

JPWard and Associates, LLC

**ARTISAN LAKES EAST
COMMUNITY DEVELOPMENT DISTRICT**

**REGULAR MEETING
AGENDA**

November 14, 2018



James P. Ward
District Manager
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Prepared by:
JPWard and Associates, LLC
TOTAL Commitment to Excellence

ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT

November 14, 2018

Board of Supervisors
Artisan Lakes East Community Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of the Artisan Lakes East Community Development District will be held on **Wednesday, November 14, 2018 at 4:00 P.M.**, at the **Artisan Lakes Clubhouse, 4725 Los Robles Court, Palmetto, Florida 34221**. The agenda is as follows:

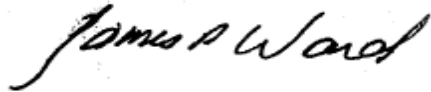
1. Call to Order & Roll Call
2. Consideration of Resolution 2019-5 authorizing the issuance of not exceeding \$6,000,000 in aggregate principal amount of its capital improvement revenue bonds, series 2018.
3. Staff Reports
 - I. Attorney
 - II. Engineer
 - III. Manager
8. Audience Comments and Supervisor's Requests
9. Adjournment

The second order of business is the consideration of Resolution 2019-5.

The remainder of the Agenda is standard in nature, and in the meantime, if you have any questions or comments; please do not hesitate to contact me directly at (954) 658-4900.

Yours sincerely,

Artisan Lakes East Community Development District



James P. Ward
District Manager

Enclosures

RESOLUTION NO. 2019-5

A RESOLUTION OF THE ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$6,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2018 TO FINANCE ALL OR A PORTION OF THE COST OF A SERIES PROJECT CONSISTING OF CERTAIN INFRASTRUCTURE AND FACILITIES BENEFITING CERTAIN DISTRICT LANDS, PAYING CAPITALIZED INTEREST ON THE SERIES 2018 BONDS, FUNDING THE SERIES 2018 RESERVE ACCOUNT FOR THE SERIES 2018 BONDS AND PAYING COSTS OF ISSUANCE OF THE SERIES 2018 BONDS; APPROVING A FIRST SUPPLEMENTAL INDENTURE IN CONNECTION WITH THE SERIES 2018 BONDS AND AUTHORIZING THE EXECUTION THEREOF; RATIFYING THE APPOINTMENT OF A TRUSTEE, PAYING AGENT AND BOND REGISTRAR FOR THE SERIES 2018 BONDS; PROVIDING FOR REDEMPTION OF THE SERIES 2018 BONDS; AUTHORIZING THE APPLICATION OF THE PROCEEDS OF THE SERIES 2018 BONDS; APPROVING THE FORM, AND AUTHORIZING EXECUTION, OF A BOND PURCHASE CONTRACT PROVIDING FOR THE NEGOTIATED SALE OF THE SERIES 2018 BONDS; DELEGATING TO THE CHAIRPERSON OR VICE-CHAIRPERSON, OR IN THEIR ABSENCE ANY MEMBER OF THE BOARD OF SUPERVISORS, THE AUTHORITY TO AWARD THE SERIES 2018 BONDS WITHIN THE PARAMETERS SPECIFIED HEREIN; APPROVING THE FORM, AND AUTHORIZING THE USE, OF A PRELIMINARY LIMITED OFFERING MEMORANDUM FOR THE SERIES 2018 BONDS; APPROVING THE DISTRIBUTION OF A FINAL LIMITED OFFERING MEMORANDUM FOR THE SERIES 2018 BONDS AND THE EXECUTION THEREOF; APPROVING THE FORM, AND AUTHORIZING EXECUTION, OF A CONTINUING DISCLOSURE AGREEMENT; PROVIDING FOR MISCELLANEOUS MATTERS AND AUTHORITY; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. AUTHORITY FOR THIS RESOLUTION; DEFINITIONS. The Board of Supervisors (the "Board") of the Artisan Lakes East Community Development District (the "Issuer") is authorized to adopt this Resolution under the authority granted by the provisions of Chapter 190, Florida Statutes, as amended, its Charter (as set forth in Ordinance No. 18-31 enacted by Manatee County, Florida on August 21, 2018, effective August 28, 2018 [the "Ordinance"]) and other applicable provisions of law (collectively, the "Act"). All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the hereinafter defined Indenture.

SECTION 2. FINDINGS.

A. The Issuer is a community development district, a local unit of special purpose government organized and existing under and pursuant to the Act. The Issuer was established for the purpose, among other things, of delivering certain community development services and facilities as authorized by the Act, including planning, financing, constructing, acquiring, owning, operating and maintaining the “Series Projects” and “Additional Series Projects.”

B. The Issuer is empowered by the Act to provide projects such as the Series Projects and Additional Series Projects. Pursuant to Resolution No. 2018-19 adopted by the Board on September 6, 2018 (the “Authorizing Resolution”) the Issuer has found and determined that acquisition and construction of Series Projects and Additional Series Projects is and will be necessary and desirable in serving the Issuer’s goal of properly managing the acquisition, construction, and operation of portions of the infrastructure specially benefiting District Lands. Pursuant to the Authorizing Resolution, the Issuer, among other matters, authorized the issuance of the Issuer’s Capital Improvement Revenue Bonds (the “Bonds”) in an amount not exceeding \$29,880,000 to finance the Cost of Series Projects and Additional Series Projects, approved the form of a Master Trust Indenture (the “Master Indenture”) relating to such Bonds, and authorized the issuance of the Bonds in one or more Series and bond anticipation notes from time to time pursuant to the Master Indenture and a related Supplemental Indenture to be approved by subsequent resolution of the Board of the Issuer.

C. The Bonds will not be issued until the same have been validated by a final judgment of the Circuit Court in and for Manatee County, Florida and the time for taking an appeal from such final judgment has expired without an appeal being taken.

D. The Issuer hereby determines that it is now necessary and desirable to issue its Capital Improvement Revenue Bonds, Series 2018 (the “Series 2018 Bonds”) in an aggregate principal amount not exceeding \$6,000,000 to (i) finance the construction, acquisition, equipping and/or improvement of a portion of a Series Project (as more fully defined in the hereinafter defined First Supplemental Indenture, the “Series 2018 Project”); (ii) pay Capitalized Interest on the Series 2018 Bonds; (iii) fund the Series 2018 Reserve Account in an amount equal to the Series 2018 Reserve Account Requirement; and (iv) pay costs of issuance of the Series 2018 Bonds. The Series 2018 Bonds shall be issued as a Series of Bonds within the meaning of the Master Indenture, all as shall be more fully provided in the Master Indenture and in the First Supplemental Indenture to be executed and delivered by the Issuer and the Trustee prior to the issuance of the Series 2018 Bonds (the Master Indenture, as supplemented by the First Supplemental Indenture, being referred to as the “Indenture”).

E. Due to the present volatility of the market for tax-exempt obligations such as the Series 2018 Bonds and the complexity of the transactions relating to the Series 2018 Bonds, it is in the best interests of the Issuer to sell the Series 2018 Bonds by a delegated, negotiated sale, rather than at a specified advertised date, in order to permit the Issuer to enter the market at the most advantageous time and to obtain the best possible price and interest rate for the Series 2018 Bonds.

F. The Issuer now desires to authorize the application of the proceeds of the Series 2018 Bonds and to approve various instruments in connection therewith, including the First Supplemental Indenture.

