasonably expects to be deposited in the guaranteed investment contract over the term of the contract or for investments other than guaranteed investment contracts, the amount of Gross Proceeds initially invested.

“Rebatable Arbitrage” means, as of any Computation Date, the excess of the future value of all Nonpurpose Receipts over the future value of all Nonpurpose Payments.

“Rebate Fund” means the Rebate Fund established pursuant to the Indenture and described in Section 3 hereof.

“Regulations” means Treasury Regulations Sections 1.148-0 through 1.148-11, 1.149(b)-1 and (d)-1, and 1.150-0 through 1.150-2, as amended, and any regulations amendatory, supplementary or additional thereto.

“Replacement Proceeds” means amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Bonds were not used or to be used for that governmental purpose. For this purpose, governmental purposes include the expected use of amounts for the payment of debt service on a particular date. The mere availability or preliminary earmarking of amounts for a governmental purpose, however, does not in itself establish a sufficient nexus to cause those amounts to be Replacement Proceeds. Replacement Proceeds include, but are not limited to, amounts held in a sinking fund or a pledged fund. For these purposes, an amount is pledged to pay principal of or interest on the Bonds if

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purposes relating to arbitrage and rebate with respect to that investment on that date:

(a) an investment with not more than two percent original issue discount or original issue premium may be valued at its outstanding stated principal amount, plus accrued unpaid interest on such date;

(b) a fixed rate investment may be valued at its present value on such date; and

(c) an investment may be valued at its Fair Market Value on such date.

(2) Special Rules. Yield restricted investments are to be valued at present value provided that (except for purposes of allocating Transferred Proceeds to an issue, for purposes of the Universal Cap and for investments in a commingled fund other than a bona fide debt service fund unless it is a certain commingled fund):

(a) an investment must be valued at its Fair Market Value when it is first allocated to an issue, when it is disposed of and when it is deemed acquired or deemed disposed of, and provided further that;

(b) in the case of Transferred Proceeds, the Value of a Nonpurpose Investment that is allocated to Transferred Proceeds of a refunding issue on a transfer date may not exceed the Value of that investment on the transfer date used for purposes of applying the arbitrage restrictions to the refunded issue.

“Yield on the Bonds” or “Bond Yield” means, for all Computation Dates, the Yield expected as of the date hereof on the Bonds over the term of such Bonds computed by:

(i) using as the purchase price of the Bonds, the amount at which such Bonds were sold to the public within the meaning of Sections 1273 and 1274 of the Code; and

(ii) assuming that all of the Bonds will be paid at their scheduled maturity dates or in accordance with any mandatory redemption requirements.

“Yield” means, generally, the discount rate which, when used in computing the present value of all the unconditionally payable payments of

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there is reasonable assurance that the amount will be available for such purposes in the event that the issuer encounters financial difficulties.

“Sale Proceeds” means any amounts actually or constructively received by the District from the sale of the Bonds, including amounts used to pay underwriter’s discount or compensation and interest other than Pre-Issuance Accrued Interest. Sale Proceeds shall also include, but are not limited to, amounts derived from the sale of a right that is associated with a Bond and that is described in Section 1.148-4(b)(4) of the Regulations.

“Tax-Exempt Investment” means (i) an obligation the interest on which is excluded from gross income pursuant to Section 103 of the Code, (ii) United States Treasury-State and Local Government Series, Demand Deposit Securities, and (iii) stock in a tax-exempt mutual fund as described in Section 1.150-1(b) of the Regulations. Tax-Exempt Investment shall not include a specified private activity bond as defined in Section 57(a)(5)(C) of the Code. For purposes of these Covenants, a tax-exempt mutual fund includes any regulated investment company within the meaning of Section 851(a) of the Code meeting the requirements of Section 852(a) of the Code for the applicable taxable year; having only one class of stock authorized and outstanding; investing all of its assets in tax exempt obligations to the extent practicable; and having at least 98% of (1) its gross income derived from interest on, or gain from the sale of or other disposition of, tax exempt obligations or (2) the weighted average value of its assets represented by investments in tax exempt obligations.

“Transferred Proceeds” shall have the meaning provided therefor in Section 1.148-9 of the Regulations.

“Universal Cap” means the value of all then outstanding Bonds.

“Value” (of a Bond) means with respect to a Bond issued with not more than two percent original issue discount or original issue premium, the outstanding principal amount, plus accrued unpaid interest; for any other Bond, its present value.

“Value” (of an Investment) shall have the following meaning in the following circumstances:

(1) General Rules. Subject to the special rules in the following paragraph, an issuer may determine the value of an investment on a date using one of the following valuation methods consistently applied for all

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principal and interest on an obligation and all the payments for qualified guarantees paid and to be paid with respect to such obligation, produces an amount equal to the present value of the issue price of such obligation. Present value is computed as of the date of issue of the obligation. There are, however, many additional specific rules contained in the Regulations which apply to the calculation and recalculation of yield for particular obligations and such rules should be consulted prior to calculating the yield for the Bonds on any Computation Date. Yield shall be calculated on a 360-day year basis with interest compounded monthly. For this purpose the purchase price of a Nonpurpose Investment or a Tax-Exempt Investment is its Fair Market Value, as determined pursuant to Section 4 of these Covenants, as of the date that it becomes allocated to Gross Proceeds of the Bonds.

SECTION 3. REBATE REQUIREMENTS.

(a) The District shall pay to the United States Government at the times and in the amounts determined hereunder, the Rebatable Arbitrage. For purposes of determining the Rebatable Arbitrage, the District shall make such calculations or cause the calculations to be made by competent tax counsel or other financial or accounting advisors or persons to ensure correct application of the rules contained in the Code and the Regulations relating to arbitrage rebate.

(b) pursuant to the Indenture, there has been established a fund separate from any other fund or account established and maintained under the Indenture designated the “Rebate Fund.” The District or its designated agent shall administer the Rebate Fund and continuously invest all amounts held in the Rebate Fund in Governmental Obligations (as defined in the Indenture) or Tax-Exempt Investments.

(c) Within 30 days after any Computation Date, the District shall calculate or cause to be calculated the Rebatable Arbitrage or any penalty due pursuant to Section 3(f) hereof. Immediately following such calculations, but in no event later than 60 days following the Computation Date (90 days in the case of any penalty payment due pursuant to Section 3(f) hereof), the District shall remit an amount which when added to the future value of previous rebate payments shall not be less than 90% (100% with respect to the Computation Date on the final repayment or retirement of the Bonds) of the Rebatable Arbitrage or 100% of any penalty due pursuant to Section 3(f) hereof as of the applicable Computation Date.

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Each payment shall be accompanied by Internal Revenue Service Form 8038-T.

(d) The obligation to pay Rebatale Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bonds if (i) Gross Proceeds are expended for the governmental purpose of the Bonds by no later than the date which is six months after the Issue Date and if it is not anticipated that any other Gross Proceeds will arise during the remainder of the term of the Bonds and (ii) the requirement to pay Rebatale Arbitrage, if any, to the United States with respect to the portion of the Reserve Account allocable to the Bonds is met. For purposes of the preceding sentence, Gross Proceeds do not include (i) amounts deposited in a bona fide debt service fund, so long as the funds therein constitute bona fide debt service funds, or a reasonably required reserve or replacement fund (as defined in Section 1.148-1 of the Regulations) and meeting the requirements of Section 1.148-2(f) of the Regulations), (ii) amounts that, as of the Issue Date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the date which is six months after the Issue Date, (iii) amounts representing Sale or Investment Proceeds derived from any Purpose Investment (as defined in Section 1.148-1 of the Regulations) and earnings on those payments, and (iv) amounts representing any repayments of grants (as defined in Section 1.148-6(d)(4) of the Regulations). If Gross Proceeds are in fact expended by such date, then Rebatale Arbitrage need not be calculated and no payment thereof to the United States Department of Treasury need be made. Use of Gross Proceeds to redeem Bonds shall not be treated as an expenditure of such Gross Proceeds.

Notwithstanding the foregoing, if Gross Proceeds which were reasonably expected to be Gross Proceeds on the Issue Date actually become available after the date which is six months after the Issue Date, then the requirements described herein relating to the calculation of Rebatale Arbitrage and the payment thereof to the United States must be satisfied, except that no such calculation or payment need be made with respect to the initial six month period. Any other amounts not described in this Section 3(d) which constitute proceeds of the Bonds, other than a bona fide debt service fund, will be subject to rebate.

(e) As an alternative to Section 3(d) above, the obligation of the District to pay Rebatale Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bonds if (i) the rebate requirement is met for all proceeds of the Bonds other than Gross Proceeds

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(iii) at least 75% of such Available Construction Proceeds are spent within the eighteen-month period beginning on the Issue Date; and

(iv) at least 100% of such Available Construction Proceeds are spent within the 2-year period beginning on the Issue Date.

For purposes of this Section 3(f), the term Available Construction Proceeds means the Net Proceeds of the Bonds, increased by earnings on the Net Proceeds and earnings on all of the foregoing earnings, and reduced by the amount of the Net Proceeds used to pay issuance costs (including bond insurance premium). Notwithstanding the foregoing, Available Construction Proceeds shall not include amounts earned on the Reserve Account after the earlier of the close of the two-year period beginning on the Issue Date or the date construction is substantially completed. Any amounts which constitute proceeds of the Bonds other than Available Construction Proceeds and amounts on deposit in a bona fide debt service fund will be subject to rebate.

As set forth in Section 148(f)(4)(C)(iii) of the Code, for purposes of the expenditure requirements set forth in this Section 3(f), 100% of Available Construction Proceeds of the Bonds shall be treated as expended for the governmental purposes of the issue within the 2-year period beginning on the Issue Date if such requirement is met within the 3-year period beginning on the Issue Date and such requirement would have been met within such 2-year period but for a reasonable retainage (not exceeding 5% of the Net Proceeds of the Bonds). Use of available construction proceeds to redeem the Bonds shall not be treated as an expenditure of such proceeds.

Any failure to satisfy the final spending requirement shall be disregarded if the District exercises due diligence to complete the project financed by the Bonds and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Bonds or (ii) \$250,000.

For purposes of Section 148(f)(4)(C)(vii) of the Code, in the event the District fails to meet the expenditure requirements referred to above, the District may elect to pay, in lieu of the Rebatale Arbitrage otherwise required to be paid with respect to such Gross Proceeds, a penalty with respect to the close of each 6-month period after the Issue Date equal to 1.5% of the amount of the Available Construction Proceeds of the Bonds which, as of the close of such period, are not spent as required by the expenditure provisions set forth above. The penalty referred to above shall cease to apply only after the Bonds (including any refunding bonds issued with respect

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(as defined in Section 3(d) hereof) and (ii) the Gross Proceeds are expended for the governmental purposes of the issue within the periods set forth below:

(i) at least 15% of such Gross Proceeds are spent within the six-month period beginning on the Issue Date;

(ii) at least 60% of such Gross Proceeds are spent within the 1-year period beginning on the Issue Date; and

(iii) at least 100% of such Gross Proceeds are spent within the 18-month period beginning on the Issue Date.

As set forth in Section 1.148-7(d)(2) of the Regulations, for purposes of the expenditure requirements set forth in this Section 3(e), 100% of the Gross Proceeds of the Bonds shall be treated as expended for the governmental purposes of the issue within the 18-month period beginning on the Issue Date if such requirement is met within the 30-month period beginning on the Issue Date and such requirement would have been met within such 18-month period but for a reasonable retainage (not exceeding 5% of the Net Proceeds of the Bonds). If Gross Proceeds are in fact expended by such dates, then Rebatale Arbitrage need not be calculated and no payment thereof to the United States Department of Treasury need be made. Any failure to satisfy the final spending requirement shall be disregarded if the District exercises due diligence to complete the project financed by the Bonds and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Bonds or (ii) \$250,000. Use of Gross Proceeds to redeem the Bonds shall not be treated as an expenditure of such Gross Proceeds. For purposes of this Section 3(e), "Gross Proceeds" shall be modified as described in Section 3(d) above.

(f) As an alternative to Sections 3(d) and (e) above, the obligation to pay Rebatale Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bonds if the Available Construction Proceeds (as defined in Section 148(f)(4)(c)(vi) of the Code and described below) are expended for the governmental purposes of the issue within the periods set forth below:

(i) at least 10% of such Available Construction Proceeds are spent within the six-month period beginning on the Issue Date;

(ii) at least 45% of such Available Construction Proceeds are spent within the 1-year period beginning on the Issue Date;

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thereto) are no longer outstanding. The District makes no election in regard to the above-described penalty.

In order to qualify for the exemption from the obligation to pay Rebatale Arbitrage to the United States pursuant to this Section 3(f), at least 75% of the Available Construction Proceeds must be used for construction expenditures (as defined in Section 1.148-7(g) of the Regulations) with respect to property which is owned by a governmental unit or an organization described in Section 501(c)(3) of the Code. The term "construction" includes reconstruction and rehabilitation of existing property and rules similar to the rules of Section 142(b)(1)(B) of the Code shall apply. If only a portion of an issue is to be used for construction expenditures, such portion and the other portion of such issue may, at the election of the issuer, be treated as separate issues for purposes of this Section 3(f) (although the remaining portion may not be entitled to the benefits of Section 3(d) hereof). The District does not elect to treat any portion of the Bonds as a separate issue.

(g) The District shall keep proper books of records and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Bonds, including moneys derived from, pledged to, or to be used to make payments on the Bonds. Such records shall, at a minimum, be adequate to enable the District or its consultants to make the calculations for payment of Rebatale Arbitrage as required by this Arbitrage Rebate Statement. The records required to be maintained under this Section 3(g) shall be retained by the District until six years after the retirement of the last obligation of the Bonds or for such other period as the United States Treasury may by regulations otherwise provide. Such records shall at least specify the account or fund to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each investment security, (i) its purchase price (including the amount of accrued interest to be stated separately), (ii) identifying information, including par amount, coupon rate, and payment dates, (iii) the amount received at maturity or its sale price, as the case may be, including accrued interest, (iv) the amounts and dates of any payments made with respect thereto, (v) the dates of acquisition and disposition or maturity, (vi) the amount of original issue discount or premium (if any), (vii) the frequency of periodic payments (and actual dates and amounts of receipts), (viii) the period of compounding, (ix) the transaction costs (e.g., commissions) incurred in acquiring, carrying or disposing of the Nonpurpose Investments, and (x) market price data sufficient to establish

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that the purchase price (disposition price) was not greater than (less than) the arm's-length price (see Section 4 below) on the date of acquisition (disposition) or, if earlier, on the date of a binding contract to acquire (dispose of) such Nonpurpose Investment.