SECTION 3. AUTHORIZATION OF SERIES 2018 PROJECT AND SERIES 2018 BONDS. For purposes hereof, the “Series 2018 Project” shall mean the financing, construction, acquisition, equipping and/or improvement of all or a portion of the infrastructure improvements and facilities described in the Engineers’ Report, as same may be modified, amended or supplemented, as same shall be further defined in the Indenture. The Series 2018 Project is hereby authorized and approved and shall constitute a Series Project within the meaning of the Master Indenture. Subject to the provisions of Section 6 hereof, the Issuer hereby authorizes the issuance of the Series 2018 Bonds in the aggregate principal amount of not exceeding \$6,000,000 to be known as the “Artisan Lakes East Community Development District Capital Improvement Revenue Bonds, Series 2018,” for the purpose of providing funds which will be sufficient to: (i) finance the construction, acquisition, equipping and/or improvement of all or a portion of the Series 2018 Project; (ii) pay Capitalized Interest on the Series 2018 Bonds ; (iii) fund the Series 2018 Reserve Account in an amount equal to the Series 2018 Reserve Account Requirement; and (iv) pay costs of issuance of the Series 2018 Bonds. Proceeds of the Series 2018 Bonds to be applied to pay Costs of the Series 2018 Project shall include payment for portions of the Series 2018 Project acquired by the Issuer prior to the date of issuance of the Series 2018 Bonds but for which the acquisition price has not yet been paid.

Prior to or contemporaneously with the issuance and delivery of the Series 2018 Bonds, the Issuer and U.S. Bank National Association, as the Trustee, shall enter into the Master Indenture and the First Supplemental Trust Indenture relating to the Series 2018 Bonds, supplementing the Master Indenture (the “First Supplemental Indenture”), substantially in the form attached hereto as Exhibit A, with such insertions, modifications and changes as may be approved by the District Manager of the Issuer (the “District Manager”), in consultation with the Issuer’s District Counsel and Bond Counsel. Upon such approval, the Chairperson of the Board (the “Chairperson”) or the Vice-Chairperson of the Board (the “Vice-Chairperson”), or in their absence, any member of the Board, is hereby authorized and directed to execute, and the Secretary of the Board (the “Secretary”) or any Assistant Secretary of the Board (each, an “Assistant Secretary”) is hereby authorized and directed to attest, the First Supplemental Indenture. Such execution shall constitute conclusive approval of any insertions, modifications or changes to the First Supplemental Indenture attached hereto as an exhibit.

Prior to the issuance of the Series 2018 Bonds the Issuer shall comply with the conditions precedent to the issuance of the Series 2018 Bonds set forth in the Indenture. The Series 2018 Bonds shall be substantially in the form attached as an exhibit to the First Supplemental Indenture and shall be executed on behalf of the Issuer in the manner provided in the Indenture. Upon satisfaction of the conditions precedent to the issuance of the Series 2018 Bonds set forth in the Indenture, the Chairperson or Vice-Chairperson, or in their absence, any member of the Board, is hereby authorized and directed to execute, and the Secretary or an Assistant Secretary is hereby authorized and directed to attest, the Series 2018 Bonds and to deliver the Series 2018 Bonds as provided in the Indenture.

The execution and delivery of the Master Indenture and the terms and conditions thereof (as modified hereby in connection with the Series 2018 Bonds) and the appointment of U.S. Bank National Association as Trustee with respect to the Series 2018 Bonds are hereby ratified, authorized and approved.

The Series 2018 Bonds shall be issued in fully registered form, without coupons. The Series 2018 Bonds will be dated their date of delivery or such other date as is set forth in the First Supplemental Indenture and will be issued in the Authorized Denominations set forth in the Indenture. The Series 2018 Bonds will bear interest payable semi-annually on November 1 and May 1 of each year,

commencing on such date as set forth in the First Supplemental Indenture. Subject to the provisions of Section 6 hereof, the Series 2018 Bonds shall mature, and shall bear interest at a rate per annum, which shall not exceed the maximum rate permitted by law, as shall be specified in the Indenture. A book-entry-only system of registration is hereby authorized for the Series 2018 Bonds.

SECTION 4. REDEMPTION PROVISIONS. Subject to the provisions of Section 6 hereof, the Series 2018 Bonds shall be subject to optional redemption, mandatory redemption and extraordinary redemption as shall be provided in the Indenture. The Series 2018 Bonds shall be issued as Term Bonds and the principal amounts required to be deposited in each year to the Series 2018 Sinking Fund Account established for the Series 2018 Bonds in the Indenture shall be as specified in the Indenture and shall constitute the Amortization Installments for the Series 2018 Bonds, as more fully set forth in the Indenture.

SECTION 5. APPLICATION OF THE PROCEEDS OF THE SERIES 2018 BONDS. The proceeds derived from the sale of the Series 2018 Bonds shall be applied by the Issuer simultaneously with the delivery of the Series 2018 Bonds for the purposes stated in, and in a manner consistent with, the Indenture. The specific amounts to be deposited in the Series 2018 Pledged Funds under the Indenture shall be as set forth in the First Supplemental Indenture or a certificate executed by the Chairperson or Vice-Chairperson and delivered at the time of issuance of the Series 2018 Bonds.

SECTION 6. SALE OF THE SERIES 2018 BONDS. The Series 2018 Bonds shall be sold to MBS Capital Markets, LLC as the underwriter (the "Underwriter"), upon the terms and conditions set forth in the Bond Purchase Agreement attached hereto as Exhibit B (the "Bond Purchase Contract"). Said Bond Purchase Contract, substantially in the form attached hereto, is hereby approved, with such insertions, modifications and changes as may be approved by the District Manager, in consultation with the Issuer's District Counsel and Bond Counsel. Upon such approval, the Chairperson or Vice-Chairperson, or in their absence, any member of the Board, is hereby authorized and directed to execute, and the Secretary or an Assistant Secretary is hereby authorized and directed to attest, the Bond Purchase Contract and to accept the disclosure and truth-in-bonding statement to be provided by the Underwriter pursuant to Section 218.385, Florida Statutes; provided, however that the terms of such Bond Purchase Contract must provide that (i) the aggregate principal amount of the Series 2018 Bonds shall not exceed \$6,000,000; (ii) the final maturity of the Series 2018 Bonds shall not be later than May 1, 2049; (iii) the per annum interest rate of the Series 2018 Bonds shall not exceed the maximum rate per annum permitted by applicable law; (iv) the Series 2018 Bonds shall be subject to optional redemption no later than May 1, 2031 at a redemption price not greater than 101% of the principal amount of the Series 2018 Bonds to be redeemed; (v) the price (exclusive of original issue discount) at which the Series 2018 Bonds shall be sold to the Underwriter shall not be less than 98% of the amount for which the Series 2018 Bonds are initially offered to the public as reflected in the Limited Offering Memorandum referred to in Section 7 hereof; and (vi) unless the Series 2018 Bonds have an investment grade rating, the Series 2018 Bonds shall only be sold by the Underwriter to accredited investors within the meaning of the rules of the Florida Department of Financial Services. The execution and delivery of the Bond Purchase Contract by the Chairperson or Vice-Chairperson shall constitute conclusive evidence of the approval by the Issuer thereof.

SECTION 7. PRELIMINARY LIMITED OFFERING MEMORANDUM AND FINAL LIMITED OFFERING MEMORANDUM. The Preliminary Limited Offering Memorandum relating to the Series 2018 Bonds, in substantially the form submitted at this meeting and attached hereto as Exhibit C, is hereby approved with respect to the information therein contained, with such insertions, modifications and

changes as may be approved by the District Manager, in consultation with the Issuer's District Counsel and Bond Counsel. The printing, distribution and use of the Preliminary Limited Offering Memorandum in connection with the limited public offering for sale of the Series 2018 Bonds are hereby authorized. The execution by the Chairperson or Vice-Chairperson, or in their absence any member of the Board, of a certificate deeming the Preliminary Limited Offering Memorandum final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, is hereby authorized. The Chairperson or Vice-Chairperson, or in their absence any member of the Board, is hereby authorized to have prepared and to execute a final Limited Offering Memorandum to be dated the date of execution of the Bond Purchase Contract, and, upon such execution, to deliver the same to the Underwriter for use by it in connection with the sale and distribution of the Series 2018 Bonds. The Limited Offering Memorandum shall be substantially in the form of the Preliminary Limited Offering Memorandum, with such changes as necessary to conform the details of the Series 2018 Bonds and the requirements of the Bond Purchase Contract and such other insertions, modifications and changes as may be approved by the District Manager. The execution and delivery of the Limited Offering Memorandum by the Chairperson or Vice-Chairperson, or in their absence any member of the Board, shall constitute conclusive evidence of the approval thereof. The Issuer hereby authorizes the Limited Offering Memorandum and the information contained therein to be used in connection with the offering and sale of the Series 2018 Bonds.

SECTION 8. CONTINUING DISCLOSURE. The Continuing Disclosure Agreement, substantially in the form attached hereto as Exhibit D, is hereby approved with such insertions, modifications and deletions as may be approved by the District Manager. Disclosure Services, LLC is hereby approved to serve as the initial Dissemination Agent thereunder. The Chairperson or Vice-Chairperson is hereby authorized to execute the Continuing Disclosure Agreement. The execution and delivery of the Continuing Disclosure Agreement by the Chairperson or Vice-Chairperson, or in their absence any member of the Board, shall constitute conclusive evidence of the approval thereof.

SECTION 9. MISCELLANEOUS. The Chairperson, Vice-Chairperson, Secretary and any Assistant Secretary of the Board, the Issuer's District Counsel, Bond Counsel, District Manager, Consulting Engineers, special assessment consultant and other authorized officers of the Issuer and members of the Board are authorized and directed to execute and deliver all documents, contracts, instruments and certificates and to take all actions and steps on behalf of the Issuer that are necessary or desirable in connection with the Indenture, the Series 2018 Bonds, the Bond Purchase Contract, the Series 2018 Project, the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum or otherwise in connection with any of the foregoing, which are not inconsistent with the terms and provisions of this Resolution or the Indenture, including the execution and delivery of a customary dissemination agent agreement, the execution and delivery of the Acquisition Agreement, Completion Agreement, Collateral Assignment and True-Up Agreement referenced in the First Supplemental Indenture, and the preparation of updated assessment reports relating to the Series 2018 Assessments and supplements to the report of the Issuer's Consulting Engineers relating to the Series 2018 Project (any of which may be included in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum) and all such actions heretofore taken are hereby ratified and approved.

SECTION 10. SEVERABILITY. Should any sentence, section, clause, part or provision of this Resolution be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of this Resolution as a whole, or any part thereof, other than the part declared invalid.

SECTION 11. EFFECTIVE DATE. This Resolution shall be effective immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Supervisors of the Artisan Lakes East Community Development District this 14th day of November, 2018.

**ARTISAN LAKES EAST COMMUNITY
DEVELOPMENT DISTRICT**

[SEAL]

Michael Bachman, Chairman

ATTEST:

James P. Ward, District Secretary

EXHIBIT A

FORM OF FIRST SUPPLEMENTAL INDENTURE

Draft #3

FIRST SUPPLEMENTAL TRUST INDENTURE

ARTISAN LAKES EAST

COMMUNITY DEVELOPMENT DISTRICT

TO

U.S. BANK NATIONAL ASSOCIATION,

AS TRUSTEE

Dated as of December 1, 2018

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FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (the "First Supplemental Indenture") is dated as of December 1, 2018, from **ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT** (the "District") to **U.S. BANK NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association duly organized and existing under the laws of the United States of America and having corporate trust offices in Fort Lauderdale, Florida (said national banking association and any bank or trust company becoming successor trustee under this Master Indenture being hereinafter referred to as the "Trustee").

WHEREAS, the District has entered into a Master Trust Indenture, dated as of December 1, 2018 (the "Master Indenture," and together with this First Supplemental Indenture, the "Indenture") with the Trustee to secure the issuance of its Artisan Lakes East 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. 2018-19 (the "Bond Resolution") adopted by the Governing Body of the District on September 6, 2018, the District has authorized the issuance, sale and delivery of not to exceed \$29,880,000 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 November 5, 2018, the appeal period for which has expired with no appeal having been taken; and

WHEREAS, the Governing Body of the District duly adopted Resolution No. 2018-18 on September 6, 2018 providing for the acquisition, construction and installation of public 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 and the Governing Body of the District duly adopted Resolution No. 2019-1 on October 10, 2018, following a public hearing conducted in accordance with the Act, to fix and establish the Assessments and the benefited property, which Resolution was supplemented by Resolution No. 2019-_____, adopted by the Governing Body of the District on _____, 2018, with respect to the Series 2018 Bonds (hereinafter defined) (collectively, the "Assessment Resolution"); and

WHEREAS, pursuant to Resolution No. 2019-_____, adopted by the Governing Body of the District on November _____, 2018 (the "Award Resolution"), the District has authorized the issuance, sale and delivery of, *inter alia*, its \$[Bond Amount] Artisan Lakes East Community Development District Capital Improvement Revenue Bonds, Series 2018 (the "Series 2018 Bonds"), which are issued hereunder as an issue of Bonds under the Master Indenture, and has authorized the execution and delivery of the Master Indenture and this First Supplemental Indenture to secure the issuance of the Series 2018 Bonds and to set forth the terms of the Series 2018 Bonds; and

WHEREAS, the District will apply the proceeds of the Series 2018 Bonds to: (i) finance a portion of the Cost of acquiring, constructing and equipping public assessable infrastructure and improvements (as more particularly described in Exhibit A hereto, the "Series 2018 Project"); (ii) pay certain costs associated with the issuance of the Series 2018 Bonds; (iii) make a deposit into the Series 2018 Reserve Account to be held for the benefit of all of the Series 2018 Bonds, without privilege or priority of one Series 2018 Bond over another; and (iv) pay a portion of the interest to become due on the Series 2018 Bonds; and

WHEREAS, the Series 2018 Bonds will be payable from and secured by revenues derived from Assessments imposed, levied and collected by the District with respect to property specially benefited by the Series 2018 Project and described in the Assessment Resolutions (the "Series 2018 Assessments"), which, together with the Series 2018 Pledged Funds (hereinafter defined) will comprise the Series 2018 Trust Estate (hereinafter defined), which shall constitute a "Series Trust Estate" as defined in the Master Indenture; and

WHEREAS, the execution and delivery of the Series 2018 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 2018 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 2018 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 2018 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, all Series 2018 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 2018 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 2018 Assessments (the "Series 2018 Pledged Revenues") and the Funds and Accounts (except for the Series 2018 Rebate Account) established hereby (the "Series 2018 Pledged Funds") which shall comprise a part of the Trust Estate securing the Series 2018 Bonds (the "Series 2018 Trust Estate");

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

IN TRUST NEVERTHELESS, 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 2018 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 2018 Bond over any other Series 2018 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 2018 Bonds or any Series 2018 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 2018 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 2018 Bonds or any Series 2018 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 2018 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 2018 Bonds, as follows:

ARTICLE I DEFINITIONS

Section 101. Definitions. All terms used herein that are defined in the recitals hereto are used with the same meaning herein unless the context clearly requires otherwise. All terms used herein that are defined in the Master Indenture are used with the same meaning herein (including the use of such terms in the recitals hereto and the granting clauses hereof) unless (i) expressly given a different meaning herein or (ii) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

"Acquisition Agreement" shall mean the Agreement by and between the District and the Developer Regarding the Acquisition of Certain Work Product, Infrastructure and Real Property dated [Closing Date].