SECTION 4. MARKET PRICE RULES. Except as provided below, the District agrees to comply with the requirements relating to the "Fair Market Value" of acquired Nonpurpose Investments, as defined in Section 1.148-5(d) of the Regulations ("Fair Market Value"). All investments required to be made pursuant to these Covenants shall be made to the extent permitted by law. In this regard, the District agrees, among other things, that it will not acquire or cause to be acquired a Nonpurpose Investment (or any other investment acquired with Gross Proceeds or on deposit in the Rebate Account) for a price in excess of its Fair Market Value or sell any such investment at a price (determined without any reduction for transaction costs) less than its Fair Market Value, except as provided below. For this purpose, the following rules shall apply:

(a) Established securities markets. Except as otherwise provided below, any market especially established to provide a security or obligation to an issuer of municipal obligations shall not be treated as an established market and shall be rebuttably presumed to be acquired or disposed of for a price that is not its Fair Market Value.

(b) Arm's-length price. Any transaction in which a Nonpurpose Investment is directly purchased with Gross Proceeds, or in which a Nonpurpose Investment allocable to Gross Proceeds is disposed of, shall be undertaken in an arm's-length manner, and no amount shall be paid to reduce the yield on the Nonpurpose Investment.

(c) Safe harbor for establishing Fair Market Value for guaranteed investment contracts and Nonpurpose Investments purchased for a yield restricted defeasance escrow. In the case of a guaranteed investment contract or Nonpurpose Investments purchased for a yield restricted defeasance escrow, the purchase price shall not be considered to be an arm's-length price unless all the following conditions are met:

(i) The District makes a bona fide solicitation ("Bona Fide Solicitation") for the purchase of the investment that satisfies all of the following requirements:

(1) The bid specifications are in writing and are timely forwarded to potential providers;

(2) The bid specifications include all terms of the bid that may directly or indirectly affect the yield or the cost of the investment;

(3) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the District or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the District or any other person for purposes of satisfying these requirements;

(4) The terms of the bid specifications are such that there is a legitimate business purpose for each term other than to increase the purchase price or reduce the yield of the investment (e.g., for solicitations of Nonpurpose Investments for a yield restricted defeasance escrow, the hold firm period must be no longer than the District reasonably requires);

(5) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the District's reasonably expected deposit and draw down schedule for the amounts to be invested;

(6) All potential providers have an equal opportunity to bid (e.g., no potential provider is given the opportunity to review other bids before providing a bid); and

(7) At least three providers are solicited for bids that have an established industry reputation as a competitive provider of the type of investments being purchased.

(ii) The bids received by the District must meet all of the following requirements:

(1) The District receives at least three bids from providers that the District solicited under a Bona Fide Solicitation and that do not have a material financial interest in the issue. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential

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providers has a material financial interest in the issue. A provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(2) At least one of the three bids described in paragraph (c) (ii)(1) above is from a provider that has an established industry reputation as a competitive provider of the type of investments being purchased; and

(3) If the District uses an agent to conduct the bidding process, the agent did not bid to provide the investment.

(iii) The winning bid must meet the following requirements:

(1) Guaranteed investment contracts. If the investment is a guaranteed investment contract, the winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(2) Other Nonpurpose Investments. If the investment is not a guaranteed investment contract, the following requirements are met:

(A) The winning bid is the lowest cost bona fide bid (including any broker's fees). The lowest bid is either the lowest cost bid for the portfolio or, if the District compares the bids on an investment-by-investment basis, the aggregate cost of a portfolio comprised of the lowest cost bid for each investment. Any payment received by the District from a provider at the time a guaranteed investment contract is purchased (e.g., an escrow float contract) for a yield restricted defeasance escrow under a bidding procedure meeting these requirements is taken into account in determining the lowest cost bid.

(B) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications. If such State and Local Government Series Securities are not available for purchase on the day that bids are required to be submitted because sales of those securities have been suspended, the cost comparison described in this paragraph is not required.

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(iv) The provider of the investments or the obligor on the guaranteed investment contract certifies the administrative costs that it pays (or expects to pay) to third parties in connection with supplying the investment.

(d) The District shall retain certificates and records documenting compliance with the above requirements until three years after the last outstanding Bond is redeemed including, but not limited to, the following:

(i) For purchases of guaranteed investment contracts, a copy of the contract, and for purchases of Nonpurpose Investments other than guaranteed investment contracts, the purchase agreement or confirmation;

(ii) The receipt or other record of the amount actually paid by the District for the investments, including a record of any administrative costs paid by the District and the certification required in paragraph (c)(iv) above;

(iii) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results;

(iv) The bid solicitation form and, if the terms of the purchase agreement or the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation; and

(v) For purchase of Nonpurpose Investments other than guaranteed investment contracts, the cost of the most efficient portfolio of State and Local Government Series Securities, determined at the time that the bids were required to be submitted.

SECTION 5. MODIFICATION UPON RECEIPT OF BOND COUNSEL OPINION. Notwithstanding any provision of these Covenants, if the District shall receive an opinion of Bond Counsel that any specified action required under these Covenants is no longer required or that some further or different action is required to maintain or assure the exclusion from federal gross income of interest with respect to the Bonds, the District may conclusively rely on such opinion in complying with the requirements of these Covenants and the covenants herein shall be deemed to be modified to that extent. These Covenants shall be amended or modified by the parties hereto in any manner which is necessary to comply with such regulations as may be promulgated by the United States Treasury Department from time to time.

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SECTION 6. ACCOUNTING FOR GROSS PROCEEDS. In order to perform the calculations required by the Code and the Regulations, it is necessary to track the investment and expenditure of all Gross Proceeds. To that end, the District must adopt reasonable and consistently applied methods of accounting for all Gross Proceeds. Appendix I hereto sets forth a description of the required allocation and accounting rules with which the District agrees to comply.

SECTION 7. ADMINISTRATIVE COSTS OF INVESTMENTS. Except as otherwise provided in this Section 7, an allocation of Gross Proceeds to a payment or receipt on a Nonpurpose Investment is not adjusted to take into account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Nonpurpose Investment (administrative costs). Thus, administrative costs generally do not increase the payments for, or reduce the receipts from, Nonpurpose Investments.

In determining payments and receipts on Nonpurpose Investments, Qualified Administrative Costs are taken into account by increasing payments for, or reducing the receipts from, the Nonpurpose Investments. Qualified Administrative Costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody and similar costs. General overhead costs and similar indirect costs of the District such as employee salaries and office expenses and costs associated with computing Rebutable Arbitrage are not Qualified Administrative Costs.

Allocation and accounting rules are provided in Appendix I attached hereto.

SECTION 8. CHANGE IN USE OR USER; REMEDIAL ACTION PROVISIONS. (a) The District hereby covenants and agrees that it will not take any deliberate action which would result in a change in use of the proceeds of the Series 2013A-3 Bonds or the facilities financed with the proceeds of the Series 2013A-3 Bonds (a "Change in Use"), nor will it take any deliberate action allowing any private business user or use of the proceeds of the Series 2013A-3 Bonds or the facilities financed with the proceeds of the Series 2013A-3 Bonds (a "Change in User"), except upon first obtaining the opinion of Bond Counsel that such action will not cause interest on the Series 2013A-3 Bonds to cease to be excluded from gross income for federal income tax purposes, or unless the District shall immediately take remedial action as set forth in subsections (b), (c) or (d) below, as applicable, provided that the Series 2013A-3 Bonds shall have satisfied the conditions

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written notice to the Commissioner of Internal Revenue of the establishment of the Defeasance Escrow within 90 days of the date that the Defeasance Escrow is established. Note that to apply this remedial action, the first call date of the Nonqualified Bonds may not be more than 10.5 years from the date of issue of the Nonqualified Bonds (not the date of the deliberate action).

(c) Alternative Use of Disposition Proceeds. This remedial action is met if:

(1) the facility is disposed of exclusively for cash; (2) the District reasonably expects that the disposition proceeds will be spent within two (2) years of the deliberate action; (3) the disposition proceeds are treated as proceeds for purposes of the private activity bond tests and are used in a manner that does not cause the issue to meet the private activity bond tests; and (4) any disposition proceeds not used for alternative projects are used to redeem or defease bonds.

(d) Alternative Use of Facility. This remedial action is satisfied if:

(1) the facility itself (as distinguished from the proceeds of the issue) is used in an alternative manner, e.g., for a different purpose or by a different person; (2) the nonqualified bonds are treated as reissued on the date of the deliberate action and must independently meet all of the requirements for tax exemption under Sections 141 through 150, except the arbitrage and rebate rules of Section 148, for the remaining term of the Nonqualified Bonds; (3) the deliberate action does not involve a transfer of the facility to a purchaser that finances the acquisition with the proceeds of another issue of Tax Exempt Bonds; and (4) any Disposition Proceeds, other than those arising from an agreement to provide services, resulting from the deliberate action are used to pay debt service on the Nonqualified Bonds on the next available payment date or escrowed within ninety (90) days of receipt and yield restricted to pay debt service on the next available payment date.

(e) Conditions Precedent to Availability of Remedial Action Alternatives. In order to qualify for the use of subsections (b) through (d) above, as applicable, the District hereby certifies, understands and covenants as follows:

(1) Reasonable Expectations Test. The District hereby certifies that it reasonably expects on the date hereof that the issue will not meet either of the private activity bond tests for the entire term of the Series 2013A-3 Bonds.

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precedent to the availability of remedial action as set forth in subsection (e) below.

(b) Redemption or Defeasance of Non-Qualified Bonds. This remedial action is met if:

(1) Redemption of Series 2013A-3 Bonds. In all instances of a Change in Use or a Change in User, the District may redeem all of the Outstanding Series 2013A-3 Bonds from the proceeds of bonds the interest on which is not excludible from gross income for federal income tax purposes ("Taxable Bonds") or from other moneys of the District ("Equity") or borrowed funds not constituting the proceeds of bonds the interest on which is excludible from gross income for federal income tax purposes ("Tax Exempt Bonds") unless the bonds would be qualified private activity bonds after taking into account the purchaser's use of the facility. Taxable bond proceeds may be used. If the bonds are not redeemed with 90 days, a Defeasance Escrow (as defined in paragraph (3) below) must be established for all of the Nonqualified Bonds (as defined in (2) below) within 90 days of the deliberate act.

(2) Transfers Exclusively for Cash. If there is a Change in Use of a facility financed with the proceeds of the Series 2013A-3 Bonds because it is transferred to a non-governmental person and such transfer is exclusively for cash (the "Disposition Proceeds"), it shall be a sufficient remedial action if the Disposition Proceeds are used to redeem a pro rata portion of Series 2013A-3 Bonds allocable to the disposition proceeds (the "Nonqualified Bonds") at the earliest call date after the deliberate action. If the Nonqualified Bonds are not redeemed within 90 days of the date of the transfer, the disposition proceeds must be used to establish a Defeasance Escrow (as defined below) for the Nonqualified Bonds within 90 days of the deliberate action. Note that with a disposition exclusively for cash, the amount of Nonqualified Bonds to be redeemed or defeased is based on the amount of Disposition Proceeds received even if this amount is less than the amount of Nonqualified Bonds allocable to the facility which was transferred.

(3) Defeasance Escrow. A Defeasance Escrow must be an irrevocable escrow established to redeem Nonqualified Bonds at their earliest call date in an amount sufficient to pay all of the principal, interest and redemption premium on the Nonqualified Bonds from the date the Defeasance Escrow is established to the earliest call date. The Defeasance Escrow may not be funded with any obligations of the District or installment sale notes of the purchaser of the facility. The yield of the investments in the escrow is restricted to the yield on the Nonqualified Bonds. The District shall also give

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(2) Maturity Not Unreasonably Long. The weighted average maturity of the Series 2013A-3 Bonds is not longer than 120% of the average reasonably expected economic life of the bond financed property as of the date hereof.

(3) Fair Market Value Consideration. Except for a situation in which the District applies the alternative use of the facility remedial action, the District understands that the terms of any agreement that cause the private loan test or the private business test to be exceeded must be bona fide and arm's length, and the new user must pay fair market value for the use of the bond financed property.

(4) Disposition Proceeds Treated as Gross Proceeds for Arbitrage Purposes. The District covenants and agrees that it will treat all of any Disposition Proceeds as gross proceeds for arbitrage purposes, i.e., the disposition proceeds are subject to yield restriction, except to the extent they may be invested at an unrestricted yield during a temporary period, and the investment earnings thereon are subject to the rebate requirement, except to the extent they may qualify for an exception to rebate. The date of receipt of the disposition proceeds is treated as the date of issue of any Nonqualified Bonds for purposes of applying the temporary period rules and for purposes of qualifying for a spending exception to rebate. Furthermore, the receipt of the disposition proceeds are ignored for spending exceptions to rebate that were met before the disposition proceeds were received.

(5) Proceeds Expended on a Governmental Purpose. Except for a situation in which the District applies subsection (b) above, the proceeds of the issue that are affected by the deliberate action must actually have been spent on a governmental purpose before the date of the deliberate action.

(f) General Acknowledgement of the District. The District covenants and agrees that it will promptly notify Bond Counsel of the occurrence of any one of the events set forth in (b) through (d) above and of any remedial action taken; however, it is understood by the District that the District, solely, and not Bond Counsel shall have the responsibility for the monitoring of, and compliance with, the requirements for the permitted use and users of the Series 2013A-3 Bond proceeds and financed facilities and for timely taking any remedial action specified above available to preserve the status of the Series 2013A-3 Bonds as Tax Exempt Bonds.

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APPENDIX I

ALLOCATION AND ACCOUNTING RULES

(a) General Rule. Any issuer may use any reasonable, consistently applied accounting method to account for Gross Proceeds, investments and expenditures of an issue. An accounting method is "consistently applied" if it is applied uniformly within a Fiscal Period (as hereinafter defined) and between Fiscal Periods to account for Gross Proceeds of an issue and any amounts that are in a commingled fund.

(b) Allocation of Gross Proceeds to an Issue. Amounts are allocable to only one issue at a time as Gross Proceeds. Amounts cease to be allocated to an issue as Proceeds only when those amounts (i) are allocated to an expenditure for a governmental purpose; (ii) are allocated to Transferred Proceeds of another issue of obligations; or (iii) cease to be allocated to that issue at retirement of the issue or under the Universal Cap.