"Assessment Methodology" shall mean the Master Special Assessment Methodology Report for Artisan Lakes East Community Development District, dated September 6, 2018 prepared by JP Ward & Associates LLC, as amended and supplemented, including by a report dated ____, 2018.

"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 public capital improvements established by the District in the Series 2018 Assessment Proceedings, all or a portion of which is comprised of the Series 2018 Project.

"Collateral Assignment" shall mean the Collateral Assignment and Assumption of Development and Contract Rights, dated [Closing Date], by the Developer in favor of the District.

"Completion Agreement" shall mean the Agreement by and between the District and the Developer Regarding the Completion of Certain Improvements, dated [Closing Date].

"Continuing Disclosure Agreement" shall mean that certain Continuing Disclosure Agreement dated [Closing Date] among the Developer, the District and the other parties named therein in connection with the Series 2018 Bonds.

"Delinquent Assessment Interest" shall mean Series 2018 Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in which such Series 2018 Assessment Interest has, or would have, become delinquent under State law applicable thereto.

"Delinquent Assessment Principal" shall mean Series 2018 Assessment Principal deposited by the District with the Trustee on or after May 1 of the year in which such Series 2018 Assessment Principal has, or would have, become delinquent under State law applicable thereto.

"Delinquent Assessments" shall mean Delinquent Assessment Principal and Delinquent Assessment Interest.

"Developer" shall mean Taylor Woodrow Communities at Artisan Lakes, L.L.C., a Florida limited liability company, and any affiliate or any entity which succeeds to all or any part of the interests and assumes any or all responsibilities of such entity, as the developer of the lands within the District.

"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.

"Interest Payment Date" shall mean each May 1 and November 1, commencing May 1, 2019.

"Majority Owners" as used herein shall mean the Beneficial Owners of more than fifty percent (50%) of the principal amount of the Outstanding Series 2018 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 First Supplemental Indenture.

"Redemption Date" shall mean, if in part, each Interest Payment Date, and if in whole, any date.

"Series 2018 Assessment Interest" shall mean the interest on the Series 2018 Assessments which is pledged to the Series 2018 Bonds.

"Series 2018 Assessment Principal" shall mean the principal amount of Series 2018 Assessments received by the District which represents a proportionate amount of the principal of and Amortization Installments of the Series 2018 Bonds, other than applicable Delinquent Assessment Principal and Series 2018 Prepayments.

"Series 2018 Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2018 Assessments which include Resolution Nos. 2018-18 and 2019-1 adopted on September 6, 2018 and October 10, 2018, respectively, as supplemented, adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the District with respect to the Series 2018 Assessments and the Assessment Methodology as approved thereby.

"Series 2018 Assessment Revenues" shall mean all revenues derived by the District from the Series 2018 Assessments, including proceeds from any foreclosure of the lien of Delinquent Assessments and any statutory interest on the Delinquent Assessments collected by the District in excess of the rate of interest on the Series 2018 Bonds.

"Series 2018 Assessments" shall mean the Assessments imposed, levied and collected by the District in respect of the Series 2018 Bonds and the capital project financed with the proceeds thereof.

"Series 2018 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) commercial paper rated in the top two rating category by both Moody's and S&P at the time of purchase;

(iii) municipal securities issued by any state or commonwealth of the United States or political subdivision thereof or constituted authority thereof including, but not limited to, municipal corporations, school districts and other special districts, the interest on which is exempt from federal income taxation under Section 103 of the Code and rated A- or higher by Moody's, Fitch or S&P at the time of purchase;

(iv) both (A) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for such funds by Moody's and S&P, and (B) shares of money market mutual funds that invest only in Government Obligations and obligations of any of the following agencies: Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Bank; Tennessee Valley Authority; Farmers Home Administration; Student Loan Marketing Association; Federal Home Loan Mortgage Corporation and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by both Moody's and S&P at the time of purchase;

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

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

(vii) U.S. denominated deposit accounts, certificates of deposit and banker's acceptances of any bank, trust company or savings and loan association, including the Trustee or its affiliates, provided that (i) the full amount of the deposit is insured by the Federal Deposit Insurance Corporation (the "FDIC") (including the FDIC's Savings Association Insurance Fund) or (ii) the applicable bank, trust company or savings and loan association, including the Trustee or its affiliates, has a rating on their short-term certificates of deposit on the date of purchase in one of the three highest short-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by S&P or Moody's.

"Series 2018 Pledged Funds" shall mean all of the Funds and Accounts created hereby with the Trustee, including the Subaccounts therein other than the Series 2018 Rebate Account in the Rebate Fund.

"Series 2018 Pledged Revenues" shall mean the Series 2018 Assessment Revenues.

"Series 2018 Prepayments" shall mean the excess amount of Series 2018 Assessment Principal received by the District over the Series 2018 Assessment Principal included within an Assessment, whether or not mandated to be prepaid in accordance with the Assessment Proceedings, which shall be identified by the District to the Trustee as such in writing upon deposit. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2018 Prepayments shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

"Series 2018 Reserve Account Requirement" shall mean an amount equal to ____% of the Maximum Annual Debt Service Requirement for the Outstanding Series 2018 Bonds (as hereinafter determined) as of the time of any such calculation. For purposes of the foregoing calculation, notwithstanding anything to the contrary in the Master Indenture, the determination of the "Outstanding Series 2018 Bonds" shall take into account any redemptions of Series 2018 Bonds to be made on the next succeeding Redemption Date immediately following the calculation date. Upon the initial issuance of the Series 2018 Bonds, the Series 2018 Reserve Account Requirement is \$[RAR], which does not exceed the lesser of (a) 125% of the average annual Debt Service for all Outstanding Series 2018 Bonds calculated as of the date of original issuance thereof or (b) 10% of the proceeds of the Series 2018 Bonds calculated as of the date of original issuance thereof.

"Substantially Absorbed" shall mean the date when at least ____ percent (____%) of the principal portion of the Series 2018 Assessments have been assigned to residential units within the District that have each received a certificate of occupancy. The Trustee and the District may conclusively rely on a certificate from the District Manager regarding such status of the residential units and the Series 2018 Assessments, and in the absence of such certification, may assume the Series 2018 Assessments have not been Substantially Absorbed.

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

ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2018 BONDS

Section 201. Authorization of Series 2018 Bonds; Book-Entry Only Form. The Series 2018 Bonds are hereby authorized to be issued in one Series for the purposes enumerated in the recitals hereto to be designated "\$[Bond Amount] Artisan Lakes East Community Development District Capital Improvement Revenue Bonds, Series 2018." The Series 2018 Bonds shall be substantially in the form set forth as Exhibit B to this First Supplemental Indenture. Each Series 2018 Bond shall bear the designation "2018R" and shall be numbered consecutively from 1 upwards.

The Series 2018 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2018 Bond for each maturity thereof. Upon initial issuance, the ownership of each such Series 2018 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 2018 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 2018 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 2018 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 2018 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 2018 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose name each Series 2018 Bond is registered in the registration books kept by the Bond Registrar as the absolute Owner of such Series 2018 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2018 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2018 Bond, for the purpose of registering transfers with respect to such Series 2018 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2018 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 2018 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 2018 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in this First Supplemental Indenture shall refer to such new Nominee of DTC; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, 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 2018 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 2018 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 2018 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 2018 Bonds shall designate, in accordance with the provisions hereof.