(c) Allocation of Gross Proceeds to Investments. Upon the purchase or sale of a Nonpurpose Investment, Gross Proceeds of an issue are not allocated to a payment for that Nonpurpose Investment in an amount greater than, or to a receipt from that Nonpurpose Investment in an amount less than, the Fair Market Value of the Nonpurpose Investment as of the purchase or sale date. The Fair Market Value of a Nonpurpose Investment is adjusted to take into account Qualified Administrative Costs allocable to the investment. Thus, Qualified Administrative Costs increase the payments for, or decrease the receipts from, a Nonpurpose Investment.

(d) Allocation of Gross Proceeds to Expenditures. Reasonable accounting methods for allocating funds from different sources to expenditures for the same governmental purpose include a "specific tracing" method, a "gross-proceeds-spent-first" method, a "first-in-first-out" method or a ratable allocation method, so long as the method used is consistently applied. An allocation of Gross Proceeds of an issue to an expenditure must involve a current outlay of cash for a governmental purpose of the issue. A current outlay of cash means an outlay reasonably expected to occur not later than five banking days after the date as of which the allocation of Gross Proceeds to the expenditure is made.

(e) Commingled Funds. Any fund or account that contains both Gross Proceeds of an issue and amounts in excess of \$25,000 that are not Gross Proceeds of that issue if the amounts in the fund or account are

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(f) Universal Cap. Amounts that would otherwise be Gross Proceeds allocable to an issue are allocated (and remain allocated) to the issue only to the extent that the Value of the Nonpurpose Investments allocable to those Gross Proceeds does not exceed the Value of all outstanding bonds of the issue. Nonpurpose Investments allocated to Gross Proceeds in a bona fide debt service fund for an issue are not taken into account in determining the Value of the Nonpurpose Investments, and those Nonpurpose Investments remain allocated to the issue. To the extent that the Value of the Nonpurpose Investments allocable to the Gross Proceeds of an issue exceed the Value of all outstanding bonds of that issue, an issuer should seek the advice of Bond Counsel for the procedures necessary to comply with the Universal Cap.

(g) Expenditure for Working Capital Purposes. Subject to certain exceptions, the Proceeds of an issue may only be allocated to "working capital expenditures" as of any date to the extent that those expenditures exceed "available amounts" as of that date (i.e., "proceeds-spent-last").

For purposes of this section, "working capital expenditures" include all expenditures other than "capital expenditures." "Capital expenditures" are costs of a type properly chargeable (or chargeable upon proper election) to a capital account under general federal income tax principles. Such costs include, for example, costs incurred to acquire, construct or improve land, buildings and equipment having a reasonably expected useful life in excess of one year. Thus, working capital expenditures include, among other things, expenditures for current operating expenses and debt service.

For purposes of this section, "available amount" means any amount that is available to an issuer for working capital expenditure purposes of the type financed by the issue. Available amount excludes Proceeds of the issue but includes cash, investments and other amounts held in accounts or otherwise by an issuer for working capital expenditures of the type being financed by the issue without legislative or judicial action and without a legislative, judicial or contractual requirement that those amounts be reimbursed. Notwithstanding the preceding sentence, a "reasonable working capital reserve" is treated as unavailable. A working capital reserve is reasonable if it does not exceed five percent of the actual working capital expenditures of an issuer in the fiscal year before the year in which the determination of available amounts is made. For purpose of the preceding sentence only, in determining the working capital expenditures of an issuer for a prior fiscal year, any expenditures (whether capital or working capital

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invested and accounted for collectively, without regard to the source of the funds deposited therein, constitutes a "commingled fund." All payments and receipts (including deemed payments and receipts) on investments held by a commingled fund must be allocated (but not necessarily distributed) among each different source of funds invested in the commingled fund in accordance with a consistently applied, reasonable ratable allocation method. Reasonable ratable allocation methods include, without limitation, methods that allocate payments and receipts in proportion to either (i) the average daily balances of the amounts in the commingled fund from each different source of funds during any consistent time period within its fiscal year, but at least quarterly (the "Fiscal Period"); or (ii) the average of the beginning and ending balances of the amounts in the commingled fund from each different source of funds for a Fiscal Period that does not exceed one month.

Funds invested in the commingled fund may be allocated directly to expenditures for governmental purposes pursuant to a reasonable consistently applied accounting method. If a ratable allocation method is used to allocate expenditures from the commingled fund, the same ratable allocation method must be used to allocate payments and receipts on investments in the commingled fund.

Generally a commingled fund must treat all its investments as if sold at Fair Market Value either on the last day of the fiscal year or on the last day of each Fiscal Period. The net gains or losses from these deemed sales of investments must be allocated to each different source of funds invested in the commingled fund during the period since the last allocation. This market requirement does not apply if (i) the remaining weighted average maturity of all investments held by a commingled fund during a particular fiscal year does not exceed 18 months, and the investments held by the commingled fund during that fiscal year consist exclusively of obligations; or (ii) the commingled fund operated exclusively as a reserve fund, sinking fund or replacement fund for two or more issues of the same issuer. Subject to the Universal Cap limitation, and the principle that amounts are allocable to only one issue at a time as Gross Proceeds, investments held by a commingled fund must be allocated ratably among the issues served by the commingled fund in proportion to either (i) the relative values of the bonds of those issues; (ii) the relative amounts of the remaining maximum annual debt service requirements on the outstanding principal amounts of those issues; or (iii) the relative original stated principal amounts of the outstanding issues.

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expenditures) that are paid out of current revenues may be treated as working capital expenditures.

The proceeds-spent-last requirement does not apply to expenditures to pay (i) any Qualified Administrative Costs; (ii) fees for qualified guarantees of the issue or payments for a qualified hedge for the issue; (iii) interest on the issue for a period commencing on the Issue Date and ending on the date that is the later of three years from the Issue Date or one year after the date on which the financed project is placed in service; (iv) the United States for yield reduction payments (including rebate payments) or penalties for the failure to meet the spend down requirements associated with certain spending exceptions to the rebate requirement; (v) costs, other than those described in (i) through (iv) above, that do not exceed five percent of the Sale Proceeds of an issue and that are directly related to capital expenditures financed by the issue (e.g., initial operating expenses for a new capital project); (vi) principal or interest on an issue paid from unexpected excess sale or Investment Proceeds; (vii) principal or interest on an issue paid from investment earnings on a reserve or replacement fund that are deposited in a bona fide debt service fund; and (viii) principal, interest or redemption premium on a prior issue and, for a crossover refunding issue, interest on that issue. Notwithstanding the preceding paragraph, the exceptions described above do not apply if the allocation merely substitutes Gross Proceeds for other amounts that would have been used to make those expenditures in a manner that gives rise to Replacement Proceeds.

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APPENDIX D

Form of Opinion of Bond Counsel

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**FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A.,
WITH RESPECT TO THE SERIES 2013 BONDS**

Upon delivery of the Series 2013 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to such Series 2013 Bonds in substantially the following form:

December 30, 2013

Board of Supervisors
Artisan Lakes Community
Development District

We have served as bond counsel in connection with the issuance by Artisan Lakes Community Development District (the "District"), a community development district established and existing pursuant to Chapter 190, Florida Statutes, as amended (the "Act"), of its \$3,430,000 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-1 (the "Series 2013A-1 Bonds"), \$2,585,000 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-2 (the "Series 2013A-2 Bonds" (the Series 2013A-1 Bonds and the Series 2013A-2 Bonds are collectively referred to as the "Series 2013A Bonds") and \$2,500,000 Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2013A-3 (the "Series 2013A-3 Bonds" and together with the Series 2013A Bonds are referred to collectively as the "Series 2013 Bonds"). The Series 2013 Bonds are being issued under and pursuant to the Constitution and laws of the State of Florida, a Master Trust Indenture (the "Master Indenture"), dated as of December 1, 2013 and a First Supplemental Trust Indenture, dated as of December 1, 2013 (the "First Supplemental Indenture," in the case of the Series 2013A Bonds) and a Second Supplemental Trust Indenture, dated as of December 1, 2013 (the "Second Supplemental Indenture," in the case of the Series 2013A-3 Bonds) (collectively, the Master Indenture as amended and supplemented by the First Supplemental Indenture and the Second Supplemental Indenture as to each corresponding Series of Series 2013 Bonds is hereinafter referred to as the "Indenture"), each from the District to The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, (the "Trustee") and resolutions adopted by the Board of Supervisors of the District on August 20, 2007, November 22, 2013 and December 19,

2013 (collectively, the "Bond Resolution"). Capitalized terms used and not otherwise defined herein shall have the meaning ascribed in the corresponding Indenture.

Each Series of Series 2013 Bonds is issued for the purpose of: (i) financing the Costs of acquiring, constructing and equipping a portion of the Series 2013 Project (as defined in the corresponding Supplemental Indenture; (ii) paying certain interest to become due on the Series 2013 Bonds; (iii) paying certain costs associated with the issuance of the Series 2013 Bonds; and (iv) making a deposit into the Reserve Account for the benefit of the corresponding Series of Series 2013 Bonds. The Series 2013 Bonds are a portion of the Bonds validated by final judgment of the Circuit Court of Manatee County, Florida on October 12, 2007, the appeal period for which has expired with no appeal having been taken.

Each Series of Series 2013 Bonds is payable from and secured by Assessments (as defined in the Indenture) on property within the District specially benefited by the assessable improvements financed with the proceeds of the corresponding Series of Series 2013 Bonds and also by the Pledged Revenues and Pledged Funds comprising the Trust Estate, which is a Series Trust Estate as defined in the Master Indenture, pledged to the corresponding Series of Series 2013 Bonds. We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion. Unless the context indicates otherwise, all terms not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture.

Each of the Series 2013 Bonds recites that neither the Series 2013 Bonds nor the interest and premium, if any, payable thereon shall constitute a general obligation or general indebtedness of the District within the meaning of the Constitution and laws of the State of Florida. The Series 2013 Bonds and the interest and premium, if any, payable thereon do not constitute either a pledge of the full faith and credit of the District or a lien upon any property of the District other than as provided in the Indenture authorizing the issuance of the Series 2013 Bonds. No Owner or any other person shall ever have the right to compel the exercise of any ad valorem taxing power of the District or any other public authority or governmental body to pay debt service or to pay any other amounts required to be paid pursuant to the Indenture or the Series 2013 Bonds. Rather, Debt Service and any other amounts required to be paid pursuant to the corresponding Indenture or the respective Series of Series 2013 Bonds, shall be payable solely from, and shall be secured solely by the Pledged Revenues, together with the Pledged Funds comprising the Trust Estate pledged to such Series of Series 2013 Bonds, all as provided in such Series 2013 Bonds and in the corresponding Indenture.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

On the basis of our review, we are of the opinion that:

1. The District has been duly established and validly exists as a community development district under the Act.

2. The District has the right and power under the Act to authorize, execute and deliver the Indenture, and the Indenture has been duly and lawfully authorized, executed and delivered by the District, is in full force and effect and is valid and binding upon the District and enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of each Trust Estate to the Series 2013 Bonds of the corresponding Series, in the manner and to the extent provided in the corresponding Indenture.

3. Each Series of Series 2013 Bonds is the valid, binding, special obligations of the District, enforceable in accordance with their terms and with the terms of the corresponding Indenture and are entitled to the benefits of such Indenture and the Act as amended to the date hereof, and each Series of Series 2013 Bonds has been duly and validly authorized and issued in accordance with law and the corresponding Indenture.

4. The Series 2013 Bonds are treated as one issue for purposes of federal tax law, and, accordingly, under existing statutes, regulations, rulings and court decisions, (a) the interest on the Series 2013 Bonds is excluded from gross income for federal income tax purposes; (b) the District has designated the Series 2013 Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3)(B) of the Code, which may be treated pursuant to Section 265(b)(3)(A) of the Code as being acquired on August 7, 1986 for purposes of the application of Section 265(b)(2) of the Code in the case of certain financial institutions owning the Series 2013 Bonds; and (c) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to certain corporations, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (a) above is subject to the condition that the Board comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2013 Bonds in order that interest on the Series 2013 Bonds 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 2013 Bonds to be so included in gross income retroactive to the date of issuance of the Series 2013 Bonds. Any change in the findings and facts set forth in the Resolution and in the certifications of the District delivered at the closing with respect to the Series 2013 Bonds and relating to the designation referenced in clause (b) above could adversely impact the status of the Series 2013 Bonds as "qualified tax-exempt obligations." The District has covenanted to

comply with all such requirements. Ownership of the Series 2013 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 2013 Bonds.

5. The Series 2013 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.

Except as stated in paragraphs 4 and 5, we express no opinion as to any other Federal, state, local or foreign tax consequences of the ownership or disposition of the Series 2013 Bonds. The opinions expressed above as to enforceability 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.

Except as may expressly be set forth in an opinion delivered by us to the underwriters of the Series 2013 Bonds on the date hereof (upon which only they may rely), (1) we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Limited Offering Memorandum or other offering material relating to the Series 2013 Bonds and we express no opinion relating thereto, and (2) we have not been engaged or undertaken to review the compliance with laws of the State of Florida or the United States with regard to the sale or distribution of the Series 2013 Bonds and we express no opinion relating thereto.

We have examined the forms of the Series 2013 Bonds and, in our opinion, the form of the Series 2013 Bonds is regular and proper.

Very truly yours,
NABORS, GIBLIN & NICKERSON, P.A.

APPENDIX E

Form of Continuing Disclosure Agreement

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) dated December 30, 2013, is executed and delivered by the Artisan Lakes Community Development District (the “Issuer”), Taylor Woodrow Communities at Artisan Lakes, L.L.C. (the “Developer”), and Prager & Co., LLC, as Dissemination Agent (the “Dissemination Agent”) in connection with the issuance of \$3,430,000 aggregate principal amount of Capital Improvement Revenue Bonds, Series 2013A-1, \$2,585,000 principal amount of Capital Improvement Revenue Bonds, Series 2013A-2 and \$2,500,000 principal amount of Capital Improvement Revenue Bonds, Series 2013A-3 (collectively, the “Series 2013 Bonds”). The Series 2013 Bonds are being issued pursuant to a Master Trust Indenture dated as of December 1, 2013, by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) as amended and supplemented from time to time, and as particularly supplemented by the First Supplemental Trust Indenture, dated as of December 1, 2013 and the Second Supplemental Trust Indenture, dated as of December 1, 2013 (together, the “Supplemental Indenture” and, together with the Master Indenture, the “Indenture”). The Issuer, the Developer and the Dissemination Agent covenant and agree as follows:

1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Developer, and the Dissemination Agent for the benefit of the Beneficial Owners of the Series 2013 Bonds and to assist the Participating Underwriters in complying with the continuing disclosure requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended from time to time (the “Rule”).