Section 202. Terms. The Series 2018 Bonds shall be issued as ____ (____) Term Bonds, each of which shall be dated as of the date of its issuance and delivery to the initial purchasers thereof, shall bear interest at the fixed interest rate per annum and shall mature in the amount and on the date set forth below:

| <u>Principal Amount</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>CUSIP</u> |
|-------------------------|----------------------|----------------------|--------------|
| [\$Bond Amount] | May 1, 20__ | [____]% | [_____] |
| [\$Bond Amount] | May 1, 20__ | [____]% | [_____] |

Section 203. Dating and Interest Accrual. Each Series 2018 Bond shall be dated [Closing Date]. Each Series 2018 Bond also shall bear its date of authentication. Each Series 2018 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 2018 Bond has been paid, in which event such Series 2018 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2018 Bonds, in which event, such Series 2018 Bond shall bear interest from its date. Interest on the Series 2018 Bonds shall be due and payable on each May 1 and November 1, commencing May1, 2019, and shall be computed on the basis of a 360-day year composed of twelve 30-day months.

Section 204. Denominations. The Series 2018 Bonds shall be issued in \$5,000 or any integral multiple thereof; provided, however, that the Series 2018 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of \$5,000 in excess of \$100,000.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the Series 2018 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the Series 2018 Bonds.

Section 207. Conditions Precedent to Issuance of Series 2018 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2018 Bonds, all the Series 2018 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 2018 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 2018 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 2018 Project;
- (g) A certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal;
- (h) An executed Continuing Disclosure Agreement; and
- (i) An executed Collateral Assignment, executed Completion Agreement, executed True-Up Agreement and executed Acquisition Agreement;

Payment to the Trustee of \$[NP] shall conclusively evidence satisfaction of the foregoing conditions precedent.

ARTICLE III REDEMPTION OF SERIES 2018 BONDS

Section 301. Bonds Subject to Redemption. The Series 2018 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as Exhibit B to this First Supplemental Indenture. Interest on Series 2018 Bonds which are called for redemption shall be paid on the Redemption Date from the Series 2018 Interest Account or from the Series 2018 Revenue Account to the extent monies in the Series 2018 Interest Account are insufficient for such purpose. Moneys in the Series 2018 Optional Redemption Subaccount in the Series 2018 Redemption Account shall be applied in accordance with Section 506 of the Master Indenture to the optional redemption of Series 2018 Bonds.

Section 302. Redemption from Excess Acquisition and Construction Account Proceeds. Excess moneys on deposit in the Series 2018 Acquisition and Construction Account which are to be deposited into the Series 2018 Prepayment Subaccount in the Series 2018 Redemption Account in accordance with Section 403(a)(2) hereof shall be deposited into the Series 2018 Prepayment Subaccount and applied to the extraordinary mandatory redemption of Series 2018 Bonds in accordance with the directions of an Authorized Officer of the District accompanied by a cash flow certificate demonstrating that each of the installments of Series 2018 Assessment Principal and Series 2018 Assessment Interest corresponding to the Series 2018 Bonds, after giving effect to the credits for the redemption for such excess, will, in the current and each succeeding Bond Year, be at least equal to the maturing principal of and interest on the Series 2018 Bonds in such Bond Year. The Trustee shall have no duty to verify such calculation.

ARTICLE IV
DEPOSIT OF SERIES 2018 BOND PROCEEDS AND APPLICATION THEREOF;
ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

Section 401. Establishment of Accounts. There are hereby established, as needed, the following Funds and Accounts.

(a) There are hereby established within the Acquisition and Construction Fund held by the Trustee: (i) a Series 2018 Acquisition and Construction Account and (ii) a Series 2018 Costs of Issuance Account;

(b) There are hereby established within the Debt Service Fund held by the Trustee: (i) a Series 2018 Debt Service Account and therein a Series 2018 Sinking Fund Account, a Series 2018 Interest Account and a Series 2018 Capitalized Interest Account; and (ii) a Series 2018 Redemption Account, and, therein a Series 2018 Prepayment Subaccount and a Series 2018 Optional Redemption Subaccount;

(c) There is hereby established within the Reserve Fund held by the Trustee a Series 2018 Reserve Account, which shall be held for the benefit of all of the Series 2018 Bonds, without distinction as to Series 2018 Bonds and without privilege or priority of one Series 2018 Bond over another;

(d) There is hereby established within the Revenue Fund held by the Trustee a Series 2018 Revenue Account; and

(e) There is hereby established within the Rebate Fund held by the Trustee a Series 2018 Rebate Account.

Section 402. Use of Series 2018 Bond Proceeds. The net proceeds of sale of the Series 2018 Bonds, \$[NP], shall as soon as practicable upon the delivery thereof to the Trustee by the District pursuant to Section 207 of the Master Indenture, be applied as follows:

(a) \$[RAR], representing the Series 2018 Reserve Account Requirement at the time of issuance of the Series 2018 Bonds shall be deposited to the credit of the Series 2018 Reserve Account;

(b) \$[COI], representing the Costs of Issuance relating to the Series 2018 Bonds shall be deposited to the credit of the Series 2018 Costs of Issuance Account;

(c) \$[CAPI], representing Capitalized Interest on the Series 2018 Bonds through and including ___1, 20___, shall be deposited to the credit of the Series 2018 Capitalized Interest Account; and

(d) \$[CD] shall be deposited to the credit of the Series 2018 Acquisition and Construction Account.

Section 403. Series 2018 Acquisition and Construction Account.

(a) (1) Amounts on deposit in the Series 2018 Acquisition and Construction Account shall be applied to pay the Cost of the Series 2018 Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture and upon receipt by the Trustee of a requisition in the form attached hereto as Exhibit C and executed by the District and the Consulting Engineers.

(2) Anything in the Master Indenture to the contrary notwithstanding, the Consulting Engineers shall establish a Date of Completion for the Series 2018 Project, and any balance remaining in the Series 2018 Acquisition and Construction Account (taking into account the moneys currently on deposit therein to pay any accrued but unpaid Costs of the Series 2018 Project which are required to be reserved in the Series 2018 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineers delivered to the District and the Trustee establishing such Date of Completion), shall be transferred to the Series 2018 Prepayment Subaccount and applied in accordance with Section 302 hereof to the extraordinary mandatory redemption of the Series 2018 Bonds in the manner prescribed in the form of Series 2018 Bonds set forth as Exhibit B hereto, whereupon the Series 2018 Acquisition and Construction Account shall be closed.

(b) Amounts on deposit in the Series 2018 Capitalized Interest Account shall, until and including ____ 1, 20____, be transferred into the Series 2018 Interest Account and applied to the payment of interest first coming due on the Series 2018 Bonds. Any amounts remaining in the Series 2018 Capitalized Interest Account after ____ 1, 20____ shall be transferred into the Series 2018 Acquisition and Construction Account, whereupon the Series 2018 Capitalized Interest Account shall be closed.

(c) Anything in the Master Indenture or herein to the contrary notwithstanding, the District hereby acknowledges that (i) the Series 2018 Pledged Funds includes, without limitation, all amounts on deposit in the Series 2018 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 2018 Bonds, the Series 2018 Pledged Funds may not be used by the District (whether to pay costs of the Series 2018 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 2018 Project and payment is for such work and (iii) upon the occurrence of an Event of Default with respect to the Series 2018 Bonds, the Series 2018 Pledged Funds may be used by the Trustee and/or the District, to the extent acting individually or jointly, to pursue remedies, 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 Master Indenture, as supplemented hereby, provided such action does not adversely impact the tax-exempt status of the Series 2018 Bonds. After the occurrence of an Event of Default, the District shall not enter into any binding agreement to expend any amounts included in the Series 2018 Trust Estate unless authorized in writing by the Majority Owners.

Section 404. Series 2018 Costs of Issuance Account. The amount deposited in the Series 2018 Costs of Issuance Account shall, at the written direction of an Authorized Officer to the Trustee, be used to pay Costs of Issuance relating to the Series 2018 Bonds. On the earlier to occur of: (x) the written direction of an Authorized Officer or (y) six (6) months from the date of issuance of the Series 2018 Bonds, any amounts deposited in the Series 2018 Costs of Issuance Account which have not been requisitioned shall be transferred over and deposited into the Series 2018 Acquisition and Construction Account and used for the purposes permitted therefor, whereupon the Series 2018 Costs of Issuance Account shall be closed.

Section 405. Series 2018 Reserve Account. The Series 2018 Reserve Account shall be funded and maintained at all times, subject to the provisions of this First Supplemental Indenture, in an amount equal to the Series 2018 Reserve Account Requirement. Except as otherwise provided herein or in the Master Indenture, amounts on deposit in the Series 2018 Reserve Account shall be used only for the purpose of making payments into the Series 2018 Interest Account and the Series 2018 Sinking Fund Account to pay Debt Service on the Series 2018 Bonds, when due, without distinction as to Series 2018 Bonds and without privilege or priority of one Series 2018 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 2018 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) (or such other date that corresponds to the date mutually determined by the Trustee and the District pursuant to Section 408(c) hereof), the Trustee is hereby authorized and directed to recalculate the Series 2018 Reserve Account Requirement and to transfer any excess on deposit in the Series 2018 Reserve Account (other than excess resulting from investment earnings which shall be applied as provided in Section 408(f) hereof) into the Series 2018 Prepayment Subaccount of the Series 2018 Redemption Account to be applied to the extraordinary mandatory redemption of the Series 2018 Bonds.

On the earliest date on which there is on deposit in the Series 2018 Reserve Account sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2018 Bonds, together with accrued interest on such Series 2018 Bonds to the earliest Redemption Date permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2018 Reserve Account into the Series 2018 Prepayment Subaccount of the Series 2018 Redemption Account to pay and redeem all of the Outstanding Series 2018 Bonds on the earliest Redemption Date permitted therein and herein.

Anything herein or in the Master Indenture to the contrary notwithstanding, amounts on deposit in the Series 2018 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 2018 Bonds shall be as set forth in the form of the Series 2018 Bonds attached hereto.

(b) Upon any redemption of Series 2018 Bonds (other than (i) Series 2018 Bonds redeemed in accordance with scheduled Amortization Installments or (ii) Series 2018 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 2018 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 2018 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 2018 Bonds.

Section 407. Tax Covenants and Rebate Account. The District shall comply with the tax regulatory covenants set forth in the District's tax certificate executed in connection with the issuance of the Series 2018 Bonds.

Section 408. Establishment of Series 2018 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 2018 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 First Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2018 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 2018 Revenue Account the Series 2018 Assessment Revenues other than the Series 2018 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 2018 Prepayment Subaccount of the Series 2018 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 2018 Bonds (or if such forty-fifth (45th) day is not a Business Day, on the Business Day next preceding such forty-fifth (45th) day) (or such other date mutually determined by the Trustee and the District that is closer to a particular Redemption Date and will give the Trustee sufficient time to provide notice of the extraordinary mandatory redemption of Series 2018 Bonds as herein provided), the Trustee shall determine the amount on deposit in the Series 2018 Prepayment Subaccount of the Series 2018 Redemption Account, and, if the balance therein is greater than zero, shall transfer from the Series 2018 Revenue Account for deposit into the Series 2018 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000 (provided that there are sufficient funds remaining therein to pay Debt Service coming due on the Series 2018 Bonds on the next Interest Payment Date), and, shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2018 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2018 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Series 2018 Bonds set forth in the form of Series 2018 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 2018 Capitalized Interest Account to the Series 2018 Interest Account the lesser of (x) the amount of interest coming due on the Series 2018 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (y) the amount remaining in the Series 2018 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 from the amounts on deposit in the Series 2018 Revenue Account to the Funds and Accounts designated below the following amounts in the following order of priority:

FIRST, to the Series 2018 Interest Account, an amount equal to the amount of interest payable on all Series 2018 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2018 Capitalized Interest Account in accordance with Section 403(b) hereof and less any other amount already on deposit in the Series 2018 Interest Account not previously credited;

SECOND, on each May 1, commencing May 1, 20____, to the Series 2018 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2018 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2018 Sinking Fund Account not previously credited;

THIRD, to the Series 2018 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2018 Reserve Account Requirement with respect to the Series 2018 Bonds; and

FOURTH, the balance shall be retained in the Series 2018 Revenue Account subject to the following paragraph.

Anything in the Master Indenture or herein to the contrary notwithstanding, it shall not, in and of itself, constitute an Event of Default hereunder if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefore. The Trustee shall within ten (10) Business Days after the last Interest Payment Date in any calendar year, at the direction of the District, withdraw any moneys held for the credit of the Series 2018 Revenue Account as of November 2nd of such year which are not otherwise required to be deposited to other Funds and Accounts pursuant to this Section on such immediately preceding Interest Payment Date and deposit such moneys first to the credit of the Series 2018 Rebate Account in the amount, and to the extent necessary, so the amount on deposit therein equals the accrued rebate obligation under Section 148(f) of the Code, if the Trustee has received a certification from the District by such date detailing the amount of such obligation which shall be deposited. Any remaining amounts in the Series 2018 Revenue Account on November 2nd of any calendar year after making the payment, if any, required under the immediately preceding sentence, shall next be transferred to the District, at its written request, to be used to pay the operating and administrative costs and expenses of the District or be used for any other lawful purpose of the District; provided, however, that on the proposed payment date of any proposed transfer to the District, the amount

on deposit in the Series 2018 Reserve Account shall be equal to the Series 2018 Reserve Requirement and, provided further, that the Trustee shall not have actual knowledge of an Event of Default hereunder, including payment of Trustee's fees and expenses then due.

(e) On any date required by the Code, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2018 Revenue Account to the Series 2018 Rebate Account established for the Series 2018 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 the Code.

(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 2018 Bonds shall be invested only in Series 2018 Investment Obligations, and further, earnings on the Series 2018 Acquisition and Construction Account, the Series 2018 Interest Account and the Series 2018 Capitalized Interest Account shall be retained, as realized, in such Accounts or subaccounts and used for the purpose of such Accounts or subaccounts. Earnings on investments in the Funds and Accounts other than the Series 2018 Reserve Account, and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2018 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2018 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 2018 Reserve Account as of the most recent date on which amounts on deposit in the Series 2018 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2018 Reserve Account since such date which have created a deficiency, then earnings on the Series 2018 Reserve Account shall be deposited into the Series 2018 Capitalized Interest Account through ____ 1, 20____, and, thereafter earnings on the Series 2018 Reserve Account shall be deposited into the Series 2018 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 2018 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 2018 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2018 Reserve Account shall be deposited into the Series 2018 Reserve Account until the amount on deposit therein is equal to the Series 2018 Reserve Account Requirement, and then earnings on the Series 2018 Reserve Account shall be deposited into the Series 2018 Capitalized Interest Account through ____ 1, 20____, and, thereafter earnings on the Series 2018 Reserve Account shall be deposited into the Series 2018 Revenue Account and used for the purpose of such Account.