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the 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. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the Issuer or the Developer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“**Assessments**” shall mean the non-ad valorem special assessments pledged to the payment of the Series 2013 Bonds pursuant to the Indenture.

“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 Series 2013 Bonds (including persons holding Series 2013 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2013 Bonds for federal income tax purposes.

“Business Day” means any day other than a Saturday, Sunday or a day on which the Issuer is required, or authorized or not prohibited by law (including executive orders), to close and is closed.

“Developer Report” shall mean any Developer Report provided by the Developer, its successors or assigns, pursuant to, and as described in, Sections 5 and 6 of this Disclosure Agreement.

“Development” shall have meaning ascribed thereto in the Limited Offering Memorandum.

“Dissemination Agent” shall mean, initially, Prager & Co., LLC, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer and Trustee a written acceptance of such designation.

“District Manager” shall mean Rizzetta & Company, Inc., or a successor District Manager.

“Event of Bankruptcy” shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

“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.

“Issuer Disclosure Representative” shall mean the District Manager of the Issuer or his/her/its designee, or such other officer or employee as the Issuer shall designate in writing to the Trustee and the Dissemination Agent from time to time.

“Limited Offering Memorandum” shall mean the final offering document relating to the Series 2013 Bonds.

“Listed Events” shall mean any of the events listed in Section 7(a) of this Disclosure Agreement.

“Obligated Person” shall mean any person, including the Issuer and the Developer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part (twenty percent (20%) or more) of the obligations on the Series 2013 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

“Participating Underwriter” shall mean the original underwriter of the Series 2013 Bonds required to comply with the Rule in connection with offering of the Series 2013 Bonds.

“Repository” shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. The Repositories currently approved by the Securities and Exchange Commission may be found by visiting the Securities and Exchange Commission’s website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the Municipal Securities Rulemaking Board, which currently accepts continuing disclosure submissions through its Electronic Municipal Market Access (“EMMA”) web portal at “<http://emma.msrb.org>.”

“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.

“State” shall mean the State of Florida.

3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, within 180 days of the end of the Issuer’s Fiscal Year, beginning with the fiscal year ending September 30, 2013 (the “Annual Filing Date”) with respect to the report for the 2013 Fiscal Year, provide to any Repository in electronic format as prescribed by such Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. 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 later than the date required above for the filing of the Annual Report if they are not available by that date provided, further, in such event unaudited financial statements are required to be delivered as part of the Annual Report in accordance with Section 4(a) below. If the Issuer’s fiscal year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 7(a).

(b) If on the fifteenth (15th) day prior to each Annual Filing Date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 3(a) above. Upon such reminder, the Issuer Disclosure Representative, shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report in accordance with Section 3(a) above, or (ii) instruct the Dissemination Agent in writing that the Issuer, will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a Notice Event as described in Section 7(a)(15) has occurred and to immediately send a notice to any Repository in electronic format as required by such repository in substantially the form attached as Exhibit A hereto.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of any Repository; and

(ii) promptly upon fulfilling its obligations under subsection (b) above, file a notice with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing any Repository to which it was provided.

4. Content of Issuer's Annual Report.

(a) The Issuer's Annual Report shall contain or incorporate by reference the following, which includes an update of the financial and operating data of the Issuer to the extent presented in the Limited Offering Memorandum. All information in the Annual Report shall be presented for the immediately preceding Fiscal Year and, to the extent available, the current Fiscal Year:

(i) The amount of Assessments levied.

(ii) The amount of Assessments collected from property owners.

(iii) If available, the amount of delinquencies greater than 150 days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of Assessments due in any year, a list of delinquent property owners.

(iv) The amount of tax certificates sold, if any, and the balance, if any, remaining for sale.

(v) All fund balances in all Funds and Accounts for the Series 2013 Bonds. The Issuer shall provide any Beneficial Owners and the Dissemination

Agent with this information more frequently than annually within thirty (30) days of the written request of the Beneficial Owners.

(vi) The total amount of Series 2013 Bonds Outstanding.

(vii) The amount of principal and interest due on the Series 2013 Bonds.

(viii) The most recent audited financial statements of the Issuer which shall be prepared in accordance with governmental accounting standards promulgated by the Government Accounting Standards Board.

(b) To the extent any of the items set forth in subsections (i) through (vii) above are included in the audited financial statements referred to in subsection (viii) above, they do not have to be separately set forth.

(c) The Issuer represents and warrants that it will supply, in a timely fashion, any information available to the Issuer and reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The Issuer acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the Issuer 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 or others as thereafter disseminated by the Dissemination Agent.

The information provided under this Section 4 may be included by specific reference to documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the Repository's Internet Web site or filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference.

The Issuer reserves the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

5. Provision of Developer Report.

(a) The Developer shall provide a Developer Report which contains the information in Sections 6(b) and (c) of this Disclosure Agreement to the Dissemination Agent no later than the Quarterly Receipt Date (as defined below) for such Developer Report. Within thirty (30) days of the Quarterly Receipt Date, the Dissemination Agent shall file the Developer Report provided to it by the Developer with each Repository (the "Quarterly Filing Date").

(b) Notwithstanding anything to the contrary herein, the failure of the Developer to provide a Developer Report which includes the information set forth in Section 6(c) of this Disclosure Agreement shall not constitute a Listed Event as described in 7(a)(15) of this Disclosure Agreement if such Developer Report includes the information set forth in Section 6(b) of this Disclosure Agreement.

(c) If on the seventh (7th) day prior to each Quarterly Receipt Date the Dissemination Agent has not received a copy of the Developer Report due on such Quarterly Receipt Date, the Dissemination Agent shall contact the Developer by telephone and in writing (which may be by e-mail) to remind the Developer of its undertaking to provide the Developer Report pursuant to Section 5. Upon such reminder, the Developer shall either (i) provide the Dissemination Agent with an electronic copy of the Developer Report in accordance with Section 5(a) above, or (ii) instruct the Dissemination Agent in writing that the Developer will not be able to file the Developer Report within the time required under this Disclosure Agreement and state the date by which such Developer Report will be provided.

(d) If the Dissemination Agent has not received a Developer Report that contains, at a minimum, the information in Section 6(b) of this Disclosure Agreement by 12:00 noon on the first business day following each Quarterly Receipt Date, a Listed Event described in Section 7(a)(15) shall have occurred and the Issuer and the Developer hereby directs the Dissemination Agent to send a notice to each Repository in substantially the form attached as Exhibit A hereto, with a copy to the Issuer and the Developer. The Dissemination Agent shall file such notice no later than thirty (30) days following the applicable Quarterly Receipt Date.

(e) The Dissemination Agent shall:

(i) determine prior to each Quarterly Filing Date the name and address of each Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Developer and the Issuer stating that the Developer Report has been provided pursuant to this Disclosure Agreement and stating the date(s) it was provided.