**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. 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. Limitation on Parity Bonds. Other than Bonds issued to refund the then Outstanding Series 2018 Bonds, the issuance of which results in net present value debt service savings, the District shall not, while any Series 2018 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2018 Trust Estate. The District further covenants and agrees that so long as the Series 2018 Bonds are Outstanding, it will not impose Assessments for capital projects on any lands subject to the Series 2018 Assessments, without the written consent of the Majority Owners, unless the Series 2018 Assessments have been Substantially Absorbed. Notwithstanding the prior sentence, the foregoing shall not preclude the imposition of capital Special Assessments on property subject to the Series 2018 Assessments which are necessary, as determined by the District, for health, safety or welfare reasons or to remediate a natural disaster or Operation and Maintenance Assessments. The Trustee is entitled to assume that the Series 2018 Assessments have not been Substantially Absorbed absent delivery to the Trustee of a certificate of the District Manager to the contrary on which the Trustee may conclusively rely.

**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 2018 Bonds issued hereunder. To the extent of any conflicts between the terms and provisions of the Master Indenture and this First Supplemental Indenture the terms and provisions hereof shall control.

Section 702. Continuing Disclosure Agreement. Contemporaneously with the execution and delivery hereof, the District has executed and delivered the Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities 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 by mandamus, injunction or any other means of specific performance as provided in the Master Indenture and such Continuing Disclosure Agreement.

Section 703. Additional Covenants Regarding Assessments. In addition to, and not in limitation of, the covenants contained elsewhere in this First Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2018 Assessments, including the Assessment Resolution and the Assessment Methodology, and to levy the Series 2018 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 2018 Bonds, when due. The District covenants and agrees that upon the occurrence and continuance of an Event of Default with respect to the 2018 Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments that are directly billed and collected by the District, and the provisions for the foreclosure of liens of Delinquent Assessments that are directly billed and collected by the District, all in a manner consistent with the Master Indenture and this First Supplemental Indenture.

Section 704. Collection of Assessments. Anything herein or in the Master Indenture to the contrary notwithstanding, subject to the next succeeding sentence, Series 2018 Assessments levied on platted lots shall be collected pursuant to the Uniform Method and Series 2018 Assessments levied on unplatted lots shall be billed and collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, unless the District determines that it is in its best interests to use the Uniform Method to collect such Series 2018 Assessments; provided, however, that Series 2018 Assessments levied on platted lots owned by the Developer may be billed and collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method. Prior to an Event of Default, the election to collect and enforce Series 2018 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 2018 Assessments pursuant to any other method permitted by law in any subsequent year. Following an Event of Default, Series 2018 Assessments levied on platted lots and pledged hereunder to secure the Series 2018 Bonds shall be collected pursuant to the Uniform Method and Series 2018 Assessments levied on unplatted lots and pledged hereunder to secure the Series 2018 Bonds shall be billed and collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method in each case unless the Trustee, acting at the direction of the Majority Owners of the Series 2018 Bonds Outstanding, provides written consent to a different method of collection. All Series 2018 Assessments that are billed and collected directly by the District and not via the Uniform Method shall be due and payable by the landowner no later than thirty-one (31) Business Days prior to each Interest Payment Date; provided, however, that such Series 2018 Assessments shall not be deemed to be Delinquent Assessments unless and until same are not paid by the applicable Interest Payment Date with respect to which they have been billed.

Section 705. Foreclosure of Assessment Lien. (a) Notwithstanding Section 814 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2018 Assessments and Series 2018 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2018 Assessments and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2018 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the District, after receiving the written direction of the Trustee, acting at the direction of the Majority Owners of the Series 2018 Bonds Outstanding, specifying whether the District is to take title to the property in its corporate name or in the name of a special purpose entity, may purchase the property for an amount less than or equal to the balance due on the Series 2018 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 2018 Bonds. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, acting at the direction of the Majority Owners of the Series 2018 Bonds Outstanding, shall have the power to and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2018 Revenue Account. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, acting at the direction of the Majority Owners of the Series 2018 Bonds Outstanding, agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the Series 2018 Bonds within sixty (60) days after the receipt of the request therefore signed by the Trustee, acting at the direction of the Majority Owners of the Series 2018 Bonds Outstanding. The District may pay costs associated with any actions taken by the District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture, provided such action does not adversely impact the tax-exempt status of the Series 2018 Bonds.

(b) Notwithstanding anything to the contrary herein or in the Master Indenture, the District acknowledges and agrees that (i) upon failure of any property owner to pay when due any installment of Series 2018 Assessments that are billed directly by the District, that the entire Series 2018 Assessments levied on the property for which such installment of Series 2018 Assessments is due and unpaid, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and, with the written direction of the Trustee, acting at the direction of the Majority Owners of the Series 2018 Bonds Outstanding, the District after being provided assurances satisfactory to it of payment, of its fees, costs and expenses for doing so, shall promptly, but in any event within one hundred twenty (120) days of the receipt of such direction, cause to be brought the necessary legal proceedings for the foreclosure of liens of Delinquent Assessments, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by Florida law.

(c) Notwithstanding anything to the contrary herein or in the Master Indenture, the District and/or the Trustee, to the extent acting individually or jointly, in pursuing foreclosure proceedings with respect to any lot or parcel delinquent in the payment of any Series 2018 Assessments, shall be entitled to first recover from any foreclosure, before such proceeds are

applied to the payment of principal or interest on the Series 2018 Bonds, all fees and costs expended in connection with such foreclosure, regardless whether such fees and costs could be construed as Series 2018 Assessments or Series 2018 Pledged Revenues.

Section 706. Requisite Owners for Direction or Consent. Anything in the Master Indenture to the contrary notwithstanding, any direction or consent or similar provision which requires more than fifty percent of the Owners, shall in each case be deemed to refer to, and shall mean, the Majority Owners.

Section 707. Assignment of District's Rights Under Collateral Assignment. Subject to the terms of the Collateral Assignment, and without intending to alter the same, the District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2018 Bonds. Such assignment shall not be considered an assumption by the Trustee of any obligations thereunder.

Section 708. Enforcement of True-Up Agreement and Completion Agreement. The District covenants that it shall strictly enforce all of the provisions of the Completion Agreement and the True-Up Agreement.

Section 709. Interpretation of First Supplemental Indenture. This First Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2018 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this First Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and the First Supplemental Indenture shall be read and construed as one document.

Section 710. Amendments. Any amendments to this First Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

Section 711. Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 712. Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this First Supplemental Indenture are hereby incorporated herein and made a part of this First Supplemental Indenture for all purposes.

Section 713. Payment Dates. In any case in which an Interest Payment Date or the maturity date of the Series 2018 Bonds or the date fixed for the redemption of any Series 2018 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

Section 714. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2018 Bonds.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Artisan Lakes East 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 EAST COMMUNITY
DEVELOPMENT DISTRICT**

Attest:

Secretary

By: _____
Chairman, Board of Supervisors

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

By: _____
Vice President

EXHIBIT A
DESCRIPTION OF SERIES 2018 PROJECT

[See Report of District's Consulting Engineers Attached Hereto.]

EXHIBIT B

FORM OF SERIES 2018 BONDS

No. R-__1

[\$[Bond Amount]

**United States of America
State of Florida
ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2018**

| | | | |
|--------------------|--------------------|--------------------|---------------------|
| Interest | Maturity | Dated | |
| <u>Rate</u> | <u>Date</u> | <u>Date</u> | <u>CUSIP</u> |
| _____% | May 1, 20__ | [Closing Date] | |

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT, a community development district duly established and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture hereinafter mentioned) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on May 1, 2019, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular Record Date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, 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 U.S. Bank National Association, located in Fort Lauderdale, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"), unless the Bonds are held in the book entry system in which case presentation shall not be required. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the Series 2018 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year composed of twelve 30-day months. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the hereinafter defined Indenture.

This Bond is one of a duly authorized issue of bonds of the District designated "\$[Bond Amount] Artisan Lakes East Community Development District Capital Improvement Revenue Bonds, Series 2018" (the "Series 2018 Bonds") issued under a Master Trust Indenture, dated as of December 1, 2018 (the "Master Indenture"), between the District and U.S. Bank National Association, located in Fort Lauderdale, Florida, as trustee (the "Trustee"), as amended and supplemented by a First Supplemental Trust Indenture, dated as of December 1, 2018 (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 2018 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 2018 Bonds to: (i) finance the Cost of acquiring, constructing and equipping assessable improvements (as more particularly described in Exhibit A to the Supplemental Indenture, the "Series 2018 Project"); (ii) pay certain costs associated with the issuance of the Series 2018 Bonds; (iii) make a deposit into the Series 2018 Reserve Account for the benefit of all of the Series 2018 Bonds without privilege or priority of one Series 2018 Bond over another; and (iv) pay a portion of the interest to become due on the Series 2018 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 2018 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 2018 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE SERIES 2018 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE

SECURED SOLELY BY, THE SERIES 2018 TRUST ESTATE, INCLUDING THE SERIES 2018 PLEDGED REVENUES AND THE SERIES 2018 PLEDGED FUNDS, PLEDGED TO THE SERIES 2018 BONDS, ALL AS PROVIDED HEREIN, IN THE MASTER INDENTURE AND IN THE SUPPLEMENTAL INDENTURE.

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes (2018), and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Series 2018 Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal and Redemption Price of, and the interest on, the Series 2018 Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Assessments, the terms and conditions under which the Series 2018 Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Series 2018 Bonds, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2018 Bonds are equally and ratably secured by the Series 2018 Trust Estate, without preference or priority of one Series 2018 Bond over another. The Supplemental Indenture does not authorize the issuance of any Additional Bonds ranking on parity with the Series 2018 Bonds as to the lien and pledge of the Series 2018 Trust Estate.

The Series 2018 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 2018 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 Fort Lauderdale, Florida, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Bond or Bonds, in the same aggregate principal amount as the Bond or Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Fort Lauderdale, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The Series 2018 Bonds are subject to redemption prior to maturity at the option of the District, in whole or part on any date, on or after May 1, 20[] at the Redemption Price of the principal amount of the Series 2018 Bonds or portions thereof to be redeemed together with accrued interest to the Redemption Date.

The Series 2018 Bonds maturing May 1, 20____ are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the Redemption Date on May 1 of the years and in the principal amounts set forth below:

| | | | |
|---------------------------|----------------------------|---------------------------|----------------------------|
| <u>May 1</u> | <u>Amortization</u> | <u>May 1</u> | <u>Amortization</u> |
| <u>of the Year</u> | <u>Installment</u> | <u>of the Year</u> | <u>Installment</u> |

* Maturity

The Series 2018 Bonds maturing May 1, 20____ are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the Redemption Date 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**

* Maturity

As more particularly set forth in the Indenture, any Series 2018 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 2018 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2018 Bonds (other than (i) Series 2018 Bonds redeemed in accordance with scheduled Amortization Installments or (ii) Series 2018 Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture) so as to re-amortize the remaining Outstanding principal balance of the Series 2018 Bonds as set forth in Section 406(b) of the Supplemental Indenture.

The Series 2018 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 Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Series 2018 Project, by application of moneys transferred from the Series 2018 Acquisition and Construction Account in the Acquisition and Construction Fund established under the Indenture to the Series 2018 Prepayment Subaccount of the Series 2018 Redemption Account in accordance with the terms of the Indenture; or

(b) from amounts, including Series 2018 Prepayments and transfers made pursuant to Section 403 of the Supplemental Indenture, required by the Indenture to be deposited into the Series 2018 Prepayment Subaccount of the Series 2018 Redemption Account; or

(c) from amounts transferred to the Series 2018 Prepayment Subaccount of the Series 2018 Redemption Account resulting from a reduction in the Series 2018 Reserve Account Requirement as provided for in the Indenture; or

(d) on and after the date on which the amount on deposit in the Series 2018 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2018 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2018 Bonds shall be called for redemption, the particular Series 2018 Bonds or portions of Series 2018 Bonds to be redeemed shall be selected by lot by the Bond Registrar as provided in the Indenture, or as provided or directed by DTC.

Notice of each redemption of Series 2018 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 2018 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 2018 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 2018 Bonds or such portions thereof on such date, interest on such Series 2018 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2018 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 2018 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. As provided in the Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

The Owner of this Bond shall have no right to enforce the provisions of the Master Indenture or to institute any 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 2018 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 Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

Any moneys held by the Trustee or 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 Defeasance Securities 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 2018 Bonds as to the Series 2018 Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida.

This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the 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 East 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.

**ARTISAN LAKES EAST COMMUNITY
DEVELOPMENT DISTRICT**

Attest:

Secretary

By: _____
Chairman, Board of Supervisors

[Official Seal]

**CERTIFICATE OF AUTHENTICATION
FOR SERIES 2018 BONDS**

This Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

Date of Authentication:

_____, 2018

By: _____
Vice President

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 November 5, 2018.

**ARTISAN LAKES EAST COMMUNITY
DEVELOPMENT DISTRICT**

Chairman

ABBREVIATIONS FOR SERIES 2018 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

JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____ under
Uniform Transfer to Minors Act _____ (Cust.) (Minor) (State)

Additional abbreviations may also be used though not in the above list.

FORM OF ASSIGNMENT FOR SERIES 2018 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.

EXHIBIT C

FORM OF REQUISITION FOR SERIES 2018 PROJECT

The undersigned, an Authorized Officer of Artisan Lakes East 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 U.S. Bank National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), dated as of December 1, 2018 (the "Master Indenture"), as amended and supplemented by the First Supplemental Trust Indenture from the District to the Trustee, dated as of December 1, 2018 (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):

The undersigned hereby certifies that [obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the Series 2018 Acquisition and Construction Account, that each disbursement set forth above was incurred in connection with the acquisition and construction of the Series 2018 Project and each represents a Cost of the Series 2018 Project, and has not previously been paid] OR [this requisition is for Costs of Issuance payable from the Series 2018 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 Series 2018 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 EAST COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Authorized Officer

**CONSULTING ENGINEERS' APPROVAL FOR NON-COSTS OF ISSUANCE
REQUESTS ONLY**

If this requisition is for a disbursement for other than Costs of Issuance, the undersigned Consulting Engineers hereby certify that this disbursement is for a Cost of the Series 2018 Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the corresponding Series 2018 Project segment and portion of the Series 2018 Project with respect to which such disbursement is being made; and (iii) the report of the Consulting Engineers attached as an Exhibit to the First Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

The undersigned further certifies that (a) the Series 2018 Project improvements to be acquired with this disbursement will be (1) owned by the District or another governmental entity and located on public property or within public rights of way or easements and (2) accessible by the general public and/or part of a public water management system; (b) the purchase price to be paid by the District for the Series 2018 Project improvements to be acquired with this disbursement is no more than the lesser of (i) the fair market value of such improvements and (ii) the actual cost of construction of such improvements; (c) the plans and specifications for the Series 2018 Project improvements have been approved by all regulatory bodies required to approve them or such approval can reasonably be expected to be obtained; (d) all currently required approvals and permits for the acquisition, construction, reconstruction, installation and equipping of the portion of the Series 2018 Project for which disbursement is made have been obtained from all applicable regulatory bodies; and (e) subject to permitted retainage under the applicable contracts, the seller has paid all contractors, subcontractors, and materialmen that have provided services or materials in connection with the portions of the Series 2018 Project for which disbursement is made hereby, if acquisition is being made pursuant to the Acquisition Agreement.

Consulting Engineers