6. Content of Developer Report.

(a) The Developer, so long as it is an Obligated Person for purposes of this Disclosure Agreement, shall prepare a Developer Report no later than thirty (30) days after the end of each calendar quarter commencing, December 31, 2013; provided, however, that so long as the Developer or the Developer's parent company is a reporting company, such thirty (30) days shall be extended to the date of filing of its respective 10K or 10Q, if later, as the case may be (each, a "Quarterly Receipt Date"). At such time as the Developer is no longer an Obligated Person the Developer will no longer be obligated to prepare any quarterly Developer Report pursuant to this Disclosure Agreement.

(b) The Developer Report shall contain an update of the financial and operating data for the Developer and the lands owned by the Developer within the Development to the extent presented in the Limited Offering Memorandum under the captions "THE DEVELOPMENT" and "THE DEVELOPER," including an update of all tables presented therein.

(c) Each quarterly Developer Report shall also address the following information with respect to the lands owned by the Developer in the Development if such information is not otherwise provided pursuant to subsection (b) or (d) of this Section 6:

(i) A description of the infrastructure improvements and recreational amenities that have been completed and that are currently under construction, including infrastructure financed by the Series 2013 Bonds.

(ii) The percentage of the infrastructure financed by the Series 2013 Bonds that has been completed.

(iii) The number of single-family homes planned on property subject to the Assessments.

(iv) The number of single-family homes closed with retail end users.

(v) The number of single-family homes under contract with retail end users.

(vi) The number of single-family lots under contract with builders.

(vii) The number of single-family lots closed with builders.

(viii) The estimated date of complete build-out of residential units.

(ix) Whether the Developer has made any bulk sale of the land subject to the Assessments other than as contemplated by the Limited Offering Memorandum.

(x) The status of development approvals.

(xi) Materially adverse changes or determinations to permits/approvals which necessitate changes to the Developer's land use or other plans for the Development.

(xii) Updated plan of finance (i.e., status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Developer, additional mortgage debt, etc.).

(xiii) Any event that would have a material adverse impact on the implementation of the Development as described in the Limited Offering Memorandum or on the Developer's ability to undertake the Development as described in the Limited Offering Memorandum.

(d) Any of the items listed in subsections (b) and (c) above may be incorporated by reference from other documents which have been submitted to each of the Repositories or the SEC. The Developer shall clearly identify each such other document so incorporated by reference.

(e) If the Developer sells, assigns or otherwise transfers ownership of real property in the Development to a third party, which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "Transfer"), the Developer hereby agrees to require such third party to assume the disclosure obligations of the Developer hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Developer involved in such Transfer shall promptly notify the Issuer and the Dissemination Agent in writing of the Transfer. For purposes of Sections 5 and 6 hereof, the term "Developer" shall be deemed to include the Developer and any third party that becomes an Obligated Person hereunder as a result of a Transfer. In the event that the Developer remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Developer from its obligations hereunder.

7. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 7, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2013 Bonds to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) business days after the occurrence of the event, with the exception of the event described in number 15 below, which notice shall be given in a timely manner:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series 2013 Bonds, or other material events affecting the tax status of the Series 2013 Bonds;
7. modifications to rights of the holders of the Series 2013 Bonds, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Series 2013 Bonds, if material;
11. ratings changes;
12. an Event of Bankruptcy or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. appointment of a successor or additional trustee or the change of name of a trustee, if material; and
15. notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof or notice of any failure on the part of the Developer to meet the requirements of Section 5 hereof.

(b) Pursuant to the provisions of this Section 7, the Developer, so long as it is an Obligated Person pursuant to the terms of this Agreement, shall give, or cause to be given, notice of the occurrence of the events listed in numbers 12 and 13 in paragraph (a) of this Section 7 with respect to the Developer to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) business days after the occurrence of the event.

(c) The notices required to be given in this Section 7 shall be filed with any Repository, in electronic format as prescribed by such Repository.

8. Identifying Information. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Agreement to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any annual financial information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the Issuer;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

9. Termination of Disclosure Agreement. In addition to any other provision of this Disclosure Agreement relating to termination, the Issuer's and the Developer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2013 Bonds, so long as there is no remaining liability of the Issuer and/or the Developer, or if the Rule is repealed or no longer in effect. If such termination occurs prior to the final maturity of the Series 2013 Bonds, the Issuer and/or the Developer shall give notice of such termination in the same manner as for a Listed Event under Section 7.

10. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent shall be Prager & Co., LLC. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

11. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer, the Developer and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, 6 or 7(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer and/or the Developer, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of counsel expert in federal securities laws, have complied with the requirements

of the Rule at the time of the original issuance of the Series 2013 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the Series 2013 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Beneficial Owners of the Series 2013 Bonds.

Notwithstanding the foregoing, the Issuer, the Developer and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer and the Developer shall describe such amendment in its next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer or the Developer, as applicable. 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 7(c), 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.

12. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer or the Developer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a potential material event, in addition to that which is required by this Disclosure Agreement. If the Issuer or the Developer choose to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer or the Developer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

13. Default. In the event of a failure of the Issuer, the Developer, the Issuer Disclosure Representative or a Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Holders of more than 50% aggregate principal amount of outstanding Series 2013 Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any beneficial owner of a bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer, the Developer, the Issuer Disclosure

Representative or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. No default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Developer, the Issuer Disclosure Representative, the Developer or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

14. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement.

15. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Developer, the Dissemination Agent, the Participating Underwriter and Beneficial Owners of the Series 2013 Bonds, and shall create no rights in any other person or entity.

16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

17. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida and Federal law.

18. Trustee Cooperation. The Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer and directs the Trustee to deliver to the Dissemination Agent any information or reports it requests that the Issuer has a right to request from the Trustee (inclusive of balances, payments, etc.).

[End of document – signatures to follow]

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

[SEAL]

ARTISAN LAKES COMMUNITY
DEVELOPMENT DISTRICT, AS ISSUER

CONSENTED TO AND AGREED TO BY:

RIZZETTA & COMPANY INC, and its successors
and assigns, as Issuer Disclosure Representative

By: _____
Chair, Board of Supervisors

Name: _____
Title: _____

JOINED BY THE BANK OF NEW YORK
MELLON TRUST COMPANY, N.A., AS
TRUSTEE, FOR PURPOSES OF SECTIONS 13, 15
AND 18 ONLY

By: _____
Name: _____
Title: _____

TAYLOR WOODROW COMMUNITIES AT
ARTISAN LAKES, L.L.C., a Florida limited
liability company

By: _____
Name:
Title:

PRAGER & CO., LLC, AS DISSEMINATION
AGENT

By: _____

Name: _____

Title: _____

EXHIBIT A

**NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Artisan Lakes Community Development District

Name of Bond Issue: \$3,430,000 Capital Improvement Revenue Bonds, Series 2013A-1,
\$2,585,000 Capital Improvement Revenue Bonds, Series 2013A-2
and \$2,500,000 Capital Improvement Revenue Bonds, Series
2013A-3

Date of Issuance: December 30, 2013

CUSIPS:

NOTICE IS HEREBY GIVEN that the [Issuer] [Developer] has not provided an Annual Report with respect to the above-named Series 2013 Bonds as required by Section 3 of the Continuing Disclosure Agreement dated December 30, 2013, among the Issuer, the Developer and the Dissemination Agent named therein. The [Issuer] [Developer] has advised the undersigned that it anticipates that the Annual Report will be filed by _____, 20____.

Dated: _____, _____, Dissemination Agent

cc: [Issuer] [Developer]

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